



Your guide to credit approvals



FICO scores aren't the only deciding factor in applications for business loans. In reality, there are several aspects of a business that lenders consider, from time in business to bank balances and beyond. Let's dive into the details so you know what lenders are looking for when your customers apply for financing.

Credit approval factors

Time in business

Having a longer time in business can help prove a business' stability in the industry and ability to adapt with the economy.

Delinquency

How often a business owner is delinquent on accounts and how they've handled the recovery can impact their credit approval. Fewer, less frequent instances of delinquency are simply more favorable than habitual delinquency on one or more accounts.

Bank balances

A measure of a business' ability to make payments on financing contracts is its bank balances, especially its operating account. Daily and monthly bank balances can indicate if a business has the funds available to take on additional debt and make monthly payments on time and in full.

FICO score

The FICO score of a business owner or decision maker is itself a summary of his or her ability to manage personal finances. This is often used to understand how they manage business finances.

Credit line utilization

Underwriters want to verify how often a business owner is using credit and what they're using it for (not to mention, how much). This factor can indicate if the business owner is managing debt well or struggling to stay within their means. It also shows if he or she is close to reaching their maximum debt-to-credit ratio.

About CIT

CIT's Business Capital division empowers small, mid and large cap businesses by providing equipment financing solutions via technology-enabled platforms and market leading structuring expertise.

CIT is a leading national bank focused on empowering businesses and personal savers with the financial agility to navigate their goals. CIT Group Inc. (NYSE: CIT) is a financial holding company with over a century of experience, and operates a principal bank subsidiary, CIT Bank, N.A. (Member FDIC, Equal Housing Lender).

Get in touch

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Approved?

To start finalizing the financing, there are just a few things to know about.

Standard funding requirements

The lender will need to obtain acknowledgment from the business owner or decision maker to commence contract(s). This provides an opportunity to validate and verify the identity of the business owner or decision maker to protect the lender against identify fraud.

Customers will need

- Voided check to identify and verify business account
- Driver's license to verify identity
- Verification of equipment ownership (depending the type of purchase)
- Invoice from the vendor
- Proof of insurance on the asset (particular insurance type may vary per equipment being purchased)

Want to learn more about offering financing?

Let's connect.

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