

BASED ON _____ BUSINESS FINANCIALS
(Date)

BASED ON _____ PERSONAL FINANCIALS
(Date)

BUSINESS REAL ESTATE LOAN RISK RATING

Borrower: _____

Loan #: _____

Prepared By: _____

Date: _____

RATING FACTOR

Collateral: LTV CML Const Improved Cml Unimp Cml Land Land Development POINTS	< 75% < 80% < 60% < 75% 6	75-80% 80-85% 60-65% 75-80% 5	81-85% 86-90% 66-70% 81-85% 4	86-90% 91-95% 71-75% 86-90% 3	91-95% 96-100% 76-80% 91-95% 2	> 95% > 100% > 80% > 95% 1
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Debt Coverage: NOI/Debt Service POINTS	> 1.50 10	1.30 to 1.50 8	1.20 to 1.30 6	1.15 to 1.20 4	1.0 to 1.15 2	Negative or unable to validate 0
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Term: POINTS	Less than policy requirements 6	Any conforming term 5	1 to 3 years outside policy 4	3 to 5 years outside policy 3	5 to 7 years outside policy 2	> 7 years outside policy 1
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Collateral Type: POINTS	CD/Primevest, Marketable Securities 6	Owner-Occupied CML Bldg. 5	Church Leased CML Bldg. 4	Multi-Family/ Res. Rental Prop, Spec Const 3	Unimproved CML Land, Ag Land 2	Land Dev 1
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Borrower/Guarantor Liquidity: POINTS	Excellent liquidity, highly liquid with unpledged cash/ marketable securities available for debt service >15% of Assets 10	Good liquidity with some cash/marketable securities available for partial debt service 10-15% of Assets 8	Have some assets that could be converted into liquidity within a few months that could be pledged to support credit. 5-10% of Assets 6	Nominal degree of liquidity with little debt service backup from liquid assets 3-5% of Assets 4	Limited degree of liquidity. Assets could not be converted within 12 months. 1-3% of Assets 2	No liquid assets 0
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Personal FICO Score POINTS	710 or More 6	670-709 5	650-669 4	635-649 3	621-634 2	< 620 0
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Borrower Experience and Qualifications POINTS	Extensive experience with same type and size project as the subject transaction 10	Minimum 5 years experience owning and operating projects of this type. 8	Experience owning and operating projects of this type. Less than 5 years experience. 6	The transaction is larger or somewhat different nature than previous experience. 4	Related, not direct experience. 2	No experience Direct or related. 1
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Quality of Financials POINTS	Business: Annual – CPA audited. Interims – Company prepared. Individual: CPA prepared with schedules & tax returns 6	Business: Annual – CPA reviewed. Interims-Company prepared. Individual: Self-prepared with schedules & tax returns 5	Business: Annual – CPA compiled. Interims – Company prepared. Individual: Self-prepared With schedules AND/OR tax returns 4	Business: Annual – Company prepared. Interims – Company Prepared. Individual: Self-prepared with schedules, NO tax returns 3	Business: Annual – Compa prepared No interims provided. Individual: Self-prepared, No schedules OR tax returns 2	Business: stale information Individual: stale information 1
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TOTAL POINTS = _____

Deduct For:	(circle if applicable)	Comment
No Tax Escrow	3	
Deteriorating Trends	6	
Recent or Prior Slow Pay History	3	
Non-Enforced Repayment Plan	3	
Non-Compliance With Loan Agreement	6	
Excessive Revolving Balances (>15% income)	3	
Lien Not Perfected	30	

Deductions = (_____)

NET POINTS = _____

NET POINTS	=	RISK RATING	
> = 55	=	2	Pass Plus
40 to 54	=	3	Pass
29 to 39	=	4	Pass Minus
25 to 28	=	5	Pass Watch
17 to 24	=	6	OAEM
< = 16	=	7	Substandard

