

Lending Case Study

Case Study #1

Credit Application Information

Applicant Name: Joe Smith
DOB: 9/15/1985
Dependents: 1 (age 10)
Home: Own, for 5 years
Employer: Grocery Store
Title: Produce Manager
How long: 8 years
Salary/monthly net: \$1500

Co-Applicant Name: Mary Smith
DOB: 7/12/1987
Employer: Housing Authority
Title: Director
How long: 9 years
Salary/monthly net: \$750

Checking Balance: \$410
Savings Balance: \$2,700
CD's: \$900
Real Estate: \$65,000 – Home value
Autos: \$3,000 – auto values
Outstanding Debts: \$1,000 (Hospital bill – making monthly payments)

Credit Bureau Report Summary

Discover Card Balance of \$122
Target Card Balance of 0
Chase Card Balance of 0
Payment history Satisfactory – no late payments
Credit bureau score 760

Loan Request:

Amount: \$5400
Term: 60 months (requesting monthly payments)
For: House repairs and updates

CONSUMER CREDIT ANALYSIS

BORROWER:

TIME WITH EMPLOYER:

TIME AT PRESENT ADDRESS:

CREDIT BUREAU SCORE:

DEBT SERVICE RATIO:
(DEBT/INCOME)

LOAN TO ASSET VALUE:

OTHER FACTORS:

RECOMMENDATION:

Would you make the loan? If so, would you require collateral and what would it be?

Case Study #2

Credit Application Information

Applicant Name: Joe Burrow
DOB: 10/5/1979
Dependents: 0
Home: Own, for 1.5 years
Employer: Trucking Firm (sub-contractor)
Title: Truck Driver
How long: 3 years
Salary/monthly net: \$4200

Checking Balance: \$1100
Savings Balance: N/A
CD's: N/A
Real Estate: \$30,000 – 2 homes
Autos: \$5,000 – auto values
Truck/Trailer: \$10,000

Credit Bureau Report Summary

Child Support Balance of \$7000 – history of slow to no payment of child support
Credit Cards Balance of \$45,000 comprised of 6 credit cards/making monthly payments
Payment history Satisfactory – no late payments on accounts
Credit bureau score 685

Outstanding Debts: Credit Cards (\$500/monthly payment)

Loan Request:

Amount: \$5000
Term: 2 years
For: Truck repairs

CONSUMER CREDIT ANALYSIS

BORROWER:

TIME WITH EMPLOYER:

TIME AT PRESENT ADDRESS:

CREDIT BUREAU SCORE:

DEBT SERVICE RATIO:
(DEBT/INCOME)

LOAN TO ASSET VALUE:

OTHER FACTORS:

RECOMMENDATION:

Would you make the loan? If so, would you require collateral and what would it be?