**What is Ag Credit?**

In order to invest in the infrastructure needed for wholesale, you either need to have that money lying around or be a good candidate for a loan. To get a loan, you have to prove to a bank or other lender that you’re good to pay it back - the way lenders talk about your “worthiness” of a loan is **credit.**

**What is credit?**

Credit is how lenders determine your ability to pay back a loan. Your credit is based on these 5 C’s:

* + Capital (how much cash you’re willing to put in yourself)
	+ Collateral (what you have to trade if you don’t pay back your loan)
	+ Character (can someone vouch for your trustworthiness?)
	+ Conditions (does it sound like a good business plan?
	+ Capacity (credit history)

**What is capacity?**

Capacity is your credit history, which shows if you have taken out loans in the past and how good you were at paying them back. That includes not only making payments but making them consistently and on time.

Capacity is measured by a **credit score:**

* + On a scale of 300-850 (700+ is considered good)
	+ The higher the score, the more qualified you are for loans
	+ Determines not only if they should give you a loan but also the interest rate of that loan

Credit scores are NOT measured by lenders, but instead by 3rd party “credit bureaus”. There are only 3 credit bureaus in the US: Experian, Equifax, and TransUnion.

**What affects my credit?**

Despite popular belief, **none** of the following make your credit look bad:

* Having existing debt
* Paying off loans slowly
* Checking your credit score
* Putting all your debt in one place (like on one card)

**Bottom line: t**o get a loan, you should try to have good credit, and you need to know exactly what you want. Come ready to make your case about why your business idea is a good one and how reliable you will be to pay back your debt.