



# Loan Applications & Creditworthiness Worksheet

Guided Practice Activity

## Part 1: Understanding Creditworthiness

### 1. What are the "5 Cs of Credit" that lenders evaluate?

List and briefly explain each...

### 2. Explain how your credit score affects loan approval and interest rates:

## Part 2: Required Documentation

### 3. Create a checklist of documents needed for a loan application:

Document Type	Purpose	Do You Have It?
Document...	Why needed...	<input type="checkbox"/>
		<input type="checkbox"/>

Document Type	Purpose	Do You Have It?
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

## Part 3: Debt-to-Income Ratio

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**4. Calculate your debt-to-income ratio:**

Monthly gross income: \$

Monthly debt payments: \$

DTI Ratio: \_\_\_%

What does this ratio mean for your loan eligibility?

## Part 4: Application Strategy

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**5. What steps can you take to improve your creditworthiness before applying for a loan?**

List specific actions...

**6. Why is it important to shop around for loan offers from multiple lenders?**

