

All Your Commercial Equipment Needs
From Phone Systems to JETS
\$5,000 to \$\$\$\$Millions



Funding Visions
Developing Dreams

Did You Know?

TIP is the acronym for
"To Insure Promptness".

The first credit card was
issued by American
Express in 1951.

Issue: March 2007

The JGI Companies

140 Stoneridge Drive, Suite 130, Columbia, SC 29210
Phone: (803) 731-4847 Fax: (803) 731-5270
Email: bbledsoe@jgicompanies.com
Website: www.jgiinc.com

Newsletter

Definitions

Security Deposit

An amount paid at the beginning of the lease that is held by the Lessor until the satisfactory payment of all amounts due under the lease terms, at which time the security deposit amount is returned to the Lessee.

WELCOME to the JGI Newsletter. We at JGI value & respect our past, present & future clients and their businesses. We want you to be well informed about your financing choices and we want your business to grow as a result. We will endeavor to deliver relevant & timely information that will make your job easier. We welcome any suggestions you may have or ideas for topics you are interested in. Always feel free to contact us with any questions. We are here to help you find the best solution for you and your business.

Jim Jones, President & CEO

Betty M. Bledsoe, Leasing Director

*****WELCOME*****

The JGI Companies is please to welcome another new member to our team. She is Jessica Turner and she is coming to us as our Business Development Executive. Jessica has a background in healthcare and will be working in both the Development and Financing/Leasing divisions of JGI Companies. She can be reached at the office – (803) 731-4847 or on her cell phone – (803) 528-7652. Her email address is jturner@jgicompanies.com.

Why does JGI want to see my personal credit?

It's pretty simple really, so let's take a look at the reason.

The expectation of a business to fulfill its obligations is directly linked to the owner(s) personal financial history, with the exception of a public corporation or large firm with a multi-million dollar net worth. If, on the one hand, the business owner has maintained good credit in their personal finances, then it can be assumed that they will give the same attention and concern to debt for their business. On the other hand, if their personal credit is more on the negative side, it can be assumed that those traits will carry over into their business relationships. While this is not always the case and there can be many legitimate reasons for poor personal credit, it gives a good indication of future performance. Not just the payment performance is reviewed when checking personal credit. We also check for the amount of total credit card debt; the percentage of available credit on those cards; if the client is a homeowner; how many recent inquiries have there been; are there any judgments, collections or bankruptcies showing. We realize that most people, at one time or another, will have some small blemishes on their credit file, but as long as they can be explained and documented, they should not negatively affect the outcome of the credit decision.

To make an informed decision, we have to examine the business owners' personal credit in addition to the business credit. On the business side, we check bank accounts to see how long they have been opened; if there have been any NSF's during the previous twelve months; what the average bank balance has been and who is allowed to sign on the account. We call trade references that are listed on the application to see how long they have been doing business with our client and how the account has been handled. There are also sources for business credit reports that can be used to obtain additional information. If the business is a corporation, LLC or LP, we check with the Secretary of State to see when it was established and if it is in good standing with them. So you see, a credit decision on whether to finance a transaction is based on a number of both personal and business indicators. It's the sum of the total that will make the decision on whether the financing is approved.