

BusinessIQ™

Credit Limit Recommendation

Found on the Premier Profile Report and while using Standard DecisionIQ

Credit Limit Calculation

The credit limit calculation involves comparing the company being inquired upon against similar businesses as well as trade information specific to the company. The credit limit is based on the following factors:

- Combined Trade Lines (new and continuous trades)
- Recent High credit
- SIC
- Age of Business
- Intelliscore Plus™

These data elements are then utilized in a proprietary calculation which generates the Credit Limit potential for a business. A general description of how each data element modifies the potential credit limit is described in the following table.

Data Element	Credit Limit Potential Modifier
Number of Trades and Trade information	In general the higher number of trades and the higher the credit amount associated with these trades will result in a higher credit limit potential. The lower the number of trades and the lower the credit amounts associated with these trades will result in a lower credit limit. This calculation forms the basis for the adjustments which follow.
SIC	Based on the credit capacity by industry of data in the Experian database the credit limit potential can be adjusted up or down.
Age	In general the older a business is the higher the credit limit.
High Credit	Several data elements for the company and similar sized companies are utilized. In general the credit limit will be adjusted higher if a company has received above average high credits and lower if the reverse is the case.
Intelliscore	A major factor in adjusting the credit limit. Higher scores result in higher credit limits and lower scores resulting in lower credit limits. Lower scores have a more significant impact.

Credit Limit Table Ranges

The following table provides a general direction of the credit limits that will be suggested. Keep in mind these credit limits can be adjusted by the modifiers previously discussed.

Credit Policy Approach	Minimum Credit Limit*	Maximum Credit Limit*
Aggressive- Credit limit higher than average, generally at the 75 th percentile	\$5,300	\$378,500
Moderate- Credit limit at the average, generally at the 50 th percentile	\$1,300	\$118,500
Conservative- Credit limit lower than average, generally at the 25 th percentile	\$300	\$47,800

*Note: The above credit limit minimums and maximums can actually be higher or lower based on the factors present on the business and in the industry the business operates in as explained on page 1.