



CONSIDER THE 4CS OF CREDIT BEFORE APPLYING FOR AN RSP LOAN

Canadians have over **\$1 trillion in RRSP contribution room**. This equates to approximately **\$41,000** in unused contribution room on average per tax filer.¹

Save time by applying the 4Cs of credit basics to help determine if they may qualify before submitting their applications.

1 CAPACITY – Can your clients handle the debt?

Regular monthly debt payments (including the new RSP loan payment) should be **less than or equal to 40% of their gross monthly income**. We use the Total Debt Service Ratio (TDSR) to calculate capacity.



2 CAPITAL – Do your clients have a positive net worth?

Net worth should be **at least equal to the RSP loan amount** (or 1.5 times the RSP loan amount if the loan is greater than \$50,000).

Use our Net Worth and TDSR calculators to help determine whether your clients may qualify at b2bbank.com/calculators.



3 HISTORY – How have your clients managed credit in the past?

A **measure of creditworthiness** and helps determine the risk of a potential borrower.



4 CHARACTER – Do your clients have good financial management habits?

Look for **career stability, residence history and their willingness to provide complete information**. The better your clients' financial habits and history, the greater their chances of qualifying.



For more information on RSP loans and resources,
visit b2bbank.com/primerica.

1. Source: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=1110040#E6>

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