

WHAT IS CREDIT

Glossary of key terms

Term	What it means
Business credit history	Summarizes a business's history of borrowing and debt
Business line of credit	A type of credit that allows you to borrow up to a set limit and then pay interest only on the amount withdrawn
Credit	The ability to access goods or services with the promise of paying later
Credit bureau	A company that collects information related to credit ratings and makes it available to credit card companies, lenders and financial institutions
Credit mix	Describes the different kinds of credit accounts a person has used or is currently using
Delinquency score	Identifies the likelihood of a company making late payments on a loan
Employer identification number (EIN)	A unique identifier assigned to a business by the Internal Revenue Service (IRS)
Failure score	A relative measure of a company's risk of defaulting on a loan
Limited liability company (LLC)	A business structure that helps protect its owners from personal responsibility for debts or liabilities
Paydex score	A dollar-weighted score indicating a business's past payment performance
Personal credit history	A record of how a person has borrowed and repaid debt, including credit cards and loans
Sole proprietorship	A person who owns an unincorporated business by themselves
Term loan	A lump sum of money borrowed from a lender and then paid back on a fixed schedule, with either a fixed or floating interest rate