

# Loan Participations Made Easy



CULS' offers a monthly loan participation program providing credit unions the chance to increase revenue by taking advantage of their vast indirect auto loan pipeline originated through a network of franchise dealers across nine states. Loans are underwritten to uniform credit guidelines for prime loans (640 FICO and above) and are designed to maximize net yields while maintaining acceptable levels of credit risk and loss performance. CULS expertise, state of the art systems and nimble culture offer an attractive option for investing credit unions to grow their loan portfolio with quality assets that carry above average returns.

Funded loans are pooled together and sold monthly on a subscription program. CULS does all the work and provides all necessary reporting and analytics. Credit Unions get the benefits of indirect lending without the work or the risk.

Although CULS is a finance company, it benchmarks itself against credit unions for delinquency and loss purposes and is right in line with credit union performance.

CULS provides an easy solution to credit unions with extra liquidity and/or difficulty generating loan volume.

## The advantages to those participating are clear:

- **Program:** An alternative investment for credit unions with minimal risk and healthy returns
- **Product:** Participations of new and used indirect auto loans originated through a network of franchise dealers across 9 states
- **Lower Risk:** Each investor owns a share of each loan in the pool, spreading their risk out over 4,000+ loans regardless of the size of investment
- **Diversify:** Gain another pipeline of loans as well as a more diverse portfolio
- **Prime lending program:** Nothing sub-prime (640+ FICO scores)
- **Experience:** Regulator-friendly program with a 15-year+ track record

# FAQs - Credit Union Loan Source

**Q: Who can participate in the program?**

A: State chartered Credit Unions in AL, FL, GA, IA, IL, KS, MO, MN, WI.

**Q: What approvals are required to participate in the program? (NCUA, Board, underwriting?)**

A: Each credit union is required to obtain regulatory approval from the NCUA and their state regulator as well. The credit union may also need to take a formal vote to their Board.

**Q: What are the minimum commitments?**

A: The minimum monthly commitment amount is \$250,000 per month invested for at least 6 months or as little as \$100,000 per month on our B-class program\* with a 12 month commitment.

*\*\$295 purchase fee applies to B-class program*

**Q: Can we change our commitment?**

A: We try to be as flexible as possible, we can make adjustments to commitments with suitable notice prior to commencement of a pool.

**Q: Who originates and services the loans?**

A: CULS controls the entire life cycle of the loan, from origination to servicing and collections.

**Q: How frequently are pools sold?**

A: Loan pools are originated on a monthly basis. Each month a pool closes and there is a settlement of all loans that were purchased that month.

**Q: How does the credit union perform due diligence on the pool of loans?**

A: There is a structured process by which each credit union is able to perform audits on each monthly pool. During the onboarding process you will be given access to the Defi Loan Origination System as well as a file sharing site called ShareFile. ShareFile contains all of the reporting and information needed to conduct due diligence as well as monthly audits.

**Q: Are these carried as loans or investments on the credit union's books?**

A: Investment in CULS pools are carried as loans. They are recorded on the Participation Loan line on the credit union's call report.

**Q: How long does it take to get started?**

A: Credit Unions can get underway with CULS in as little as two months.

**Q: Is there a field of membership requirement?**

A: CULS loans are not memberized to investor credit unions (or any credit union for that matter). Loans are made in the CULS name to their customers.

**Q: What resources are required to support the CULS program?**

A: CULS does all the work and provides all the necessary reporting. Managing the investment can be done in a few hours per month.