



Agent Loan Participation Program

Your Credit Union's Resource for Buying and Selling Loans





What is the Catalyst Corporate Agent Loan Participation Program?

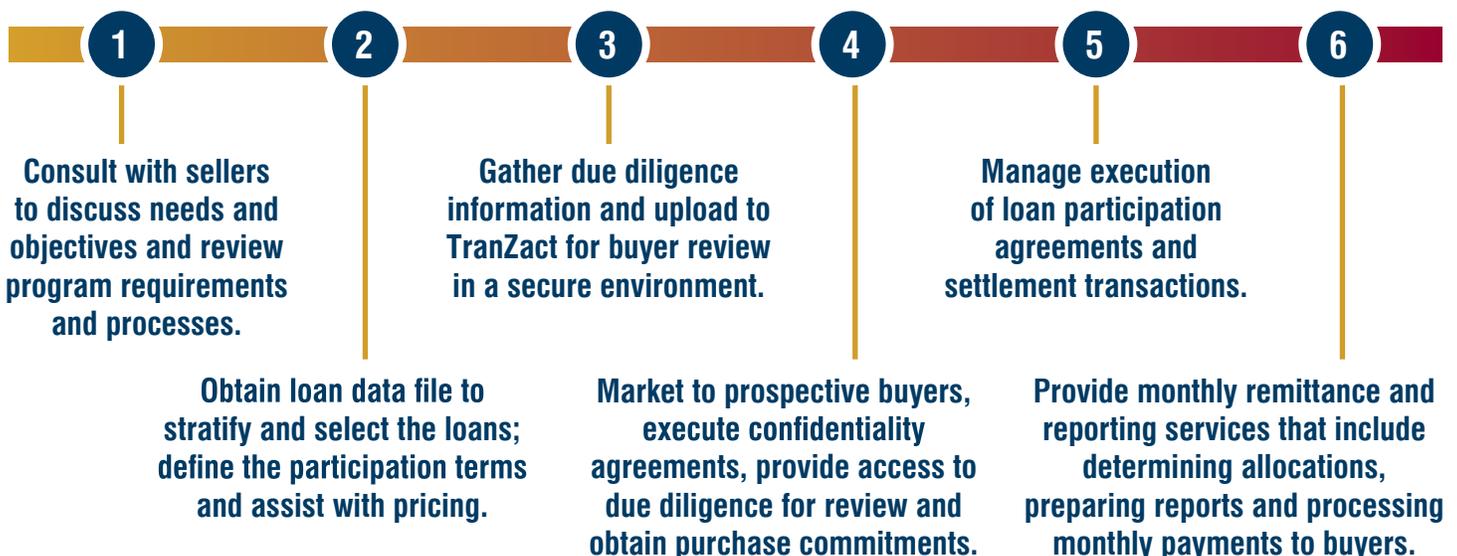
Catalyst Corporate offers an Agent Loan Participation Program that is open to all credit unions. This program brings together credit union originators that want to sell loans with credit union buyers that want to purchase an interest in a pool of loans. The services Catalyst Corporate provides include packaging and marketing the loan pools, hosting due diligence information in a secure environment, and monthly remittance and reporting services after the transaction is completed.

The Agent Loan Participation Program fills an important need for member credit unions in the management of their balance sheets, while allowing these valuable assets to remain in the credit union industry.

AMONG THE BENEFITS:

- Provides a comprehensive one-stop shop for all aspects of the process.
- The program employs a straightforward “standardized” process to manage the steps for buying and selling loan participations.
- Due diligence packages include loan files, policies, procedures, and detailed loan pool information for buyers to use in their decision making.
- Facilitates credit union management of balance sheet risk, liquidity and key regulatory ratios.
- Mitigates strategic challenges by deploying excess liquidity, augmenting loan demand, and limited loan portfolio diversification.
- Typical loan pools are made up of member automobile or first lien mortgage loan portfolios.

What is the process?



Seller FAQs

The program is open to many asset types, such as fixed-rate direct and indirect auto loans, fixed-rate first mortgage loans (10-, 15- and 30-year) and other types of loans. To initiate the process to sell loan participations through Catalyst Corporate's program, a credit union must have the following:

- A board resolution or policies authorizing loan participation sales by the credit union.
- A board resolution or evidence authorizing credit union officer(s) to transact a loan participation sale.
- Written approval and authorization to proceed.
- An executed Master Loan Participation Services Agreement with Addendum.
- A loan data file with qualifying borrower and loan details.
- Loan program performance history (includes delinquencies, loan losses, recoveries, etc.).
- Loan policies, procedures and underwriting guidelines.
- Servicing, collection, charge-off policies and procedures.

Please refer to the "Seller Documents" section in TranZact for a complete list of requirements that are provided to Catalyst Corporate prior to processing the loan portfolio.

For more information, visit online at www.catalystcorp.org/LPFaqs



Buyer FAQs

Any credit union can purchase loans; however, PCC-members (those that have made an investment in Perpetual Contributed Capital) receive first right of purchase. To buy a loan a credit union should:

- Review Catalyst Corporate's website for loan participations that are available or are upcoming for sale.
- Complete an Indication of Interest form and accept/agree to the terms in the Confidentiality Agreement.
- Log into the loan participation site on TranZact and review the due diligence information related to the particular pool of interest.
- To proceed, based on your due diligence review, submit a commitment to purchase, indicating the amount you wish to purchase.
- Download and sign the loan participation agreement. Scan and upload the signed agreement to TranZact. (A fully executed copy will be available prior to settlement).
- Deliver funds for purchase on settlement. For members: Ensure that sufficient funds are available in the credit union's main transaction share account by the settlement date. For non-members: Ensure that funds are delivered to the designated Catalyst Corporate account by the settlement date.

For more information, visit online at www.catalystcorp.org/LPFaqs





Why Catalyst Corporate?

Catalyst Corporate is a one-stop-shop that offers a full range of services making the process easy and convenient for all parties. Catalyst Corporate gathers a comprehensive package of due diligence information that includes policies, procedures and the entire portfolio of loan files or a random sample for larger portfolios. Catalyst Corporate will prepare the offer for sale and can assist in pricing the loan participation taking into account the specific terms, current market and other factors. Catalyst Corporate also hosts the due diligence information on a secure website for buyer retrieval and review, manages the execution of contracts between the seller and each buyer and processes the settlement transactions. The Agent Loan Participation Program keeps these valuable assets within the credit union industry.

Catalyst Corporate can also simplify the ongoing processing for the credit union seller by providing monthly remittance and reporting services.

Catalyst Corporate Federal Credit Union

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