



## Credit Union Loan Source Makes Participations Easy

Credit Union Loan Source (CULS), a partner of *LEVERAGE*, makes joining shared loan pools easy. CULS offers the chance for credit unions to improve their loan to share ratio and increase their yields. The program includes a consistent pipeline of quality, geographically diverse loans. These prime+ quality loans are originated through a network of over 1,800 franchise dealers across thirty states.

Despite uncertain times, the credit quality of CULS loans remains high with a YTD weighted average FICO of 757 (Minimum of 640). This is the benefit of a well-managed franchise dealer base across a large geography. Meanwhile, monthly pools are continuing to ensure your investment is reflective of current pricing and risk in an ever-changing market. Regardless of investment size, participants get a piece of more than 5,000 loans each month so exposure to loan level risk is minimal.

Funded loans are pooled together and sold monthly to over 135 investing credit unions across the country. Though purchases are made each month, due diligence is performed just once, prior to your first purchase. CULS provides a robust package for review that includes all policies, historical reports and even access to CULS loan origination system where all the originating documentation, including the loan agreements and credit reports, are available for review.

### With CULS, you will receive:

- **Operational excellence:** Industry expertise, uniform credit guidelines, loan documentation, performance analytics
- **Investors share in the risks and rewards:** Each credit union owns a portion of every loan in the Pool (5,000+)
- **Portfolio Diversification:** Geographic diversification from 30 states as well as asset class
- **Lower risk loans:** Prime lending program, nothing subprime (640+ FICO scores)
- **Transparency:** Regulator-friendly program with a long track record
- **Profitability:** The structure of CULS program is well-suited for a rising rate environment, as purchases are made just days after origination. Pricing is often adjusted numerous times per week, ensuring that our yields are reflective of today's market. Net Yields are on the rise and are expected to grow each month, allowing credit unions to take advantage incrementally.

For more information, click [here](#).

For more information about how CULS can assist your credit union, email [consult@myleverage.com](mailto:consult@myleverage.com) or call 855-9EXPERT (855-939-7378).

**LEVERAGE**  
[www.myleverage.com](http://www.myleverage.com)

# FAQs - Credit Union Loan Source

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

A: State chartered Credit Unions as well as banks can participate in CULS pools.

## **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, depending on the state, may need to seek approval from 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. We do require that investors sign a 6 month Commitment to Purchase and provide a 12 month Intent to Purchase.

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

A: We try to be as flexible as possible, we can make adjustments to commitments with 30 days' notice prior to commencement of a pool.

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

A: CULS controls the entire lifecycle of the loan, from origination to serving 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 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.