Loan Participations with LoanStreet

The Right Solution at the Right Time

PACUL SERVICES INC, A SUBSIDIARY OF THE PENNSYLVANIA CREDIT UNION ASSOCIATION

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Introduction

Purpose of This Document

This document is written to outline the benefits and mechanics of buying and selling loan participations; in particular, the benefits and mechanics of buying and selling loan participations through LoanStreet, a business partner of PACUL Services, Inc, a subsidiary of the PA Credit Union Association.

What is a Loan Participation?

In general, loan participation is an arrangement under which a lender (the originating credit union) originates a loan to a member and then sells some portion of the same loan to one or more credit unions.

> "Purchasing a loan through LoanStreet has given SPE FCU the opportunity to invest and/or redirect some of our excess capital."
>
> Michael Scott
> CLO, SPE FCU (PA)

Why Buy or Sell a Loan Participation?

Credit unions, both buyers and sellers of loans, choose to engage in loan participations for a variety of reasons, including income generation, diversification and risk management. Loan participations allow credit unions with lower overall loan demand to increase their loan-to-share ratio and generate additional interest income. Loan participations also allow a credit union to diversify their loan portfolio, for example, by purchasing a variety of term loans including business loans, without incurring the burdens of servicing or the costs associated with originating business loans.

Participations allow originating (selling) credit unions to make above lending limit loans or loans that would otherwise exceed member borrowing limits or regulatory caps. In addition, a strong loan participation program allows originating (selling) credit unions to grow their non-interest income through up-front premiums and servicing spreads while keeping within their own loan concentration limits. Plus a robust loan participation network can provide selling credit unions a source of liquidity.

> "Purchasing loan participations allowed us to meet our loan goals in the beginning of the year, when we were behind in loan growth due to timing issues of originations."
>
> Justin Howard
> CEO Horizon FCU (PA)

In addition to the improved diversification and risk profiles that loan participation programs offer, credit unions can also improve their revenue profile with a robust loan participation program. Originating (selling) credit unions can generate premiums and servicing income.

Table 1 below outlines some of the most common reasons credit unions engage in loan participations.

TABLE 1

Reason For Participation	Sellers	Buyers
Diversify Balance Sheet	X	X
Geographic Diversification		X
Asset Liability Management	X	X
Risk Management	X	X
Loans to One Borrower Limits	X	
Increased Non Interest Income	X	
Increased Interest Income		X
Manage MBL Cap (and other concentration limits)	X	

If a seller would perpetually participate $10 million in participated (sold) loans with a 50 basis point servicing spread, the seller would generate approximately $50,000 of servicing income per year. For longer duration loans, like home mortgages (where the weighted average life of all loans sold could exceed 6 years), this equates to more than $300,000 in additional non-interest income. In addition, for every $10 million in principal of loan participations sold, up-front non-interest income of $100,000 could be generated for each point of premium above par. For example, the sale of $10 million in principal of loan participations at a price of 103% of par will generate an additional $300,000 in non-interest income from premiums.[1]

For purchasers, loan participations offer a source of interest income in excess of what can be earned from credit union permissible investments. Overall, there is roughly a 4 point difference between loans and permissible investments of the same expected duration. For example, a purchase of $10 million in principal of loan participations could generate an additional $300,000 in interest income over a similar duration permissible investment.

Loan Participation Requirements

The basic requirements governing loan participations by credit unions are set out in Section 701.22 of the NCUA Rules and Regulations. The requirements of Section 701.22 apply to both the originating (selling) credit union and the purchasing credit union. In general, this provision requires purchasers have some degree of familiarity with the types of loans in which they participate. In addition, because the purchasing credit union will technically be a "lender" for the portion purchased, the purchasing credit union must comply with all applicable requirements (e.g. loans to one borrower provisions or member business loan rules) as if it had originated the loan being participated. Purchasers of loan participations must also maintain a written **Loan Participation Policy** that establishes underwriting standards for loan participations, sets a limit on the aggregate amount of participations that a credit union may

[1] See Addendum for Examples of Loans "Sold at a Premium"

purchase from any single credit union.[2] In order for the transaction to comply with the rule, the originating (selling) credit union must retain at least a 10% interest in the loan for the life of the loan. Exceptions to this requirement may apply for certain non-federally chartered credit unions.

Finally, all loan participation transactions must be governed by a written **Loan Participation Agreement.** The agreement needs to be authorized by the credit union's board of directors (or if allowed under the credit union's loan participation policy, a committee of the board or senior management). At a minimum the participation agreement needs to specifically identify the loans being purchased, the interest in the participated loans retained by the originating (selling) credit union, who has custody of the original loan documents, how the buyer gains access to the relevant information to properly monitor the loan, the responsibilities or all parties with respect to all aspects of the participation, including servicing, defaults, foreclosures, collections, and ongoing administration of the loan, and lastly the circumstances under which participants may replace the servicer of the loans.

"Once [our participation policy] was approved by the Board of Directors, closings were happening within three business days."

Colleen Madar
CEO, Vantage Trust (PA)

LoanStreet provides credit unions with both a free sample **Loan Participation Policy** and a free standard **Loan Participation Agreement.**

Typical Participated Loan Products

The most common types of loans participated by credit unions are term loans. Within that broad category, the most common asset classes are auto and auto lease loans, non-conforming residential loans (both first and second lien as well as purchase and home equity loans), recreational vehicle loans (e.g., motorcycle, camper, 4x4s and boats), and member business loans (often covering commercial real estate). Generally, auto loans and recreational vehicle loans are sold in pools. Mortgage loans are also often sold in pools, but can be sold individually. Business loans are generally sold on an individual basis. Whether loans are sold as a pool or individually, the purchaser is acquiring a right to the interest and principal to each individual loan. In fact, as a regulatory matter, credit unions cannot purchase an interest in a pool, i.e., they must own each loan individually. The loan pool is a means of bundling together groups of loans with similar traits to facilitate marketing of large numbers of loans at the same time.

"[W]e were looking for a channel through which to purchase commercial loan participations and possibly auto pools. We found both types of loans for sale on the LoanStreet platform."

Kevin, Nafziger
Business Lending Officer, Park View FCU

[2] NCUA Regulation 701.22 Sets a limit on the aggregate amount of loan participations that may be purchased from any one originating lender. They may not exceed the greater of $5,000,000 or 100 percent of the federally insured credit union's net worth, unless this amount is waived by the appropriate regional director, and, in the case of a federally insured, state-chartered credit union, with prior written concurrence of the appropriate state supervisory authority;

Overview of the Mechanics of Loan Participations

Each loan participation whether the transaction involves the sale of individual loans or a pool of loans, involves four basic functional stages. Each functional stage covers a number of individual steps, each of which, if not managed efficiently, has the potential to make loan participations an expensive and time consuming process. All of which could potentially reduce the full economic benefits of loan participations including risk management and income generation. In this paper the four functional stages are classified as Matching, Negotiation of an Appropriate Agreement, Processing and Reporting and Payments. Although each of these functional stages may overlap in time, it is helpful to consider them separately as they each involve discrete actions and functions related to the loan participation transaction.

Matching

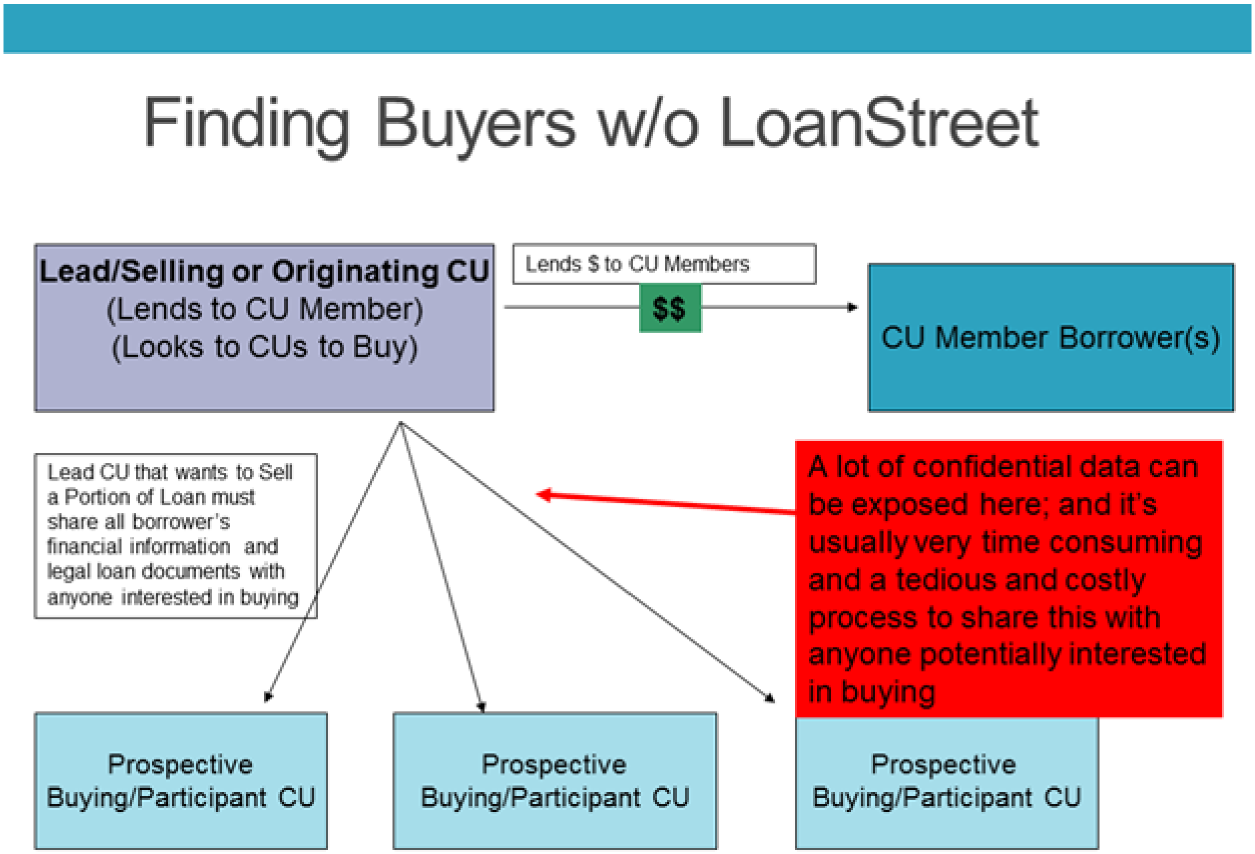
The matching stage is the part of the loan participation process where originating (selling) credit unions and potential purchasers are brought together. Unless a seller has an established network of buying credit unions, an originating (selling) credit union will need to contact a significant number of potential purchasers in order to have a robust program that can provide an ongoing source of revenue and liquidity. LoanStreet's experience suggests that for every purchaser that completes a transaction, an originating (selling) credit union will generally have three or four potential purchasers initially interested in the transaction. This involves a lot of information sharing among a group of potential purchasers.

Matching involves much more than just pairing originating (selling) credit unions with potential purchasers. The matching stage also involves setting pricing for the deal, a key component for both sellers and buyers.

> "While Lanco was very fortunate to have a strong business lending program and a strong local network to sell loan participations, we found ourselves at or near our regulatory cap, as well as near our per-member cap. So too did the credit unions buying from us. This had the potential to cause us to turn away good business members. LoanStreet's platform allowed us to keep lending."
>
> Stacey Hankey
> CEO Lanco FCU (PA)

It is important to note that just because an originating (selling) credit union decides to sell a pool of loans, that does not mean that a single buyer will (or has to) purchase the entire pool. Historically, having a single purchaser may have been preferred given the potential complexities of the process and the challenge of dealing with many counterparties. However, this outcome unnecessarily limits the pool of potential capital available to purchase loan participations and largely excludes smaller credit unions from the loan participation market. The exclusion of smaller credit unions from purchasing loan participations, can ultimately contribute to the closing of a significant number of small credit unions, threatens the long-term success of the entire credit union movement. For this reason, Pacul Services, Inc is grateful for the partnership with LoanStreet whose technology now levels the playing field and makes selling to smaller institutions easier and efficient for larger institutions.

Graph 1 below shows the labor intensive process of sharing individual loan data with potential participants without the use of LoanStreet's cloud based platform.



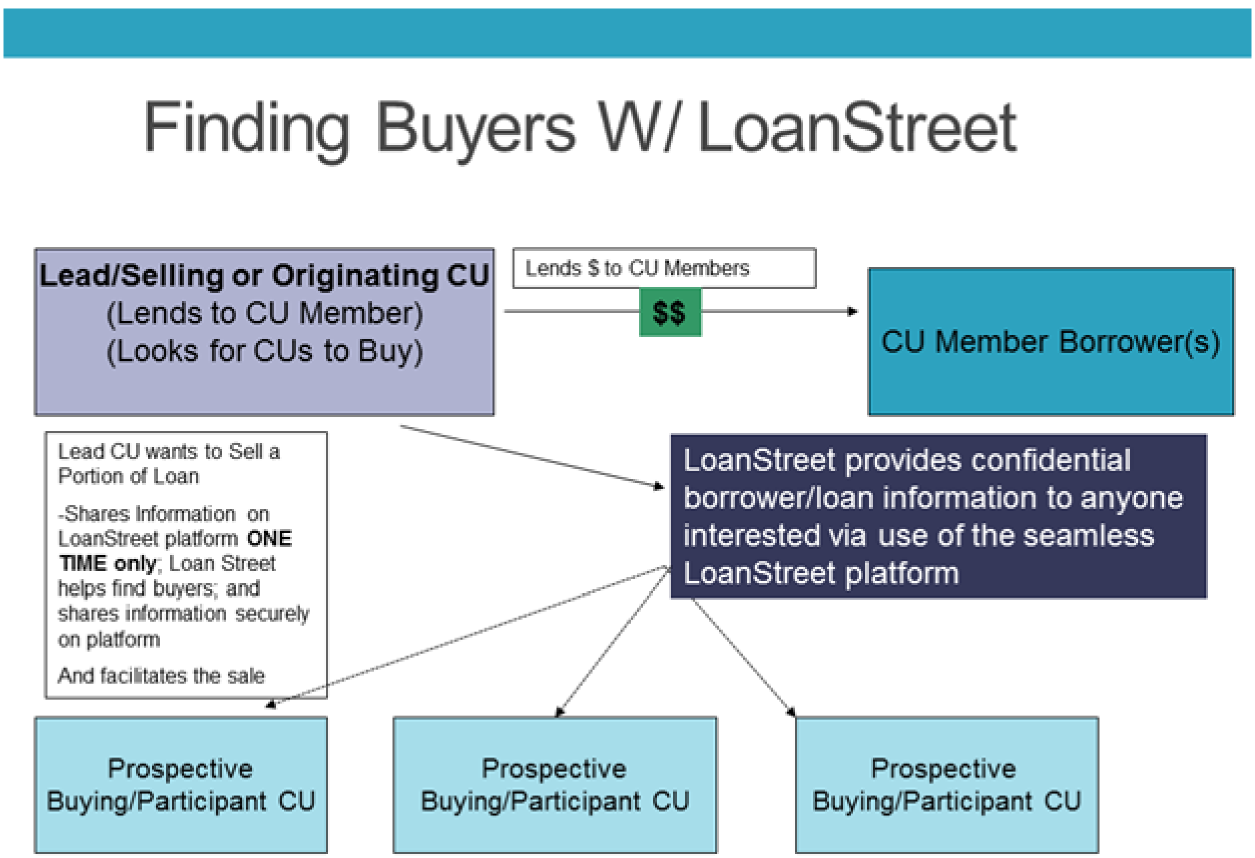
Whether loans are sold on a one-off basis, or as a pool, potential purchasers will still need to conduct their due diligence on the loans being considered for purchase. As a result, originating (selling) credit unions need to disclose and share a lot of information with each potential purchaser about the individual loans being sold and about their institution, its policies and other details, all which can make the process of selling loans an expensive and time consuming endeavor, especially when the seller needs to share the data with a number of potential buyers. Adding complexity, risk and expense to this process is the need to share loan level information in a safe and secure manner.

LoanStreet believes that automation is the key to improving execution and reducing costs while maintaining data integrity and security for all involved parties. With LoanStreet, registered users gain access to its national group of users as well as its strategic partnerships which together allow originating (selling) credit unions to reach approximately 4,500 potential partners. LoanStreet clients can use the system to automatically connect with other credit unions on the platform to find potential purchasers directly through the platform. As Jim Calista, Mortgage Manager at Freedom CU noted, "Freedom was able to post loans and begin conducting sales to other credit unions outside their geographic region with no assistance from LoanStreet, which in their opinion is a testament to how well the platform is built."

> "In the past we had issues with institutions not having a file transfer portal, not being able to accept a file due to size, etc. Now, all that goes away. With LoanStreet's online platform we can quickly upload an entire file. Interested parties can see as much or as little as they want to."
>
> Jim Calista
> Mortgage Manager, Freedom CU (PA)

In addition to providing a secure efficient way to share information with a number of potential buyers, LoanStreet allows a seller to have full control over which potential buyers have access to their loans. LoanStreet uses a cloud based system which has an encrypted database to allow users to conduct diligence on each loan available for sale, as well as on the originating (selling) credit union. By having a single secure location to store sensitive information, LoanStreet is able to help originating (selling) credit unions reduce the costs and speed up the due diligence process. Instead of preparing materials for each potential purchaser, the originating (selling) credit union only needs to upload the materials to LoanStreet's secure site once. Potential purchasers only need access to the internet to be able to complete their due diligence on each loan being participated. The result is a significant reduction in time and expense for all parties. LoanStreet also provides an encrypted messaging service that allows sellers to send the same message to all participants simultaneously.

Graph 2 below shows the same process of sharing individual loan data with potential participants with the use of LoanStreet's cloud based platform.



Negotiation of Agreements

The negotiation of agreements stage is the part of the loan participation process where originating (selling) credit unions and potential purchasers agree and document the terms of the loan participation transaction. Once an originating (selling) credit union locates potential purchasers for a loan participation, in order to comply with the requirements of Section 701.22, they will need to negotiate a new participation agreement with the potential purchaser. While the parties can negotiate an agreement concurrently while conducting their diligence review, the need to negotiate a new agreement for each transaction adds additional costs to the process, both through increased legal fees and additional execution risk. When considered along with the need to potentially negotiate with multiple purchasers, some of whom may eventually decide not to complete the transaction; it is easy to understand how the costs of conducting loan participations using these historic practices can significantly limit the appeal of conducting loan participations.

> "I had tried this process with a different company that required individual agreements with each selling credit union. The initial process with that company was so cumbersome that I severed that relationship before I could make any purchases."
>
> Colleen Madar
> CEO, Vantage Trust FCU (PA)

> "Using the LoanStreet provided Agreement eliminates the need to prepare each document individually and reduces the time correcting human error. It also speeds up the lending process because the purchasing credit union doesn't need to conduct a legal review of each separate agreement if they are buying more than one loan through Loan Street."
>
> Stacey Hankey
> CEO, Lanco FCU (PA)

LoanStreet believes these issues have been resolved through automation and standardization of the agreements used for loan participations sold across their platform. As part of the registration process for LoanStreet, users can agree to use LoanStreet's standard participation agreement. Although users have the option to use their own agreement or seek to modify LoanStreet's standard agreement, almost all choose to use LoanStreet's standard agreement. Use of this standard agreement significantly reduces execution costs. Several users have noted that being able to rely on the standardization that LoanStreet offers has streamlined the process, saved time and ultimately saved money. LoanStreet's standard agreement is designed to tie into the transaction confirmations through the platform and meet the requirements of Section 701.22 of the NCUA rules and regulations.

> "Use of the single agreement working across all credit unions saves time."
>
> Jamie Rinehart,
> CFIO, Horizon FCU (PA)

> "Our credit union's legal counsel reviews all new participation agreements. So having one single agreement for most credit unions using LoanStreet saves SPE a considerable amount of time and money. We consider this a huge benefit."
>
> Michael Scott,
> CLO, SPE FCU (PA)

Processing and Reporting

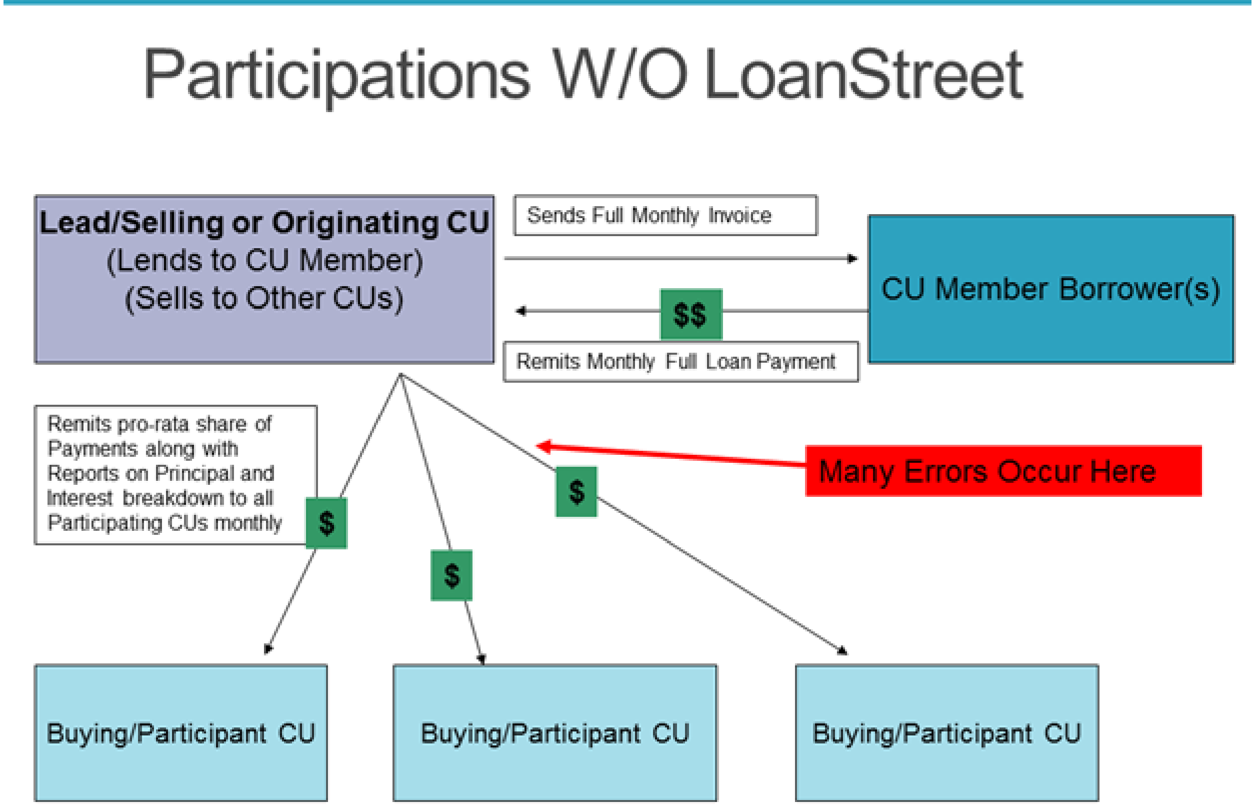
Once a specific loan participation transaction has closed, the originating (selling) credit union and the purchaser enter into long-term relationship, which constitutes the processing and reporting stage of the process. Under the applicable regulations, the originating (selling) credit union needs to keep their purchaser partners appropriately updated about developments in the loan so the purchaser can fulfill its monitoring obligations throughout the life of the participation-not just at or prior to when the participation is purchased.

This need for continual information sharing that started during the due diligence process in the matching stage, is done in a variety of ways by credit union sellers not using the LoanStreet platform. LoanStreet has found that a number of the manual ad-hoc ways used by credit unions frequently lead to incorrect payments to purchasers (sometimes to their advantage and other times to their detriment). This type of manual ad-hoc reporting places additional burdens on credit union accounting and finance departments of both buying and selling credit unions. It wastes resources and is prone to human error. While it might seem intuitive that the originating (selling) credit union should just apply 90% (or the applicable percentage of the loan participated) of the payments received each month to the purchaser's account, this is rarely the case. Such an approach is not capable of accounting for the numerous events, some cash and other non-cash increases in principal, that may occur during the month, such as the need to track and account for default insurance, CPI, skip-a-pay programs, legal or collection costs, or payment reversals, that can occur month to month and across months to name just a few.

For institutions with multiple loan participation partners, they may find what satisfies one institution with respect to monthly reporting does not work for another, or that information coming from one originating (selling) credit union is significantly different from what they receive from another.

In LoanStreet's experience, it is common, even in the most straight-forward of payment scenarios, for originating (selling) credit unions to incorrectly calculate the amounts owed to their partners each month. In particular, many credit unions struggle to accurately report "cash" versus "non-cash" principal increases in the principal balance of the loan and how those increases alter future distributions to their partners.

Graph 3 below depicts payment and report distribution without the use of the LoanStreet platform



Over the life of the participation, the originating (selling) credit union notifies LoanStreet of the payment activity on the individual loans being managed on LoanStreet by uploading data through an encrypted and secure portal. LoanStreet provides monthly reports on each loan purchased and managed on the platform. Because LoanStreet collects a significant amount of information on each loan, these monthly reports tend to be highly detailed helping credit unions meet their regulatory obligations and accurately process their general ledger slips.

For originating (selling) credit unions, LoanStreet prepares a monthly report that details the exact amount of principal, interest and other amounts that should be distributed to, recouped or retained from each participant in a loan. This data is reconciled against information provided directly by the originating (selling) credit union, which enables LoanStreet to detect errors in monthly reporting and work with sellers as needed to make sure accurate information is recorded for each loan and that appropriate amounts are distributed to the partners.

LoanStreet does not directly service loans or communicate with borrowers. It is unlikely that members or borrowers will even know LoanStreet exists. The originating (selling) credit union retains the servicing rights and continues to manage the loan with their member.

Once the originating (selling) credit union has validated the monthly report, LoanStreet then updates the purchasers and reports all of the amounts owed by each originating (selling) credit union to each purchaser, meaning there are no additional costs or time needed for an originating (selling) credit union to sell to one or multiple purchasers, thereby expanding the total pool of capital available for loan participations.

In addition to the benefits of automated reporting and payment distribution, LoanStreet's secure messaging system notifies each participant in a loan when the seller posts new information regarding a loan in the secure data room, prompting log-in to LoanStreet by participants in order to access the new information and monitor the loan.

For purchasing credit unions, LoanStreet provides detailed reports on each loan purchased and managed on the platform. For purchasing credit unions that have bought into multiple loans sold by multiple originating (selling) credit unions, the monthly report contains an aggregate list of those loans summarized by pool. The report also provides loan level detail for each participated loan. These reports provide a simple breakdown of principal, interest, fees, insurance premiums, servicing spreads among other items on each loan and the total cash that the buyers should expect from sellers each month along with the performance of the loan for their call reports. By performing the calculations and creating robust and standardized reporting, LoanStreet provides purchasers with additional assurance regarding the integrity and accuracy of the information they receive from the originating (selling) credit union.

Payments

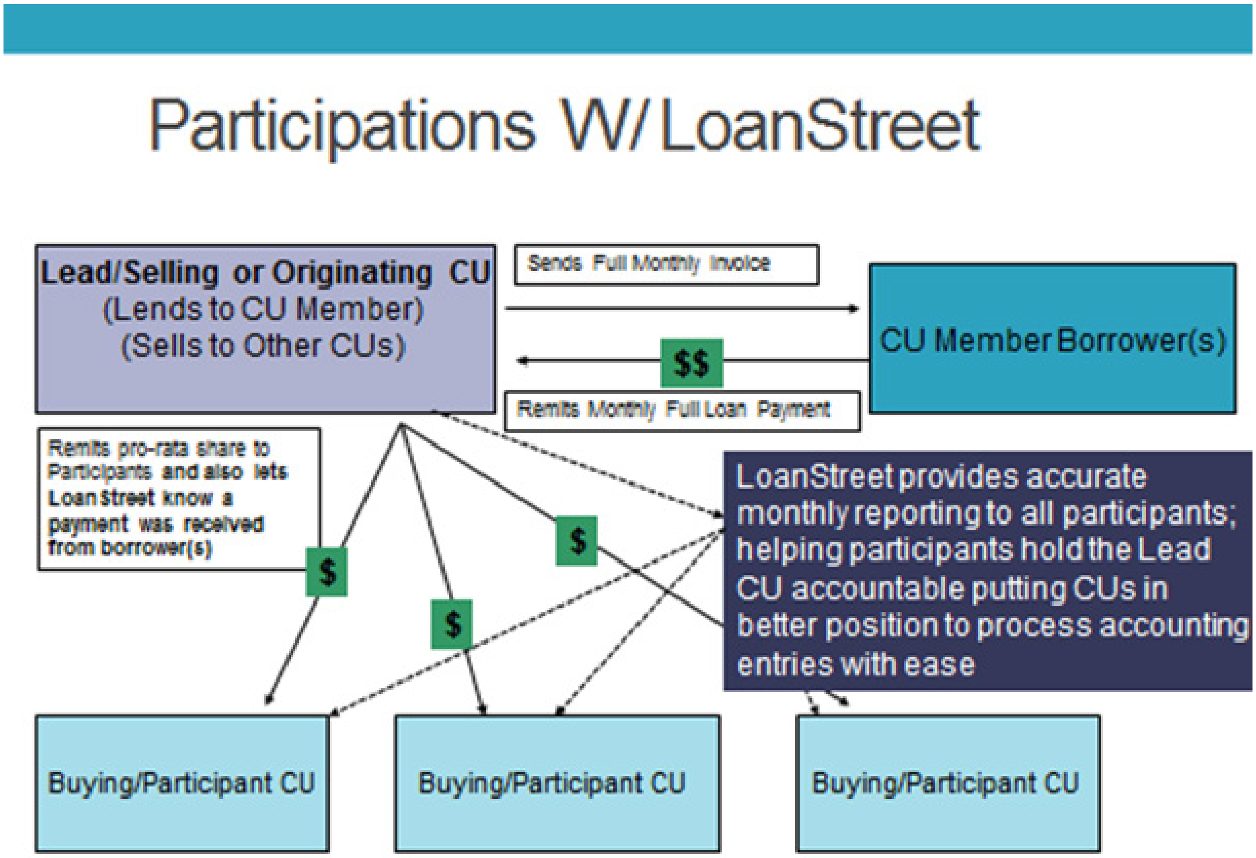
The payments functional stage is the part of the loan participation process where originating (selling) credit unions remit payments to their partners. Historically, originating (selling) credit unions would calculate payments for each participant in a loan individually. As a result, processes, particularly at institutions that do not do a significant number of participations were not generally well-defined; resulting is a significant error rate for payments.

"In the past, if we had 10 participations our accounting department had to calculate and remit payments on an individual loan basis. Now, we'll be able to wire a single payment to LoanStreet each month and they'll handle the individual payments to the participating institutions."

Jim Calista
Mortgage Manager, Freedom CU

LoanStreet has the ability to handle making payments to an originating (selling) credit union's partners on request. This allows an originating (selling) credit union to send a single payment to LoanStreet and then LoanStreet will distribute the appropriate amounts to each participant in the loan. If an originating (selling) credit union prefers to handle payment directly, LoanStreet's detailed reporting provides originating (selling) credit unions with specific payment instructions for each loan managed on the system.

Graph 4 below depicts the process of remitting payments and reports through the LoanStreet platform.



User Case Studies

LANCO Federal Credit Union (Seller)
Lanco Federal Credit Union is a community based credit union operating in Lancaster County PA. Lanco has approximately $84 million in total assets and approximately 10,500 members. According to Stacy Hankey, Lanco's CEO, Lanco is very fortunate to have a strong business lending program. However, because of the strength of this program Lanco is near our regulatory cap, as well as near its per-member cap in many cases. For the last few years Lanco was able to sell loan participations to area credit unions and developed a very strong local network. As Lanco's portfolio continued to expand Lanco found that its local network was also starting to reach their per borrower caps. Lanco needed to quickly expand its network so that it could continue to help its members with their business loan requests. Like many credit unions, Lanco never wants to turn away a good member!

<u>Matching:</u> Lanco turned to LoanStreet to help it expand its network of potential participation partners. According to Hankey, LoanStreet "did exactly what we needed. We have been able to sell participation loans to credit unions that are out of our geographic area, and have begun to develop strong relationships with these credit unions as well."

<u>Other benefits:</u> As a selling credit union Lanco found that having one master agreement

definitely streamlines the process and saves time for both the seller and the purchaser. Hankey says that, "we used to prepare each agreement individually. . . . Since all LoanStreet clients are using the same agreement it speeds up the process because the purchasing credit union doesn't need to conduct a legal review of each separate agreement." Moreover, whenever something is done manually, you are leaving room for human error and these errors can be time-consuming to correct and can cause additional obstacles for the credit union.

"Lanco has also found the LoanStreet staff to be very accessible to answer questions if needed. I was able to post my first round of loans for sale with no assistance . . . . In my opinion this is a testament to how well the platform was built."

Vantage Trust Federal Credit Union (Buyer)
Vantage Trust Federal Credit Union, is a community chartered credit union located in Wilkes-Barre, PA. Vantage Trust has assets totaling approximately $57.5 million and 7,582 members. According to Colleen Madar, Vantage Trust's CEO, Vantage Trust had a Loan-to-Share ratio of 31% and excess liquidity. Moreover, "interest rates on Vantage Trust's current investments were not producing high enough yields." Vantage Trust had "tried this process with a different company," but according to Madar, she found the process to be "so cumbersome that I severed that relationship before I could make any purchases."

Vantage Trust turned to LoanStreet to improve its balance sheet and generate additional income. Madar says that, "by purchasing . . . loans through LoanStreet we increased our Loan-to-Share Ratio, income, capital and ROA." Vantage Trust was able to purchase loans from multiple credit unions on LoanStreet. Having one single agreement with LoanStreet made these purchases easier. As a result of partnering with LoanStreet, Vantage Trust was able to increase its gross income $8,500 per month. ***In fact, "[m]y NCUA examiner was very surprised with how quickly we were able to make purchases to boost income. The examiner was pleased to be able to look at the individual loan files as well."*** Moreover, there were no problems underwriting any of the loans or the purchase process.

LoanStreet's website is very user friendly, according to Colleen Madar CEO at Vantage Trust. In addition, the staff is very helpful. LoanStreet staff started the process by helping me create a Loan Participation Policy. Once that was approved by the Board of Directors, closings were happening within 3 business days. The longest part of the transaction was involved in reviewing the loans to be sure they fit our policy limits and guidelines. "I would definitely recommend using LoanStreet to other Credit Unions. There is minimal work involved with a great return. This is the easiest way to grow loans and income!"

Freedom Credit Union (Seller)
Freedom Credit Union is a nearly $750,000,000 credit union based in Warminster, PA with approximately 60,000 members.

According to Jim Calista, Mortgage Manager at Freedom CU, LoanStreet has helped to resolve a number of the inefficiency we faced with our loan participation program:

<u>Matching:</u> First is accessibility. In the past, we had issues with institutions not having a file transfer portal, not being able to accept a file due to size, etc. Now, all that goes away. With

LoanStreet's online platform we can quickly upload an entire file. Interested parties can see as much or as little as they want to.

Second is Scope. Previously we'd initiate discussions on an "as needed" basis with institutions we knew. Within a day of putting loans onto the LoanStreet system we had institutions from all over the country expressing interest. Since potential participants need to request permission to view a file we maintain control over who we do business with.

On-Going Administration: Finally, is the ease of payment remittance. In the past, if we had 10 participations our accounting department had to calculate and remit payments on an individual loan basis. Now, we'll be able to wire a single payment to LoanStreet each month and they'll handle the individual payments to the participating institutions.

More Results

Horizon FCU (Buyer)
According Justin Howard CEO of $67,400,000 (approximate) Horizon FCU, "the credit union has added $1,500 in gross interest income as the result of purchases made through the LoanStreet platform." He adds "since there were no fees charged to buyers by LoanStreet and the monthly reports are so detailed, little staff time is involved in performing the monthly G/L entries. Therefore this income directly contributes to growth in our bottom line."

Justin says "the initial purchase was extremely easy and efficient. LoanStreet kept us informed throughout the process. Their online origination system is very user-friendly and allows a credit union to easily perform due diligence on the loan pool, plus it's all available on the same platform. While doing our due diligence and looking at other participations providers, it was clear that LoanStreet had the most efficient capabilities."

"Horizon would definitely recommend the use of LoanStreet to other credit unions."

SPE FCU (Buyer)
SPE FCU is a community-chartered credit union headquartered in State College PA with approximately $84,000,000 in assets. SPE FCU's CLO Michael Scott estimates that over a five year period, SPE will be able to earn about $56,000 more in interest income on a $400,000 loan purchase than on a low interest yield on any 5-year treasury product. He goes on to say "for any credit union looking to increase interest income or manage borrower portfolio concentrations, LoanStreet is a wonderful solution. SPE recommends that credit unions explore the possibilities for growth that LoanStreet offers."

Park View FCU (VA) (Buyer)
Park View FCU is a SEG-based credit union headquartered in Harrisonburg VA with $155,000,000 in assets. According Park View FCU's Business Lending Officer, Kevin Nafziger, "we were looking for a channel through which to purchase commercial loan participations and possibly auto loan pools. We found both types of loans for sale on the LoanStreet platform." We purchased a $60,000 piece of a commercial rental property loan and are always kept abreast of other purchase opportunities for the type of loans we are interested in."

Conclusion

In this paper we have addressed a number of topics and issues related to loan participations. What has likely become apparent through the preceding discussion is that the historic loan participation process is a highly manual, expensive and an error prone process. For these reasons, credit unions have largely avoided loan participations as much as possible and have failed to fully recognize the economic benefits an effective and efficient loan participation program can deliver. Moreover, smaller credit unions are frequently excluded from the loan participation market, significantly reducing the capital available for loan participations; and limiting the growth ability of small credit unions. Ultimately the historic practices have resulted in loan participations not constituting a real and reliable source of liquidity and income.

By contrast, partnering with LoanStreet to develop a loan participation program, credit unions are able to establish an efficient program that can reduce an institutions costs to conduct loan participations and efficiently manage relationships with their participation partners. Plus, credit unions approaching regulatory caps are able to continue to meet member loan demand and have a viable source for liquidity.

The end result, credit unions that partner with LoanStreet are able to use loan participations to create real and reliable sources of liquidity and diversified income.

Contacting LoanStreet and Additional Resources

Registration to the LoanStreet site is free of charge. For additional information about the product, including recorded videos and/or to register please go to *www.loan-street.com*
Search “LoanStreet NCUA” on YouTube for a recorded webinar provided by the NCUA’s Office of Small Credit Unions.

Search PCUA’s website for additional recorded webinars featuring or including LoanStreet at *www.pcua.org*

For loan participation pool or individual loan analyses, contact Molly Snody at *Molly.Snody@pcua.org* or 1-800-932-0661, ext. 5209.