



## Credit Union Loan Source Loan Participation Program

As economic uncertainty becomes more of a reality each day, CULS offers a reliable monthly flow of loans to your balance sheet, alleviating the pressure of finding loans amidst a recession.

**Credit Union Loan Source (CULS)** has been working with credit unions for over 18 years. In that time, CULS provided more than \$13 billion in low-risk, high quality assets to over 160 credit unions.



The CULS unique Loan Participation Program provides a turnkey investment that doesn't strain your staff. CULS takes care of all the legwork, allowing your team to focus on what's important – your members.

### April 2023

Gross Yield / WAC: 9.14%

WA FICO: 755

Projected WAL – 25 Months

### Projected Net Yield\*

April 2022: 2.53%

April 2023: 5.97%

Up 344 BPS or 136% YoY

\* Project Net Yields include expected losses and fees.

### **Additional Benefits:**

- Subscription participation model creates a monthly flow of auto loans with no long-term commitments.
- Every investor owns a piece of each loan so all share in risk.
- Because purchases are made within days of origination, yields and credit risk reflect today's market conditions.

For More Information Visit Us At

[www.buyCULSloans.com](http://www.buyCULSloans.com)



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

**A:** State chartered Credit Unions in AL, CO, 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/mo. admin 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 dba name of Cinch Auto Finance 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.



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