

Real-Life Examples of Member Value A True Partner in the Loan Participation Market

We recently sat down with Aaron Veech, Chief Financial Officer for Evansville Teachers Federal Credit Union (Evansville, Indiana) to discuss his experiences with Alloya's Loan Participation Program.



Evansville Teachers FCU is one of the largest credit unions in Indiana, serving members through 16 branches across the southwest region of the state, Kentucky and Tennessee. They started selling loans in the participation marketplace in 2014 and have utilized various broker-dealers. In 2015, they partnered with Alloya to utilize their corporate's Loan Participation Program.

How has your partnership with Alloya's Loan Participation Program contributed to your overall liquidity management process?

It has been tremendously important. We need to sell loans for liquidity purposes. Working with Alloya has provided us with an outlet to sell loan participations to assist with our cash management. These loan sales provide an instant boost to our net income. We know and trust the team at Alloya. The attention to detail in their analysis is very high level. Alloya provides a detailed loan yield analysis for prospective investors. This alone has been great for us as it allows investors to gain confidence in buying our loan products. The analysis provides much insight, including yield comparisons to alternative investments, net yield calculations under various net charge-off and prepayment rate scenarios, as well as a detailed loan pool analysis and an overview that helps the investor answer the question 'what is our net yield?'



Alloya's **Bill Paton**, Assistant Vice President, Lending & Loan Participations; and **Brian Myers**, Loan Participation Consultant

What are the contributing factors for selecting Alloya as your partner for loan participations?

We utilize five to ten different brokers – and Alloya has proven to be the most affordable time-and-time again. For us, every basis point matters as we are constantly looking to improve our sales margin when offering loan pools. Alloya has not disappointed – we always have their full attention regardless of the pool size. No matter the circumstance, Alloya has consistently delivered the same high-quality level of service.

If you were to talk to another credit union, what would you say about Alloya's process?

In a word – fluid! Working closely with the Lending Team at Alloya has shed light on the fact that Alloya cares about helping credit unions. This is top notch service. Bill and Brian are hands-on throughout the process and provide a thorough analysis that we can provide to regulators with confidence.

I would also share with other credit unions that working with Alloya has been easy. For any credit union that has been an active player in the participations market, selling large or small pools, or for those that are apprehensive because they are looking to buy or sell for the first time – Alloya should be at the top of your list.

For more information on our Loan Participation Program, contact your Senior Business Consultant or email LoanParticipations@alloyacorp.org.

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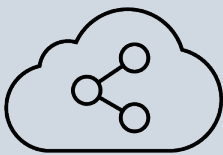
Data Collection & Incident Resolutions

Data collection has become a top priority for many industries, including ours, as we seek better ways to anticipate and respond to changes in the marketplace.

Over the last several months, Alloya has been collecting new data on membership. So, why is your corporate taking on this initiative?



When a situation unexpectedly arises, we want to act quickly to prevent an impact to your business. For example, a student loan processor and a data processor, with over 100 credit unions using mobile deposit capture, experienced unexpected shutdowns. As soon as we were aware of the problem, we called those impacted, helping them to navigate towards a solution. In some cases, Alloya can



step in temporarily and offer continuity, and in other cases, we can refer members to our partners to reduce the impact.

Depending on the situation, our response will vary, but our ability to identify which credit unions will be impacted is essential to offering immediate help.

For details, contact your Senior Business Consultant.

ACH Origination

Does your Collections Department have the ability to debit another financial institution? Does your Accounting Department cut checks for Accounts Payable? Does your credit union have a way to pull a member loan payment from another financial institution?



Through Alloya, your credit union has a solution to originate ACH debits and credits for a variety of business purposes.

Take advantage of Alloya's solutions...

- Online access, time-saving tools and simplified reporting
- Origination files can be scheduled to process on recurring cycles automatically
- Set your own preferences for how many files are received each day and how you want those files delivered
- Alloya staff is readily available to assist with research

Please contact your Senior Business Consultant for more information, or email solutions@alloyacorp.org.

Mobile Deposit Restrictive Endorsement

Recent revisions to Regulation CC have included protections for financial institutions if they use a "restrictive endorsement." *What does this mean?* If a restrictive endorsement is included on a remote deposit capture (RDC) mobile deposit, it will help prevent duplicate deposits from occurring. If there is a proper restrictive endorsement, then the financial institution that initially accepted the RDC mobile deposit cannot have an indemnity claim filed against them from the depository bank that accepted the duplicate check and incurred a loss as a result.



Compliance with the Reg. CC restrictive endorsement amendment is voluntary. We do recommend that you encourage your membership to use the mobile endorsement on their deposited items. (As you may already know, new check stock is evolving to include a check box imprinted on the back of the check to identify it as a mobile deposit.) Credit unions should review their mobile check deposit agreement and determine if a change to require a restrictive endorsement to help prevent losses from duplicate deposits is warranted.

If you have any questions, please contact Member Services at memberservices@alloyacorp.org or call (800) 342-4328.