

# How to Request an Advance from the CLF

The Central Liquidity Facility (CLF) is designed to act as an extension of credit to meet credit unions' liquidity needs in emergency situations. The request may be approved if its purpose falls within one of the following categories:

- Short-term adjustment credit available to assist in meeting temporary requirements for funds or to cushion more persistent outflows of funds pending an orderly adjustment of credit union assets and liabilities.
- Seasonal credit available to assist in meeting seasonal needs for funds arising from a combination of expected patterns of movement in share deposit accounts and loans.
- Protracted adjustment credit (sometimes known as "long-term emergency credit") available in the event of unusual or emergency circumstances of a longer-term nature resulting from national, regional or local difficulties.

Once your credit union has obtained direct membership with the CLF and has reviewed the qualifications for borrowing listed above, please review the step-by-step instructions below to request an advance from the CLF.

1. Familiarize yourself with the CLF and Facility Advances by reviewing [www.ncua.gov/files/publications/regular-member-facility-advances.pdf](http://www.ncua.gov/files/publications/regular-member-facility-advances.pdf) and contact Alloya's Lending Department for answers to your questions by calling (800) 782-2431, Option 3 or emailing [lendingdepartment@alloyacorp.org](mailto:lendingdepartment@alloyacorp.org).
2. Fill out **Appendix C-3 - Request for Funds**
  - This form must be completed for each request for funds from the CLF. Each question on the form must be answered. The supporting schedules or documents discussed in Item 11 of the form should be attached to the Request for Funds when appropriate for the circumstances involved in the request. The instructions

in Item 11 should be followed closely to assure all required information is submitted. Incomplete or missing data will delay processing of the request.

- A Statement of Cash Receipts and Disbursements (or an equivalent form/report) must be submitted for requests with maturity over 90 days or if the repayment source cannot be clearly explained in Items 7 and 8. Information will be reported on the statement for receipts and disbursements for the current month and the preceding three months.
- Cash Flow Projections (or an equivalent form/report) must be submitted for requests with maturity over 90 days or if the repayment source cannot be clearly explained in Items 7 and 8. Projections will be provided for each month-end through the maturity date of the loan or for a six-month period, whichever is less.
- Seasonal Flow Computations must be completed if your credit union is applying for credit to assist in meeting annual recurring seasonal flows. Completion of this form will assist in determining:
  - that your credit union has experienced an annual recurring flow of funds;
  - the amount of the request; and
  - the time period for which funds will be needed (normally requests for seasonal loans will be filed at least 30 days prior to the start of the period during which the funds will be needed)

3. Your credit union will need to justify your need for liquidity. An application must include or adequately reference some demonstrable evidence that the institution has a need for liquidity - including the purpose of the loan, plan to repay the loan and that an effort was made to first utilize the credit union's primary sources of funding.
4. The CLF reviews the Request for Funds and once approved your credit union and the CLF agree on collateral, based on the **Collateral Margin Table**.
5. Your credit union pledges collateral to the CLF to support the advance request. Collateral is maintained with Alloya, so there is no additional paperwork or work needed by the credit union once the collateral is identified.
6. Alloya files a UCC3 - Assigning collateral to the CLF, documenting that the CLF has a first priority interest in the specified collateral.
7. The CLF via the Federal Finance Bank (FFB) will wire the funds directly to your credit union's share account at Alloya.
8. On the maturity date of the loan, the funds are wired from your credit union's account and sent back to the account for the CLF at the FFB.
9. Alloya will file an additional UCC-3 that will release the assignment and put Alloya back in first place for that collateral.

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## Questions?

Please contact Alloya Corporate FCU's Lending Department at (800) 782-2431, option 3 or **[lendingdepartment@alloyacorp.org](mailto:lendingdepartment@alloyacorp.org)**