

---

**Updates have been made to the Alloya Master Loan Participation Agreement, Confidentiality Agreement and Product Operating Agreement (POA):**

Consistent with its mission as a cooperative, Alloya has a responsibility to ensure that its contracts protect Alloya while at the same time providing members with even-handed agreements that help them manage risks to their operations. To achieve those goals, Alloya reviews member contracts regularly and are intended to be understandable, fair to all parties, and convenient to administer.

The Master Loan Participation Agreement (Agreement) was originally developed with input from numerous credit unions and other parties. Since its inception, we have continued to receive comments and suggestions from various stakeholders about changing the Agreement.

We have made several changes to make the Agreement more consistent, readable, and compliant while remaining fair to all parties. While there are several changes, most are administrative “clean up” changes and do not materially alter the rights, responsibilities or representations and warranties of the Parties. Many of the changes reflect input from credit unions, other program participants, and their attorneys. The Agreement is unique for Alloya as there are multiple Parties as opposed to just Alloya and its members. Due to this unique nature, we do not have our standard 60-day notice period for changes and instead require all parties to acknowledge any updated Agreement.

For existing Loan Participations executed prior to the effective date of this updated Agreement, the original Agreement will remain in effect. For all transactions after the effective date, this new Agreement will be in effect. All users of the Platform will need to acknowledge this new Agreement to continue to have access to buy or sell Loan participations.

We have provided general comments below to summarize the changes in each section of the Agreement.

**I. General**

- Administrative changes to more clearly define the terms and responsibilities.

**II. Definitions**

- Several definitions have been updated with clearer language.
- Several definitions have been added to more clearly define terms used in the Agreement.

**III. Relationship of Parties**

- Minor change to reflect the revised definition of the Servicer.

**IV. Sale of Participations**

- Administrative changes to better reflect definitions of terms used in the Agreement.
- Retention requirements are updated to reflect different potential regulatory or statutory options available to different Eligible Organizations.

**V. Underwriting Standards.**

- Administrative changes to better reflect definitions of terms used in the Agreement.

**VI. Recourse Element of Sales.**

- Updated to reflect that only Limited Recourse options are available.
- Administrative changes to reflect definitions of terms used in the Agreement.

**VII. Sale, Assignment or Transfer of Participation Interests**

- Administrative changes to reflect updates in Definitions.

**VIII. Administration and Servicing of the Loans**

- Simplifying language that is already reflected in Definitions.
- Added language to better define certain terms and responsibilities.
- Added language to define notification requirements more thoroughly.

**IX. Repurchase of Loans by Seller.**

- Updated language to more accurately reflect the circumstances of Repurchases.
- Simplified language that is already reflected in the Definitions.

**X. Substitution of Servicer**

- Removed language that is defined in Section VIII. 14.

**XI. Warranties and Representations**

- Minor changes in wording and typographical corrections.

**XII. Events of Default**

- Wording was updated to better define default of the seller from insolvency only and to reflect the definitions in the Agreement.
- Included specific timeframes for Participants to provide funds as required in the Agreement.

**XIII. Responsibilities of Agent.**

- Minor changes to reflect updates in the Definitions

**XIV. Controlling Law and Venue.**

- Added language to better define applicable law and venue.

**XV. Privacy and Confidentiality.**

- Added all language from current Loan Participation Platform Confidentiality Agreement. No material changes were made to this language. Including this allows us to eliminate the need for a separate Agreement.

**XVI. Hold Harmless.**

- No changes

**XVII. Severability.**

- No changes

**XVIII. Notices.**

- Minor administrative changes.

**XIX. Survival.**

- New Section added documenting which terms survive termination of this Agreement.

**XX. Prepayment Penalties.**

- No changes

**XXI. Entire Agreement.**

- No changes

**XXII. Counterparts.**

- No changes

**XXIII. Binding Effect and Assignment.**

- This section has been added to the Agreement to allow for assignment of it to successor entities.

**LOAN PARTICIPATION CERTIFICATE**

- Minor changes in wording.

Schedule 1

**LOAN PARTICIPATION SUMMARY**

- No Changes