

Iowa Credit Union Business Lending

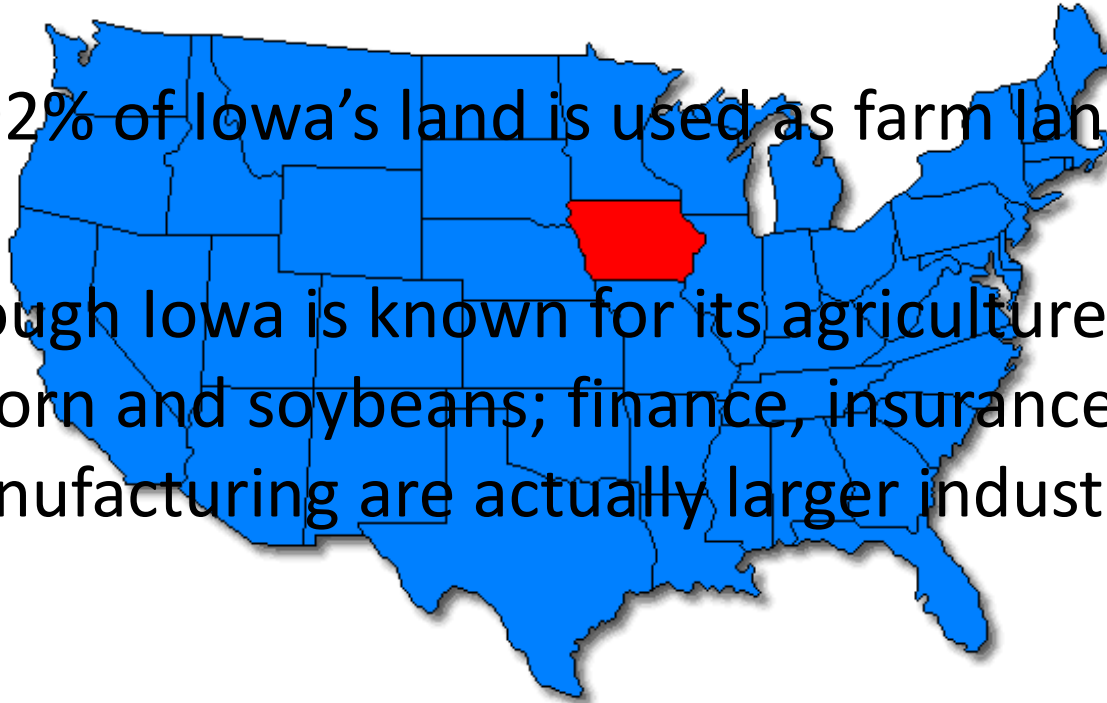


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Where is Iowa?

92% of Iowa's land is used as farm land.

Although Iowa is known for its agriculture, such as corn and soybeans; finance, insurance and manufacturing are actually larger industries.





FINANCIALPLUS

CREDIT UNION

GET SOMETHING BETTER

- Community chartered CU serving members of central Iowa since 1929.
- \$170 million in assets.
- We have 40 employees serving 14,000 members at 5 branches.
 - In addition to the branches, members use technologies such as mobile, internet and audio systems to conduct business 24 hours a day.



Member Business Lending in Iowa

Members increasingly looked to their CU for business lending needs. The majority of CUs did not offer these loans because of the cost to establish this type of lending program.

- Regulations required staff with at least 5 years of experience in commercial lending.
- The cost of business lending origination, servicing and document systems.
- Regulatory restrictions on the type of loans and amount of loans.

In 2005, **Community Business Lenders** (CBL) was formed as a CUSO to originate and service member business loans for Iowa credit unions.

- Hired experienced staff that could underwrite the member requested loans.
- Purchased systems to underwrite and service these loans.
- CBL could facilitate large loan participations between multiple CUs.
- Provide necessary reporting for the CUs.

FPCU Timeline

- 2005 Participated in our first 2 business loans, totaling \$150,000.
- 2006 Business Lending portfolio grew to \$1.7million.
Also originated the first FPCU member business loan for an office building.
- 2016 Business Lending portfolio is \$14.5 million which is 15% of total loans.
- 81% Business Property Loans
- 19% Construction & Development and Commercial & Industrial Loans

CUSO Update

Community Business Lenders is owned by 37 Iowa credit unions and has a 13 person staff. Servicing over \$140 million in loans and currently have \$16 million in underwriting.

Member Business Lending has been a great service to Iowa credit union members and their credit unions.