

**APPENDIX C-3**

**C-4 Liquidity Need Loan Application**

*(Multi-Source Funding)*

This Liquidity Need Loan Application is made this \_\_\_\_\_ day of \_\_\_\_\_, by \_\_\_\_\_ (Credit Union, we, us, or our) a:  federal  state-chartered credit union primarily serving natural persons. In support of this application, Credit Union represents and agrees as follows:

- 1) Credit Union is a member of \_\_\_\_\_, a corporate credit union (Corporate).
- 2) Credit Union has one or more written credit or loan agreements, promissory notes, and security agreements (collectively, Credit Agreements) with Corporate. From time to time, Credit Union may request an advance under a Credit Agreement to meet liquidity needs as that term is defined in Section 302(1) of the Federal Credit Union Act, 12 U.S.C. § 1795a(1).
- 3) We understand that Corporate is a member of the National Credit Union Administration Central Liquidity Facility (CLF or Facility), may request a Facility advance from the CLF to fund an Agent loan to meet our liquidity needs. We understand that the terms Facility advance and Agent loan used in this application have the meanings provided in § 725.2(c) of NCUA’s regulations.
- 4) We understand and agree that Corporate, in its sole discretion, may access one or more sources of funding to provide a requested credit extension to meet our liquidity needs, including but not limited to, a Facility advance.
- 5) We agree to provide Corporate with any information needed to support a request for a Facility advance to fund an Agent loan to us.
- 6) If a Facility advance is made to fund a credit extension to us, we understand and agree that the requested credit extension will be an Agent loan. We also understand and agree that any such Agent loan will be subject to the repayment, security and credit reporting terms prescribed by the CLF for Agent loans and that all parties to the Facility advance have consented and agreed to be bound by these terms. A copy of these terms, to which we also consent and agree to be bound, is attached as Exhibit A to this application.

\_\_\_\_\_  
Signature of Authorized Representative of Credit Union

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

## APPENDIX C-4:

---

### EXHIBIT A: REPAYMENT, SECURITY AND CREDIT REPORTING TERMS APPLICABLE TO FACILITY ADVANCES FOR AN AGENT LOAN TO A NATURAL PERSON CREDIT UNION

**Definitions.** Terms used in this exhibit have the same meaning as used in the Liquidity Need Loan Application unless otherwise defined in this exhibit.

**Acknowledgment and Consent.** Credit Union agrees to be bound by the terms in this exhibit if an extension of credit under a Credit Agreement with Corporate is made in the form of an Agent loan for liquidity needs.

We also agree that the terms of this exhibit are supplemental to the provisions of the Credit Agreements. In the event of any inconsistency between the terms of the Credit Agreements and the terms in this exhibit, we agree the terms of this exhibit will control. Credit Union acknowledges that the terms of this exhibit may be changed by the National Credit Union Administration from time to time as provided in §§ 725.20 and 725.21 of NCUA's regulations. Any changes will apply to Facility Advances made after the effective date of the publication of the changes in the Federal Register as provided in § 725.21 of NCUA's regulations.

**Confirmation.** In connection with each Agent loan, Corporate must send a confirmation of credit to the Credit Union. The confirmation must specify that the advance is made for liquidity needs and subject to the repayment, security and credit reporting terms prescribed by the CLF for Agent loans. The confirmation must also disclose all material terms of the Agent loan.

**Repayment Obligation.** In connection with each Agent loan and as specified in the confirmation, Credit Union agrees that we are obligated:

- 1) to pay to Corporate on each principal repayment date an amount equal to the principal amount then due; and
- 2) to pay to Corporate on each interest payment date an amount equal to unpaid interest from the date of the Agent loan through such interest payment date; and
- 3) to pay to Corporate on the maturity date an amount equal to the unpaid balance of the amount of the Agent loan, if any, plus unpaid interest from the date of the advance through the maturity date; and
- 4) if the principal amount due on any principal repayment date is not paid on or before such date, to pay Corporate, as may be provided in the Credit Agreement:
  - a) reasonable expenses of collection, including the reasonable attorney's fees and expenses incurred, if any; plus
  - b) late principal payment charges, if any; plus
  - c) interest after such date through the maturity date on the unpaid balance of such principal amount at the interest rate specified in the confirmation, if any; and
- 5) if the unpaid interest due on any interest payment date or the maturity date is not paid on or before such date, to pay Corporate, as may be provided in the Credit Agreement:
  - a) reasonable expenses of collection, including the reasonable attorney's fees and expenses incurred, if any; plus
  - b) a late interest payment charge, if any; and
- 6) if the amount due on the maturity date is not paid on or before the maturity date, to pay Corporate, as may be provided in the Credit Agreement:

#### **APPENDIX C-4:**

- a) reasonable expenses of collection, including the reasonable attorney's fees and expenses incurred, if any, and a late principal payment charge, if any; plus
- b) interest after the maturity date on the unpaid balance of the overdue principal amount at the rate specified in the confirmation.

**Security Obligation and Collateral.** As security for all repayment obligations to Corporate for Agent loans, the Credit Union has granted a first priority security interest in favor of Corporate in certain property, whenever acquired (Collateral), as described in and in accordance with the Credit Agreements. Credit Union acknowledges and agrees that the value of Collateral for all Agent loans will be at all times at least equal to the collateral amounts as established by the CLF Collateral Margins table outstanding amount of such Agent loans. Corporate will have the right at any time to perfect any security interest granted in the Collateral. As security for all repayment obligations to CLF for Agent loans made to Credit Union, Corporate has granted a security interest in the Collateral in favor of CLF.

**Enforcement.** If Credit Union defaults under any Agent loan and at any time while a default continues, Corporate will have all the rights and remedies provided under the Credit Agreements and the Uniform Commercial Code, including acceleration.

**Credit Reporting Obligation.** Credit Union agrees to file such reports and provide such information as may be required by Corporate or CLF from time to time.