

Catalyst Corporate's Loan Participation Program Tops \$3 Billion

Credit Union Support Makes It Happen

Catalyst Corporate Federal Credit Union's Loan Participation Program, which powers the new LP Exchange online loan participation experience, has just surpassed \$3 billion in activity.

Catalyst Corporate did not reach this milestone by itself. It was helped along by nearly 200 credit unions that have bought and sold loan participations since the program started shortly after the National Credit Union Administration issued its guidance in 2014.

Count Virginia Torres, who is Chief Financial Officer at the \$238 million Amarillo Community Federal Credit Union, among those who have enthusiastically engaged Catalyst Corporate's Loan Participation Program. Torres said Catalyst's Loan Participation Program was the first she was involved with from start to end. "Catalyst made it simple by providing all the information to make decisions concerning loan participation," she said. "That allows us to make a confident decision."

That feeling of assurance is shared by Jackie So, Chief Financial Officer of the \$491 million Foothill Federal Credit Union in Arcadia, California. So was instrumental in creating the loan participation program for Foothill Federal Credit Union – writing policies and providing information to the credit union's board. "Catalyst was the right fit," she said.

"Catalyst's process makes me feel confident. It is always consistent," So said. She called the Catalyst process "simple and easy."

Mike Bailey, CEO of the \$70 million Service 1st Credit Union in Greenville, Texas, said "Catalyst is the largest part of our loan participation program."

Catalyst Corporate only works with credit unions, and all funds stay within the credit union system. "Because Catalyst has a relationship with sellers and buyers, I felt more comfortable working through their platform," Bailey said.

Bailey explained that his credit union only purchases loan pools. "We can increase loan volume and loan income," he said, "while not having to hire any additional staff to manage the program or service notes within the purchased loan pools."

He added, "Catalyst manages the accounting, which helps keep our costs low."

Catalyst Corporate's Loan Participation Program also benefits credit unions on the selling side.

The \$1.8 billion Oregon Community Credit Union finds itself regularly wanting to participate auto and recreational vehicle loans, said Ethan Nelson, Vice President Credit Administration.

"Catalyst has been a great partner," Nelson said, "helping to find buyers very quickly."

Nelson likes the Catalyst Corporate program, "not just because of the mechanics, but because of level of service as well."

Jody Caraccioli, Chief Financial Officer at the \$944 million Neighbors Federal Credit Union in Baton Rouge, Louisiana, declares himself "A raving fan."

Caraccioli said the trust built through working several years together has given him a "high level of confidence" in Catalyst's program.

Neighbors FCU has used Catalyst Corporate's program to sell pools of loans with heavy automobile concentration, using the proceeds to acquire portions of a loan pool weighted toward mortgage loans. Caraccioli said Catalyst Corporate's program allowed him to add a measure of diversity to the credit union's loan portfolio.

"I also appreciate Catalyst's desire to make it a win-win for the buyer and for the seller," Caraccioli said. "Everyone benefits."

"Catalyst Corporate simplifies and standardizes the process for both buyers and sellers," said Jeff Hamilton, Catalyst Corporate's Vice President of Member Credit. Based on the loan participation's prior month activity, Catalyst Corporate calculates each participant's amounts, prepares individual statements, provides detailed loan status data, distributes the amounts due to the owners and coordinates communication between the parties, he said.

Amarillo Community FCU's Torres summarizes: "I would definitely suggest that anyone just starting the process of loan participation look into using Catalyst Corporate, since they provide all the information and assistance you need."

For details about the Loan Participation program, contact Member Credit at 800.442.5763.