catalyst

July 2026

LOAN GUIDELINES

*Loan Pricing Guide for **Direct** Lending*

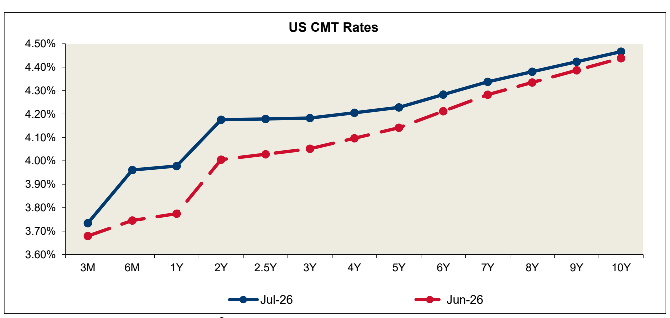
July 2026 Loan Types	Maximum LTVs	+300bp Prepay Speed	+300bp Effective Durations	+300 Duration Matched CMT Point	+300 Duration Matched CMT Rate	Min. ROA Target	Servicing Spreads	"A" Paper Credit Spreads	Minimum Guideline Rates Assuming Net ROA Spread	Market Rates	Impact of 1% Discount Point on 1st-Lien RE Loan APY (360 mo. @7% CPR)
4 Year New/Used Autos	Not exceeding 110% LTV over NADA Retail for FICOs >700	1% ABS	1.47	1.5 Yr	3.78%	1.50%	0.75%	0.25%	6.28%	6.41%	
5 Year New/Used Autos		1% ABS	1.69	2.0 Yr	4.18%	1.50%	0.75%	0.25%	6.68%	6.49%	
6 Year New/Used Autos		1% ABS	1.88	2.5 Yr	4.18%	1.50%	0.75%	0.25%	6.68%	6.54%	
1 Year 1st RE ARMs	Not exceeding 80% LTV without PMI on 1st-Lien RE Loans	7% CPR	0.95	1.0 Yr	3.98%	1.50%	0.25%	0.25%	5.98%	5.98%	+15 bp
3/1 1st RE ARMs/Balloons		7% CPR	2.47	3.0 Yr	4.18%	1.50%	0.25%	0.25%	6.18%	6.12%	+15 bp
5/1 1st RE ARMs/Balloons		7% CPR	3.56	4.0 Yr	4.21%	1.50%	0.25%	0.25%	6.21%	6.05%	+15 bp
7/1 1st RE ARMs/Balloons		7% CPR	4.33	5.0 Yr	4.23%	1.50%	0.25%	0.25%	6.23%	6.19%	+15 bp
15-yr. Fixed 1st Mortgages		7% CPR	4.52	6.0 Yr	4.28%	1.50%	0.25%	0.25%	6.28%	5.88%	+20 bp
30-yr. Fixed 1st Mortgages		7% CPR	5.80	10.0 Yr	4.47%	1.50%	0.25%	0.25%	6.47%	6.44%	+15 bp
5-10 Yr Fixed 2nd-Lien HELs	Not exceeding 80% LTV on 2nd-Lien RE Loans	7% CPR	2.15	2.5 Yr	4.18%	1.50%	0.50%	1.25%	7.43%	7.06%	
15 Yr Fixed 2nd-Lien HELs		7% CPR	3.52	4.0 Yr	4.21%	1.50%	0.50%	1.25%	7.46%	7.48%	
Variable-Rate HELOCs		7% CPR	0.25	.25 Yr	3.73%	1.50%	0.50%	1.25%	6.98%	7.44%	

Loan Loss and Credit Spreads Estimates Specific FICO Ranges				
Credit Ratings	**Maximum LTVs**	**Lifetime Default Rates**	**Estimated Loss Factors**	**Estimated Loan Losses**
A+ (FICO 720+)	110%	1.5%	10%	**0.15%**
A (FICO 700-719)	110%	2.5%	15%	**0.38%**
B+ (FICO 680-699)	100%	5.0%	20%	**1.00%**
B (FICO 660-679)	100%	7.0%	20%	**1.40%**
C+ (FICO 640-659)	95%	10.0%	25%	**2.50%**
C (FICO 620-639)	95%	15.0%	25%	**3.75%**
D+ (FICO 600-619)	90%	18.0%	30%	**5.40%**
D (FICO 580-599)	90%	21.0%	30%	**6.30%**
E+ (FICO 560-579)	85%	25.0%	35%	**8.75%**
E (FICO 540-559)	85%	30.0%	35%	**10.50%**
Subprime	75%	45.0%	40%	**18.00%**
Refer: NCUA Risk Alert # 05-RISK-01 and LTCU # 04-CU-13				

Risk-Based Pricing Guidelines for 60 mo. Direct Auto Loans Specific FICO Ranges					
Pricing Spreads Credit	 Servicing	 Net ROA	**Total Spreads**	**2Y CMT Rate**	**60 mo. Auto Loan Rates**
0.15%	0.75%	1.50%	2.40%	4.18%	**6.58%**
0.38%	0.75%	1.50%	2.63%	4.18%	**6.81%**
1.00%	1.00%	1.50%	3.50%	4.18%	**7.68%**
1.50%	1.00%	1.50%	4.00%	4.18%	**8.18%**
2.50%	1.25%	1.50%	5.25%	4.18%	**9.43%**
3.75%	1.25%	1.50%	6.50%	4.18%	**10.68%**
5.50%	1.50%	1.50%	8.50%	4.18%	**12.68%**
6.25%	1.50%	1.50%	9.25%	4.18%	**13.43%**
8.75%	1.75%	1.50%	12.00%	4.18%	**16.18%**
10.50%	1.75%	1.50%	13.75%	4.18%	**17.93%**
18.00%	2.00%	1.50%	21.50%	4.18%	**>18%**
Note: Indirect loan spreads may be 25bp to 75bp less than direct loans					

General FICO Ranges				
Credit Ratings	**Maximum LTVs**	**Lifetime Default Rates**	**Estimated Loss Factors**	**Estimated Loan Losses**
A (FICO 700+)	110%	2.0%	12.5%	**0.25%**
B (FICO 660-699)	100%	6.0%	20.0%	**1.20%**
C (FICO 620-659)	95%	12.5%	25.0%	**3.13%**
D (FICO 580-619)	90%	19.5%	30.0%	**5.85%**
E (FICO 540-579)	80%	27.5%	35.0%	**9.63%**

General FICO Ranges					
Pricing Spreads Credit	 Servicing	 Net ROA	**Total Spreads**	**2.0 Year CMT on *7/1/26***	**60 mo. Auto Loan Rates**
0.25%	0.75%	1.50%	2.50%	4.18%	**6.68%**
1.25%	1.00%	1.50%	3.75%	4.18%	**7.93%**
3.25%	1.25%	1.50%	6.00%	4.18%	**10.18%**
6.00%	1.50%	1.50%	9.00%	4.18%	**13.18%**
9.75%	1.75%	1.50%	13.00%	4.18%	**17.18%**
Note: Higher loan servicing costs on lower grades of paper.					



Source: www.treasury.gov

Constant Maturity Treasury (CMT) Rates			
Maturity	**Effective Duration**	**Month Beginning Jul-26**	**Jun-26**
3M	24.85%	3.73%	3.68%
6M	49.43%	3.96%	3.75%
1Y	97.88%	3.98%	3.77%
2Y	191.57%	4.18%	4.01%
2.5Y	237.02%	4.18%	4.03%
3Y	281.53%	4.18%	4.05%
4Y	367.67%	4.21%	4.10%
5Y	450.16%	4.23%	4.14%
6Y	528.59%	4.28%	4.21%
7Y	603.25%	4.34%	4.28%
8Y	674.51%	4.38%	4.33%
9Y	742.25%	4.42%	4.39%
10Y	806.56%	4.47%	4.44%

Notes:
1. Loan pricing is based on beginning of the month US Treasury Rates
2. Loan Rate = Matched Duration CMT Rate + ROA Spread + Servicing Spread + Credit Spread
3. Approximate credit spreads: A (FICO 700+) 25 bp; B (FICO 660-699) 125 bp; C (FICO 620-659) 325 bp; D (FICO 580-619) 600 bp; E (FICO 540-579) 975 bp
4. ARMs/balloons based on 360-month amortization and all 1st-mortgages assume either LTVs no greater than 80% or PMI
5. Increase credit speads 50 bp on all 1st mortgages that have LTVs over 80% without PMI
6. Credit speads were increased from 25 bp to 125 bp on "A" paper 2nd-lien HELs and VR HELOCs
7. Increase credit speads an additional 100 bp on all fixed 2nd-lien HELs and VR HELOCs that have aggregate LTVs over 80%

Source: Regional and National Average Rates for CUs obtained from S&P Capital

For more information regarding asset liability management, please email us at: almteam@catalystcorp.org