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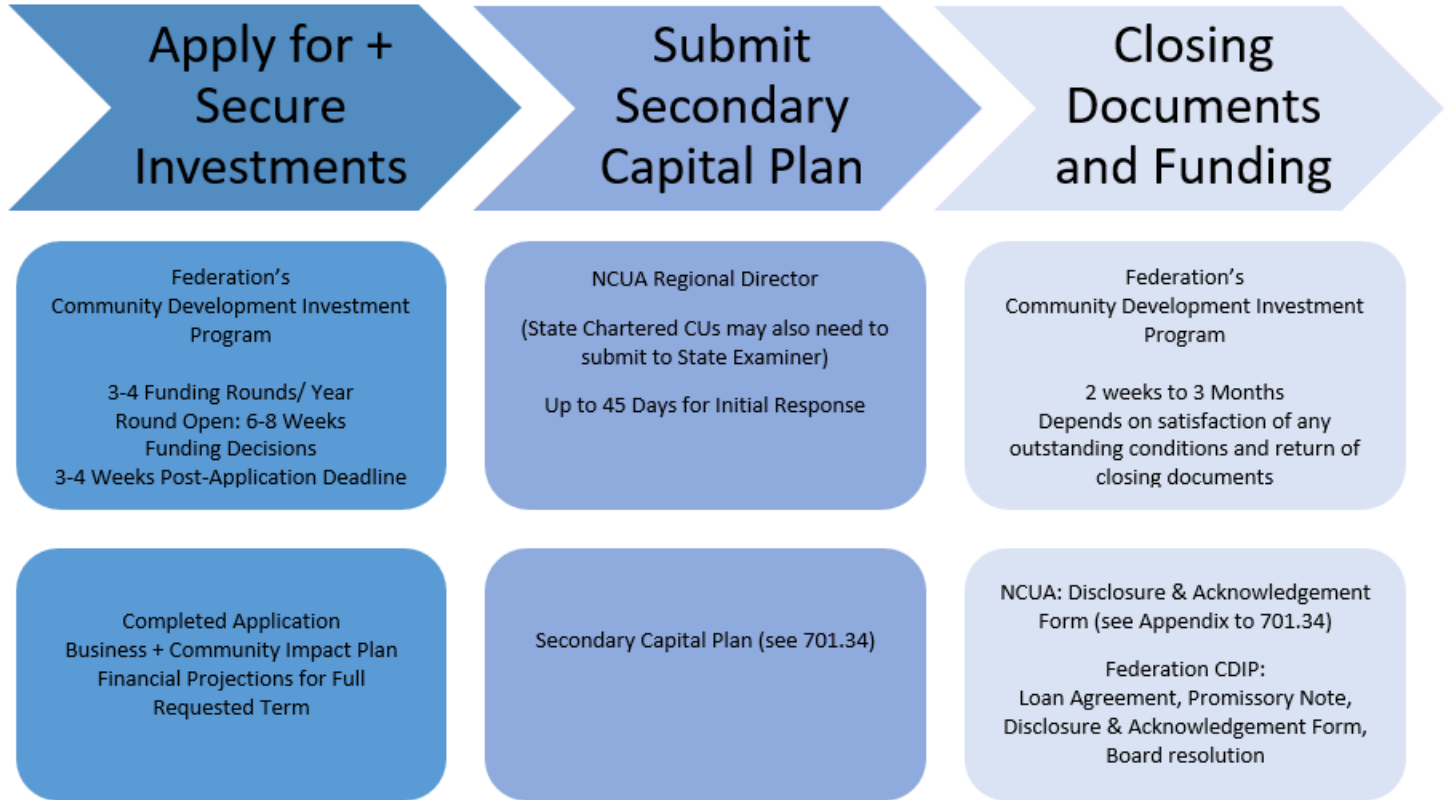


APPLYING FOR SECONDARY CAPITAL

PROCESS OVERVIEW



SECONDARY CAPITAL APPLICATION PROCESS OVERVIEW





BUSINESS AND COMMUNITY DEVELOPMENT PLAN

1	Executive Summary, including summary of growth strategy.
2	Credit Union Description. History, Current Field of Membership, Organization and Management
3	Market Analysis
4	Loan Products and Development Services + Growth, Delivery and Outreach Strategies.
5	Community Development Impact Plan
6	Financial Projections. Account for the full requested term of the loan and demonstrate, inter alia, proper accounting for the secondary capital loan, interest payments on the loan (minimum debt-service coverage ratio of 2.5 post loan), include assumptions.



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COMMUNITY IMPACT PLAN

Examples of Impact Products and Services

Development Services	High Impact Consumer Lending	Capital Intensive Community Development Activities
<ul style="list-style-type: none"> • Financial Counseling/ Housing Counseling • Financial inclusion and outreach to target populations including immigrant, older Americans, people with disabilities and/or other underserved population • Savings and asset building programs • EITC/ VITA 	<ul style="list-style-type: none"> • Affordable small dollar/ emergency loans (alternatives to predatory products) • Credit Building • Debt Consolidation • Workforce or transportation related lending (e.g., Wheels to Work) • Consumer loans 	<ul style="list-style-type: none"> • Affordable Home Mortgage Lending • Microfinance and Small Business Lending • Community Facilities • Non-Profit Lending

Make sure to include intended results, benchmarks and indicators of success.

Example:

Target issue: Financial services to immigrants and new Americans

Sample Benchmarks and Metrics Tracked on Investment:

New Accounts Opened/ Previously Unbanked Members:

Loans originated:



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NCUA REGULATIONS 701.34

SECONDARY CAPITAL PLAN REQUIREMENTS

- i. State the maximum aggregate amount of secondary capital you plan to accept;
- ii. Identify the purpose for which the aggregate secondary capital will be used, and how it will be repaid;
- iii. Explain how you will provide for liquidity to repay secondary capital upon maturity of the secondary capital loans;
- iv. Demonstrates that the planned uses of secondary capital conform to your strategic plan, business plan and budget; and
- v. Include supporting pro forma financial statements, including any off-balance sheet items, covering a minimum of the next two years.



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