

In Brief

About the Supplemental Line of Credit

The Supplemental Line of Credit allows capitalized members of Alloya to increase their existing Advised Line of Credit without contributing additional capital, and has the added flexibility of seasonal use.

Members seeking to increase their line by utilizing the Supplemental Line of Credit will pay an annual credit review fee of 0.15%. Members can increase their line up to any amount desired (within legal lending limits and subject to credit approval). Additional product information is below.

Terms	Details
Availability	Available to members who have contributed at least the minimum required capital amount as per Alloya's private placement memorandum (PPM), or the minimum required based on the scheduled reassessment of capital contributions related to settlement activity. Members must credit qualify for additional availability. Credit unions with an impaired credit profile will not qualify for additional availability.
Purposes	<ul style="list-style-type: none"> – To assist with liquidity planning – To provide an alternative to contributing additional capital – To provide additional term loan availability – To allow for term loan use and to still be covered for settlement
Interest Rate	Same as the Primary Advised Line of Credit.
Fee	0.15% credit review fee, paid once yearly.
Seasonality	There is an option to turn off the line for part of the year and pay the fee only for the quarter(s) available. For example, the credit union could establish a January-to-June line, turn it off for July to September and reinstate it for October to December. Thus, the payment would only be for three quarters. Changes are limited to one per year or additional fees will apply.
Usage	The Supplemental Line of Credit can be accessed once the Primary Line is at full capacity, for either settlement or term loans less than one year in duration. For example, a credit union with a \$1MM Primary Line and \$1MM Supplemental line, with settlement of \$1.5MM will automatically be covered by a \$1.5MM line advance. The same credit union could have a \$1MM term loan on its Primary Line for five years and still be covered for settlement loans up to another \$1MM through the Supplemental Line.
Documentation	The one-page Addendum C to the existing Line of Credit agreement must be executed. Any authorized signers may execute it; board action is not required (unless internal credit union policy requires it). Must have a current Alloya line agreement on file.
Audit Confirmations	Alloya will report the total availability.

More Information

Contact your Senior Business Consultant for more details or email solutions@alloycorp.org. Or, contact the Lending Department directly at (800) 253-0053, ext. 3808.