



Bringing Business To You

Company and Product Overview



2020 Profile

CU Business Group is a CUSO focusing solely on business services. The following are highlights of our history and the services we bring to the credit union industry.

- ❑ Initially formed in August 2002 as a CUSO of Northwest Corporate – now owned by six corporate credit unions.
- ❑ CU Business Group now has a staff of 40 business services professionals.
- ❑ We now work to help 580+ credit unions in 48 states deliver quality business services.
- ❑ We sign on an average of two new credit unions every month. Our credit union retention rate is over 96%.
- ❑ Our loan services include underwriting, loan documents, risk monitoring, consulting and training on business loans. We do not fund loans – we only provide recommendations, advice, and training. To date, credit unions have submitted more than \$9 billion in business loan packages for our review.
- ❑ We assist credit unions with loans of all sizes, from small dollar, quick and low-cost Fast Track loans to large CRE transactions.
- ❑ Independent loan reviews are an integral part of the services we provide. As credit unions grow their own in-house programs it is imperative that they review and maintain a sound business loan portfolio. Our staff has the knowledge and expertise to provide these independent reviews for quality control or problem situations.
- ❑ The CUBG Participation Network is a major strength, bringing together all our credit unions to share in buying and selling opportunities on larger loans.
- ❑ A large part of our consulting work centers in the business deposit area. Credit unions are typically not set up to handle business accounts and we spend considerable time helping them with account structure, pricing, operations, and compliance.
- ❑ We also help credit unions put together a complete package of business services to complement the basic deposit accounts. This includes merchant bankcard services, business remote deposit capture, ACH origination, insured CDs, account analysis, and other advanced cash management products. We can also provide training for branch and business development staff.
- ❑ Education sessions are a major part of our role in the industry. Our education staff regularly lead sessions across the country and via webinar on all aspects of business services.
- ❑ CU Business Group obtains an SSAE16 Type II audit report annually which evaluates the controls of our systems and operating processes.



CU Business Group Products and Services

Strategic Consulting

- Board and management education
- Strategic options for building your business services program, including recruiting/interviewing
- Market demographics, program potential, and breakeven analysis customized for your credit union

Business Deposit Consulting

- Structure and pricing of core deposit accounts and package services
- Assistance with implementation of treasury management services and other advanced products including remote deposit capture, ACH origination, merchant services, and account analysis
- Operations, compliance, and systems guidance and expertise

Business Lending Operations

- Policy development, forms, and procedures
- Processes, work flows, and quality control steps
- Education and training in operations, compliance, and all aspects of business lending

Business Loan Origination

- Commercial real estate, term, lines of credit, construction, agriculture, and SBA
- Complete analysis and risk-rated credit presentation or a la carte services available
- Loan documents compliant in all 50 states
- Pre- and post-funding loan review services
- Independent appraisal reviews

Risk Monitoring/Annual Reviews

- Periodic financial review and analysis of business loans, including updated risk ratings
- Enhanced risk monitoring includes the annual review plus ongoing monitoring of the borrower and property using automated tools
- Expertise in problem loans and workouts available to your credit union on demand

Loan Participation Network

- Established network makes buying or selling easy
- Standardized processes, parameters, and legal agreements
- CUBG will service the entire participation and serve as one point of contact for all participants

Loan Sourcing

- Expertly sourced commercial real estate lending opportunities delivered to your credit union
- Alternative lending sources give you opportunities for superior pricing, terms, and loan structure

Business Loan Portfolio Review and Quality Control

- Independent loan reviews for quality assurance and management comfort

Education

- Complete webinar program encompassing a variety of important business services topics
- Regional in-person courses for in-depth training on business lending and deposit topics
- Two national business services conferences held annually
- Customized training to fit your credit union's or association's need



Core Staff Expertise

Larry Middleman, President/CEO

40 Years of Experience



Larry is the founder of CU Business Group and brings 40 years of banking expertise to the credit union industry. His background is based in community banking where he has extensive experience in leading business banking and cash management practices, including product development, pricing and sales. As a CPA and consultant, Larry has done extensive work with banks and credit unions throughout the United States to expand product lines, improve efficiency and increase profitability. His primary role at CU Business Group is consulting with credit unions on business services planning, program development, pricing, and education.

Rachel Snyder, SVP/Chief Operating Officer

25 Years of Experience



Rachel has worked in the credit union industry for 25 years. She began working with CU Business Group in 2002. Her primary responsibilities at CUBG include consulting with credit unions on all aspects of business services, with an emphasis on advanced deposit products such as merchant bankcards, remote deposit capture and ACH origination, as well as other package products. Her background includes significant experience in the credit union industry at both natural person and corporate credit unions, and in 2018 she became a certified Credit Union Development Educator (CUDE). Rachel has also worked with several small businesses and non-profits throughout her career, giving her an in-depth understanding of the financial needs of a variety of organizations.

Mike Mucilli, SVP/Senior Business Services Officer

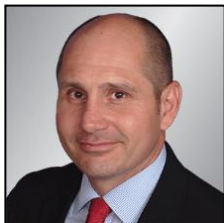
42 Years of Experience



Michael has spent his entire career gaining expertise in banking, commercial lending and sales. He founded CUBG's East Coast operations in 2003 and has gained significant experience in credit union business services since then. Michael has underwritten all types of business loans. He also has extensive experience with SBA lending and served as a Director of Consumer and Home Equity Lending. He is a former instructor for the American Institute of Banking and has taught extensively throughout his banking and credit union career. Michael consults with credit unions in the eastern U.S. on all aspects of business services planning, program development, account pricing, and education.

Mike Smith, VP/Senior Business Services Officer

27 Years of Experience



Mike has more than 27 years of experience in commercial banking, business consulting and education. Before joining CUBG he served as a Commercial Loan Officer and Vice President of a Texas based community bank where he was responsible for business development and portfolio management with an emphasis on real estate and healthcare banking. Previously he was Director of the Small Business Development Center and an adjunct instructor at Lone Star Community College System in Houston. Mike has been with CUBG for 12 years. He consults with credit unions in the Midwest region of the U.S. on all aspects of business services and develops curriculum for CUBG's education programs.

Mark Olague, VP/Senior Business Services Officer

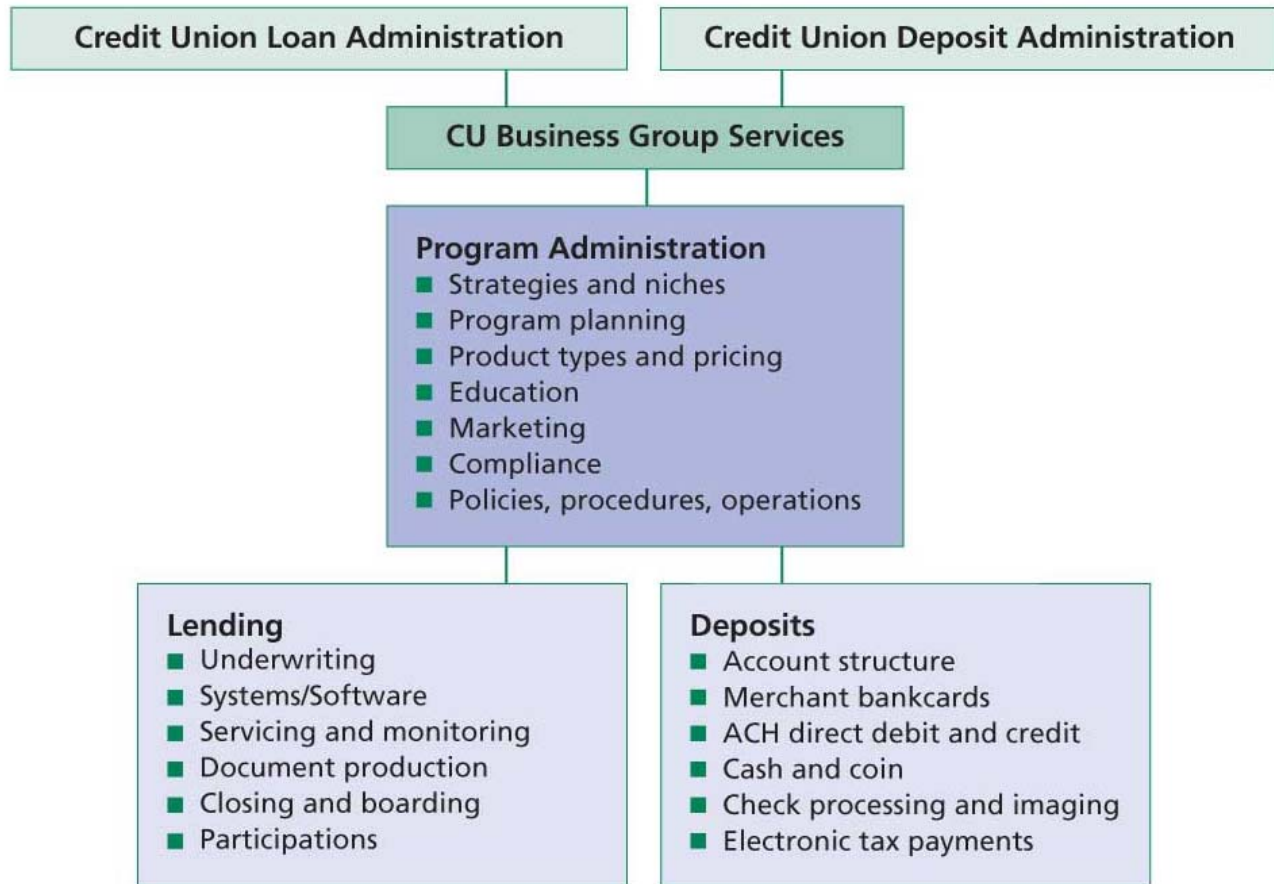
43 Years of Experience



Mark has 43 years of commercial lending, banking, and credit union experience. Prior to joining CUBG Mark served as Business Relationship Manager for the largest credit union in Arizona. Mark is well-versed in all aspects of business lending including SBA lending, commercial real estate term loans, lines of credit, commercial and industrial loans, construction loans, and agricultural loans. Additionally, Mark has extensive experience in risk management and maximizing portfolio growth through the planning, development, and implementation of lending strategies. With 15 years in the credit union industry, Mark consults with credit unions on portfolio reviews and all aspects of business services.



CU Business Group Services



Members get the “five course meal”

Affiliates go “a la carte”



How We Work With You

Business Lending: a shared process with CU Business Group		
Process Step	Responsibility	
	Credit Union	CU Business Group
Business development, sales calls, marketing efforts	■	■
Obtain completed application and supporting information, submit for underwriting	■	
Receive complete package and begins underwriting process (cash flow, industry, business fundamentals, collateral, net worth, quality of management, etc.)		■
Credit presentation with risk rating and approve/decline recommendation on the loan is produced based on underwriting criteria – loan package is sent back to credit union		■
Loan approval, modification or denial	■	
Package of loan documents produced and sent to credit union		■
Member signs and loan is closed	■	
Ongoing risk monitoring	■	■

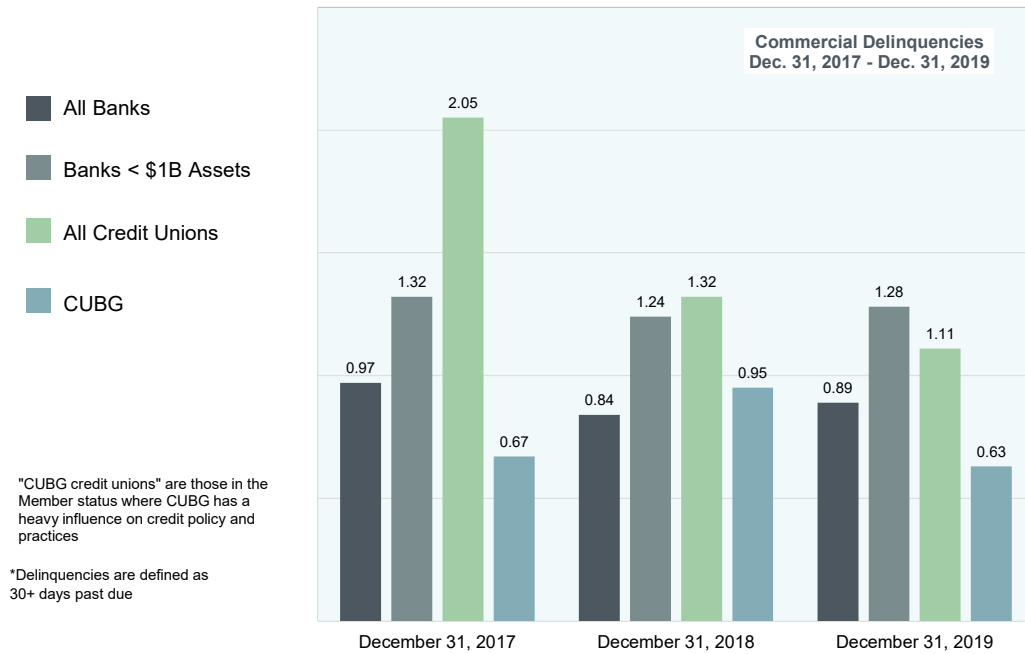
Risk Monitoring is a key element of business lending

This is a joint effort between the credit union and CU Business Group

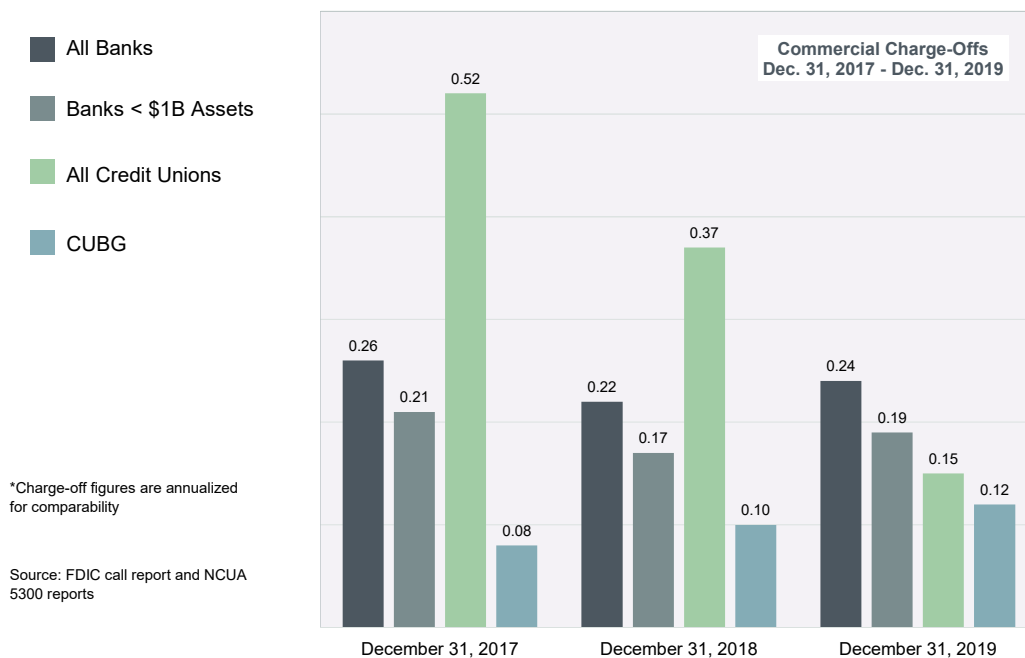


Three-Year Business Lending Track Record

Commercial Loan Delinquencies as a Percent of Outstandings



Commercial Loan Charge-Offs as a Percent of Outstandings





Business Loan Participation Network



Benefits of the CU Business Group Participation Network

- Easy matching of buyers and sellers
- Liquidity when you need it
- Manage your caps – total MBLs and loans-to-one borrower
- Increase asset yields

CU Business Group facilitates the entire process

- Due diligence on the participating credit unions
- Underwriting and credit quality
- Standardized processes and documentation
- Pricing the loan and the participation
- Marketing the participation

Quality control provided by CU Business Group

- Standardized loan documents and participation agreements
- Participation accounting standards
- Investor reporting and funds management
- Participation Network service standards



CUBG Relationship Programs – Services and Benefits

CUBG Service	Specialty	Affiliate	Participation Member	Member
Ability to use loan underwriting, analysis, and consulting services	✓	✓	✓	✓
Access to loan participation network for buying and selling	✓	✓	✓	✓
Access to CUBG trusted partners	✓	✓	✓	✓
Can attend CUBG education courses, webinars, national conferences	✓	✓	✓	✓
Full service SBA program available	✓	✓	✓	✓
Loan servicing system available	✓	✓	✓	✓
Business loan forms, checklists, etc.		✓		✓
Set-up on LaserPro loan documentation system		✓		✓
CUBG participation policy template			✓	✓
Priority for purchasing loan participations			✓	✓
Complete access to CUBG staff expertise on participations			✓	✓
Discounted fees on participation transaction services and education			✓	✓
Free 100 level on-demand webinars			✓	✓
Full CUBG MBL policy template with annual updates				✓
Discounted fees on loan transaction services and education				✓
Complete access to CUBG expertise on business loans and regulations				✓
Complete business deposit consulting, resources and support				✓
Members-Only access to CUBG resource library of forms and templates				✓