NCUA CENTRAL LIQUIDITY FACILITY

OPERATING CIRCULAR 99-2: REGULAR MEMBER FACILITY ADVANCES

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NCUA CENTRAL LIQUIDITY FACILITY
REGULAR MEMBER
CIRCULAR 99-2

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NCUA CENTRAL LIQUIDITY FACILITY
REGULAR MEMBER FACILITY ADVANCES

OVERVIEW

The National Credit Union Administration Central Liquidity Facility ("Facility") was created by the National Credit Union Central Liquidity Facility Act. The Facility is a "mixed ownership Government corporation" within the National Credit Union Administration. It is an instrumentality of the Federal Government owned by its member credit unions and managed by the NCUA Board. The purpose of the Facility is to improve the general financial stability by providing credit unions with a source of loans to meet their liquidity needs and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. CLF was created by Congress in 1979 because credit unions needed their own source of funds to meet their liquidity needs in the same way that the Federal Reserve System "discount window" provided access to loans for banks. Barriers to last-resort liquidity have changed favorably over time (e.g., credit unions who qualify may now borrow from the Federal Reserve discount window) but the CLF continues to be an important major back-up source of liquidity for both Federal- and state-chartered credit unions.

The purpose of this operating circular is to provide basic information regarding the lending procedures of the CLF with respect to its R egular members. These procedures implement the basic framework provided in Title III of the Federal Credit Union Act (12 U.S.C. § 1795) and Part 725 of the NCUA Rules and Regulations (12 C.F.R. § 725).

All Facility advance applications will be reviewed by a designated Facility loan officer (FLO). Relevant contacts and phone numbers are provided in Appendix A. The *final* approval process for Facility advances is the direct responsibility of the Central Liquidity Facility which is administered within the NCUA Office of Capital Markets and Planning and managed by the NCUA Board. The following delegation and concurrence information applies to the final approval of all Facility advances:

Loan Characteristics	**Delegated Authority**	**Concurring Officials Required**
	CLF President	**Regional Director/SSA**
$0 < Loan Amount <= $10 Million	√	√
Loan Amount > $10 Million	**Must be approved by the NCUA Board**	
Any Loan Maturity Longer than 2 Years	**Must be approved by the NCUA Board**	

Operations for Facility advances and other matters dealing with the Facility are located on the seventh floor of NCUA's central office at 1775 Duke Street in Alexandria, Virginia.

1. MEMBERSHIP

A Regular member of the facility has become a member by: a) submitting an application for Regular membership to the Facility and, b) subscribing to capital stock of the Facility as set forth in NCUA Rules and Regulations § 725.3 (a). This applies to federal, state-chartered and privately insured credit unions.

2. REQUESTS FOR FACILITY ADVANCES

A Regular member may submit an application for a Facility advance several ways. To initiate an advance, a Regular member must communicate its intent to borrow and it can either:

1. Mail, courier, or otherwise hand-deliver a physical notice of intent to borrow (completed NCUA forms No. 7000, 7001, 7002, 7003, and 7004).
2. Send a facsimile (fax) of the above listed forms; or,
3. Call CLF directly by telephone and/or communicate by an electronic mail message (email) via the Internet of its intent to borrow and subsequently deliver the above listed forms as soon as practicable.

As indicated in option three above, emergency circumstances allow for a member's Facility advance application to be verbal but a verbal request must be confirmed within five working days by delivering a complete application as required by 12 C.F.R. § 725.17 (c).

All phone, fax and email requests must promptly be followed by delivery of the original complete application(s) to the Facility. Relevant contacts, phone numbers, addresses and related information are included in Appendix A.

In cases where the member cannot establish contact with the Facility, a member should attempt to deliver its application, e.g., by one of the means indicated above, to its NCUA regional office which, in turn, will communicate the request to CLF. In all cases, the official Facility process time begins when the application is received by Facility personnel and logged in.

3. REQUIRED DOCUMENTATION

A Regular member must have an executed NCUA Central Liquidity Facility Repayment, Security and Credit Reporting Agreement on file with the Facility prior to submitting, or included with, an application for a loan (see Appendix C for sample forms).

	Form Name and Number	**Form Description**
1	*Request for Funds from National Credit Union Central Liquidity Facility* (Form - 7001)	Detailed application. Form must be completed for each loan request.
2	*Statement of Cash Receipts and Disbursements* (Form - 7002)	Form must be completed with each request except seasonal requests. Detailed schedule of actual cash flow receipts and disbursements for most recent 4 monthly periods (including "current" month).
	Form Name and Number	**Form Description**
3	*Cash Flow Projections* (Form - 7003)	Form must only be completed if total advances outstanding plus current request equals or exceeds

		$250,000. Detailed schedule of projected cash flow receipts and disbursements for next seven monthly periods (including "current" month).
4.	*Seasonal Flow Computations* (Form - 7004)	Form must be completed by credit unions applying for credit to meet annual recurring seasonal flows.

4. LIQUIDITY NEED JUSTIFICATION

A Regular member may apply for an extension of credit from the Facility only for liquidity purposes and any application must include or adequately reference some demonstrable evidence that the institution meets the statutory meaning of "liquidity needs" (see 12 U.S.C. § 302(1) of the FCU Act). The Facility will not approve an application for credit the intent of which is to expand credit union portfolios. We believe this means, for example, that the liquidity loan cannot be used to fund new investments or new loan product offerings.

5. CREDITWORTHINESS

The credit assessment of loan applications is conducted by a Facility loan officer (FLO). The primary responsibilities of a FLO are to:

1. Verify purpose of the request is a legitimate liquidity-need loan (see preceding section on "liquidity loan justification");
2. Ensure each applicant's creditworthiness is acceptable and that the Facility only makes sound loans; and,
3. Submit final assessment to approving author ity with a recommendation to approve or deny the request.

In those cases where the Facility has direct responsibility to make a credit underwriting decision, it considers various financial information to evaluate creditworthiness. This information includes, but is not limited to, the following:

1. Stated purpose of the loan;
2. Borrower's plan to repay the loan;
3. Borrower's current financial condition, based on information from such sources as Call Reports, and Financial Performance Reports (FPR);
4. Statutory limitations on borrowing.

The stated purpose of the loan is especially important since it relates to the statutory and regulatory "liquidity need" justification discussed in the previous section. In addition to the CLF President, the regional director and the state supervisory authority, in the case of state chartered credit unions, will also evaluate borrowing-need circumstances to make sure that the liquidity need is consistent with CLF's intended purpose and that the underlying reasons for the liquidity need do not constitute grounds for a material safety and soundness concern.

FLOs will place greater emphasis and reliance upon information which is most current. They are not limited to base a credit decision solely upon a set list nor are FLOs required to collect *all* of the information referenced above before making a final recommendation (a best-effort will be made subject to availability of information).

A *sound loan* is defined as a loan made to a responsible credit union which has a favorable operating record, financial history, and management with established integrity and competence or, in the case of a new credit union, reasonable assurance that these factors are present. A natural person credit union which does not meet the Facility creditworthiness standards may be limited or denied the use of Facility advances for its liquidity needs.

§ 725.18 of the NCUA Rules and Regulations states that prior to Facility approval of each application of a Regular member for a Facility advance, the Facility shall consider the creditworthiness of such member. NCUA Rules and Regulations § 725.18 (c) lists the following characteristics as "uncreditworthy":

Characteristics of Uncreditworthy Institutions	
1	Insolvency as defined by Section 700.1(k)
2	Unsatisfactory practices in extending credit
3	Lower than desirable reserve levels
4	High expense ratio
5	Failure to repay previous Facility advances as agreed
6	Excessive dependence on borrowed funds
7	Inadequate cash management policies and planning
8	Other relevant characteristics creating a less than satisfactory condition

A credit union which fails to meet CLF creditworthiness standards may qualify for emergency assistance from the NCUSIF as provided under § 208 of the FCU Act. § 208 assistance is generally provided to an institution in extraordinary circumstances where the institution may be "in danger of failing" without the assistance. Credit unions must request § 208 assistance from the NCUA regional director.

6. PRIORITY OF FACILITY ADVANCE REQUESTS

Neither Title III of the FCU Act nor Part 725 of the NCUA Rules and Regulations provides for any borrower priority. All loan requests, Regular or Agent member, are handled on a first-come, first-served basis regardless of membership type or loan amount.

7. PROCESSING TIME FOR FACILITY ADVANCES

The NCUA Board is required to approve or deny any application for a Facility advance within five working days after receiving it per 12 U.S.C. §306 (a)(1). However, the Facility will make a decision on each Advance request as soon as practic able; not to exceed five working days. A loan application will only be considered "in-process" when it is complete and has been officially logged by the Facility. Exceptions to this procedure must be approved by the CLF President and will only be considered in emergency circumstances.

8. SOURCES OF FACILITY FUNDS

The Facility has several sources of funds which it can use to fund Facility advances to its members. Limitations exist on the amount of funds available from each source. To balance its limitations on funding sources against its need to expeditiously respond to urgent and high priority requests, the Facility generally will seek to maintain a minimum (target) balance in its operating account while funding each new request for funds first with advances from the Federal Financing Bank (FFB). Each underlying loan which serves as the basis for an Agent request for funds will be match-funded by an FFB advance with the same settlement and payment characteristics. The target balance of the operating account will be maintained at a level determined by the Facility from time to time but not at a level that exceeds the sum of its retained earnings plus the paid-in stock subscriptions of its Regular members. If used to fund advances, the operating account will be replenished to its target level as soon as practicable. The operating account will be used as the primary *immediate* source of funds for borrowers who cannot afford the potential delay associated with an FFB-funded Facility advance (see table below).

Delivery and Timing of Delivery of Advance Requests from FFB[1] to CLF

Requested Advance Amount	**Advance Notice Requirement**	**Maximum Time Lag[2] (Business Days)**
Up to $500 million	Request must be received on or before the **third** Business Day before the Advance date specified	3
Between $500 million and less than $2 billion	Request must be received on or before the **fifth** Business Day before the Advance date specified	5
Equal to or greater than $2 billion	Request must be received on or before the **tenth** Business Day before the Advance date specified	10

Among the powers of the Board when acting on behalf of the CLF is the ability to borrow from any source, provided that the total face value of these obligations shall not exceed twelve times the subscribed capital stock and surplus of the Facility (see 12 U.S.C. §307(4)(a)). To mitigate

[1] The Facility borrows funds from the FFB and is subject to the borrowing terms set forth in a Note Purchase Agreement between the FFB and NCUA. The "Delivery and Timing of Delivery of Advance Requests from FFB" provided in this table are a contractual feature of the Note.

[2] The FFB will make an advance as soon as practicable after the Advance Request is received but not later than the tenth business day when aggregate Advances outstanding exceed $2 billion.

the delay-of-funds risk from the FFB's potential timing of delivery of funds (the potential 3 to 10 day lag), the CLF has the flexibility to borrow from an alternative source to cover the lag period if the need for funds is immediate at the time of request. Such an arrangement would only be established in emergency circumstances where the amount of the request for funds exceeds the CLF's operating account balance.

See Appendix B for a chart of the Facility advance loan process.

9. DISBURSEMENT OF FACILITY ADVANCES

A Regular member must complete a Request For Funds form (NCUA - 7001) as part of its application to the Facility. The credit union's delivery instructions for the Facility advance must be provided at the time of the application. These instructions can be included in a cover letter accompanying the application or be provided in the "Comments" section of the Request For Funds form at the bottom of page two. The Facility can either wire transfer the funds or issue a draft.

For wire transfers, the following information is required:
1. routing and transit number (ABA#) of the depository institution accepting the funds;
2. depository institution's name; and,
3. name of beneficiary (Regular member) and account number.

For a draft, the following information is required:
1. name of beneficiary (Regular member); and
2. address of beneficiary.

10. RATES ON FACILITY ADVANCES

To fund an Advance, the Facility may either borrow from any source or lend from its own readily available liquidity. All advances by the Facility to a Regular member will reflect a loan rate based on the Facility's costs[3]. For example, loan rates from the FFB to CLF are presently based upon the current average market yield on outstanding obligations of the United States with remaining time to maturity of such loan. The FFB obtains its rate from the U.S. Treasury. The shortest Treasury maturity used by Treasury for pricing loans is the most recently auctioned 13 week Treasury (91 day T-Bills). Other sources of funds may be utilized by CLF and could result in a rate substantially different than the standard FFB arrangement.

The following provisions apply to Advances from the FFB to CLF used to fund Facility advances.

<u>Computation of Interest on FFB-funded Advances</u>

a) Interest on the outstanding principal of each Advance shall accrue from the date on which the respective Advance is made to the date on which such principal is due.
b) Interest on each Advance shall be computed on the basis of (1) actual days elapsed from (but not including) the date on which the respective Advance is made to (and including) the date on which the payment of interest is next due; and (2) a 365 day basis.
c) The interest rate for each FFB advance shall be established by FFB, at the time the respective advance is made, on the basis of the determination made by the Secretary of the

[3] Rates on Facility Advances may include a fee adequate to cover all Facility expenses and to provide for the accumulation of reasonable contingency reserves.

Treasury[4]; provided, however, that the shortest maturity used as the basis for any rate determination shall be the remaining maturity of the most recently auctioned 13-week United States Treasury bills.

Payment of Interest; Interest Payment Dates on FFB-funded Advances

a) Interest accrued on the outstanding principal amount of each Advance shall be due and payable as follows:
b) if the Maturity Date for the respective Advance is a date that occurs **on or before** that date which is 6 months after the date on which such Advance is made, interest shall be payable on such Maturity Date; and
c) if the Maturity Date for the respective Advance is a date that occurs (1) **after** that date which is 6 months after the date on which such Advance is made, and (2) **on or before** that date which is 12 months after the date on which such Advance is made, interest shall be payable on that date which is 6 months before such Maturity Date (such date being the "Interest Payment Date" for the respective Advance) and on such Maturity Date.

Repayment of Principal

The outstanding principal amount of each Advance shall be due and payable on the Maturity Date for the respective Advance.

Refunding (rollover of an Advance).

CLF may reborrow (rollover) a part or all of a maturing Advance. Notice of intent to rollover all or part of an Advance must be given to FFB at least three business days before the new requested Advance date (3 business days prior to maturity). The new rate on the reborrowed amount will be set by FFB (Treasury) on the new Advance date.

Repurchases (prepayments of an Advance).

CLF may elect to repurchase (prepay) all or any portion of the outstanding principal amount of an FFB Advance. CLF must deliver to FFB written notification of each prepayment stating (1) the date of prepayment, and (2) the amount of principal of the respective Advance. A prepayment notice must be received by FFB five business days prior to the intended prepayment date. CLF shall pay FFB a prepay ment amount equal to the sum of: (A) the price for such Advance that would, if such Advance (including all unpaid interest accrued through the intended prepayment date) were purchased by a third party and held to the originally scheduled maturity date, produce a yield to the third-party purchaser for the period from the date of repurchase to the originally scheduled maturity date substantially equal to the interest rate that would be set on a such a loan by the FFB (Treasury); and, (B) all unpaid late charges (if any) accrued on such Advance through the intended prepayment date. The prepayment amount shall be calculated by the Secretary of the Treasury as of the close of business on the second Business Day before the intended prepayment date. Minimum Repurchase amount is limited to $100,000 of principal.

A Regular member may make a prepayment in any amount at any time provided sufficient notice time is given (five business days). However, the Facility shall impose on any such prepayments, a prepayment cost equivalent to any resultant prepayment cost incurred by the Facility.

In the event that any payment of any amount owing under the Facility advance is not made when and, as due, results in a late charge on a corresponding FFB advance, the late charge assessed by the FFB against CLF shall be in turn assessed against the credit union. Each payment under a Facility advance shall be made in immediately available funds by electronic funds transfer for credit to the CLF's operating account with US Central.

[4] Pursuant to section 6(b) (12 U.S.C. § 2285(b)) of the Federal Financing Bank Act of 1973, as amended (12 U.S.C. § 2281 et seq.) (the "FFB Act").

11. COLLATERAL REQUIREMENTS

By regulation, each Facility advance must be secured by a first priority security interest in assets of the borrowing natural person credit union. Such assets must have a net book value of at least 110% of all amounts due under the applicable Facility advance, or by guarantee of the National Credit Union Share Insurance Fund.

See also 12 CFR § 725.19 (a) and (c) and the *NCUA Central Liquidity Facility Repayment, Security And Credit Reporting Agreement* (see Appendix C-1).

12. CONFIRMATIONS

Specific terms of a Facility advance, such as the date of the advance, amount of the advance, the interest rate, the principal repayment date or dates (if any), the principal amount due on each such principal repayment date (excluding interest), the interest payment dates (if any), and the maturity date will be specified in a confirmation to the Regular member at the time each advance is made.

CLF and National Credit Union Administration Contacts

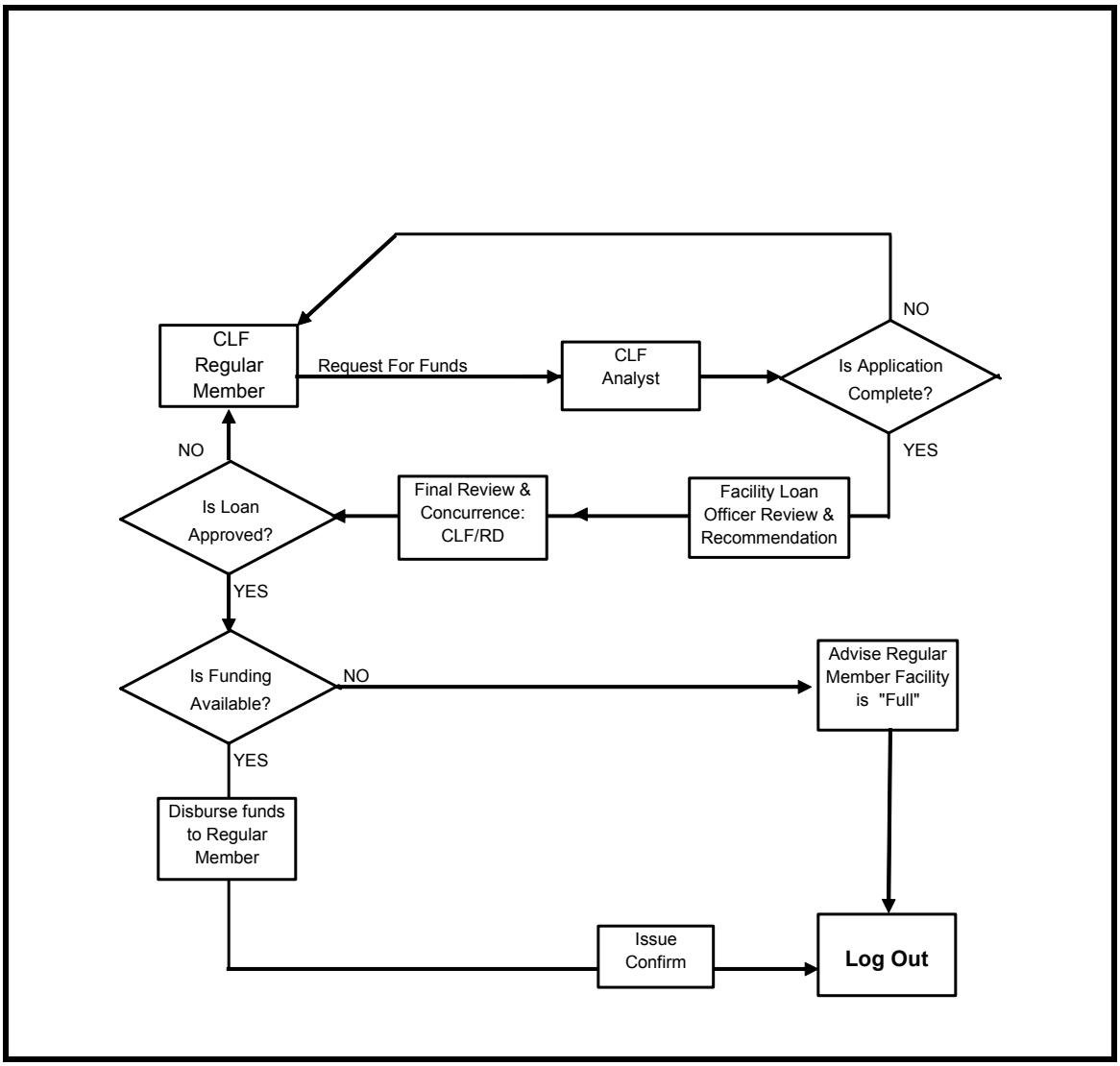
CENTRAL LIQUIDITY FACILITY 1775 Duke Street Alexandria, VA 22314-3428 (703) 518-6391 (703) 518-6429 **FAX**	**OFFICE OF EXAMINATION AND INSURANCE** 1775 Duke Street Alexandria, VA 22314-3428 (703) 518-6360 (703) 518-6499 **FAX**	**OFFICE OF CORPORATE CREDIT UNIONS** 1775 Duke Street Alexandria, VA 22314-3428 (703) 518-6640 (703) 518-6439 **FAX**
REGION I - ALBANY 9 Washington Square Washington Ave. Extension Albany, NY 12205 (518) 862-7400 (518) 862-7420 **FAX** CT, ME, MA, MI, NH, NY, RI, VT	**REGION II - CAPITAL** 1775 Duke Street Suite 4206 Alexandria, VA 22314-3437 (703) 519-4600 (703) 519-4620 **FAX** DE, DC, MD, NJ, PA, VA,WV	**REGION III - ATLANTA** 7000 Central Parkway Suite 1600 Atlanta, GA 30328 (678) 443-3000 (678) 443-3020 **FAX** AL, FL, GA, IN, KY, MS, NC, PR, SC, TN, VI
REGION IV - AUSTIN 4807 Spicewood Springs Rd. Suite 5200 Austin, TX 78759-8490 (512) 342-5600 (512) 342-5620 **FAX** AR, IL, IA, KS, LA, MN, MO, NE, ND, OK, SD, TX, WI	**REGION V - TEMPE** 1230 West Washington Street Suite 301 Tempe, AZ 85281 (602)302-6000 (602) 302-6024 **FAX** AK, AZ, CA, CO, GU, HI, ID, MT, NV, NM, OR, UT, WA, WY	**AMAC -Asset Management & Assistance Center** 4807 Spicewood Springs Rd, Suite 5100 Austin, TX 78759-8490 (512) 231-7900 (512) 231-7920 **FAX**

Corporate Credit Unions

Thomas D. Bonds, President **Corporate America** Credit Union 4365 Crescent Road Irondale, AL 35210-1774 (800) 292-6242 (205) 313-4300 **FAX**	Greg Moore, President/CEO **Georgia** Central Credit Union 2400 Pleasant Hill Rd., Suite 300 Duluth, GA 30136 (770) 476-9704 (770) 476-1593 **FAX**	David A. Savoie, President/CEO **Louisiana** Corporate Credit Union 3500 North Causeway Blvd., Suite 1510 Metairie, LA 70002 (800) 421-7030 (504) 838-8822 **FAX**
Peter Pritts, President **First Corporate** Credit Union 2 North Central Avenue, Suite 700 Phoenix, AZ 85004 (602) 322-2466 (602) 322-2402 **FAX**	Tom Kuehl, Manager **Iowa** Corporate Central Credit Union 3737 Westown Parkway, Suite D P.O. Box 8388 Des Moines, IA 50301 (515) 223-7390 (515) 226-7952 **FAX**	Jane C. Melchionda, President **Eastern** Corporate Federal Credit Union (EasCorp) 35 Corporate Dr. Suite 300 Burlington, MA 01803 (781) 933-9950 (781) 933-6476 **FAX**
Robert A. Siravo, President/CEO **Western** Corporate Federal Credit Union (WesCorp) 924 Overland Court San Dimas, CA 91773-1750 (909) 394-6300 (909) 394-6338 **FAX**	Joseph Herbst, President/CEO **Members United** Corporate Federal Credit Union 4450 Weaver Parkway Warrenville, IL 60555-3926 (630) 276-2600 (630) 276-2707 **FAX**	Stephen A. Roy, CEO **TRICORP** Federal Credit Union 2 Ledgeview Drive Westbrook, ME 04092 P.O. Box 1429 Portland, ME 04104 (207) 761-0774 (207) 761-0873 **FAX**
Thomas R. Graham, President/CEO **Sun Corp** Corporate Credit Union 11080 Circle Point Road, Suite 500 Westminster, CO 80020 (720) 540-4600 (303) 428-6183 **FAX**	Francis Lee, Manage/CEO **U.S. Central** Credit Union 9701 Renner Blvd., Suite 100 Lenexa, KS 66219 (888) 872-0440 (913) 227-6260 **FAX** ***Agent Group Representative***	William Walby, President **Central** Corporate Credit Union 20800 Civic Center Drive P.O. Box 5092 Southfield, MI 48086-5092 (248) 351-2100 (248) 356-6965 **FAX**
Robert T. Nealon, President/CEO **Constitution** Corporate Federal Credit Union P.O. Box 5024 Wallingford, CT 06492-7524 (203) 697-6000 (203) 294-6121/22 **FAX**	Larry Eisenhauer, President/CEO **Kansas** Corporate Credit Union 8615 West Frazier Wichita, KS 67212 (800) 721-2677 (316) 722-2025 **FAX**	Dennis DeGroodt, CEO **Missouri** Corporate Credit Union 2055 Craigshire Drive St. Louis, MO 63146-4009 (314) 542-0555 (314) 542-1347 **FAX**
Bill Birdwell, President **Southeast** Corporate Federal Credit Union P.O. Box 3008 Tallahassee, FL 32315-3008 (850) 576-3607 (850) 576-3714 **FAX**	Jim Thompson, President **Kentucky** Corporate Federal Credit Union 3615 Newburg Road Louisville, KY 40218-3399 (502) 459-6110 (502) 459-8027 **FAX**	James Hanson/CEO **Vacorp** Corporate Federal Credit Union 107 Leroy Bowen Drive Lynchburg, VA 24502 (434) 237-9640 (434) 239-8148 **FAX**

Corporate Credit Unions

Steve D. Howke, President/CEO **Treasure State** Corporate Credit Union 1236 Helena Avenue Helena, MT 59601-2990 (406) 442-9081 (406) 442-9085 **FAX**	Edward Fox, President **Mid-Atlantic** Corporate Federal Credit Union 1201 Fulling Mill Road Middletown, PA 17057 (800) 622-7494 (717) 985-3435 **FAX**	Robert Fouch, Manager/CEO **Corporate Central Credit Union** P.O. Box 469 Hales Corners, WI 53130-0469 (414) 425-5555 (414) 427-3700 **FAX**
David W. Brehmer, President **First Carolina** Corporate Credit Union 4160 Piedmont Parkway P.O. Box 49379 Greensboro, NC 27419-1379 (800) 822-8859 (800) 828-0713 **FAX**	Rick Veach, Acting President/CEO **Volunteer** Corporate Credit Union 2460 Atrium Way Nashville, TN 37214 (615) 232-7900 (615) 232-7999 **FAX**	Charlie Thomas, Manager/CEO **West Virginia** Corporate Credit Union 411 Cedar Grove Road P.O. Box 209 Parkersburg, WV 26102-0209 (304) 485-4563 (304) 485-4503 **FAX**
Doug Wolf, President/CEO **Midwest** Corporate Federal Credit Union P.O. Box 7250 Bismarck, ND 58507 (701) 258-5760 (701) 223-2654 **FAX**	John Cassidy, President/CEO **Southwest** Corporate Federal Credit Union 7920 Belt Line Road Suite 1100 Dallas, TX 75254-8100 (972) 861-3000 (972) 861-3349 **FAX**	Lee Butke, President **Corporate One** Federal Credit Union 8700 Orion Place Columbus, OH 43240 (800) 282-2560 (614) 825-9202 **FAX**


CLF
Regular
Member
Request For Funds
CLF
Analyst
Is Application
Complete?
NO
YES
Facility Loan
Officer Review &
Recommendation
Final Review &
Concurrence:
CLF/RD
Is Loan
Approved?
NO
YES
Is Funding
Available?
NO
YES
Advise Regular
Member Facility
is "Full"
Disburse funds
to Regular
Member
Issue
Confirm
Log Out

APPENDIX C-1

INSTRUCTIONS FOR COMPLETING THE APPLICATION AND AGREEMENTS FOR REGULAR MEMBERSHIP IN THE NCUA CENTRAL LIQUIDITY FACILITY

PART A

Item No.	Instructions/Remarks
4	Enter Your credit union's charter number if federally chartered or National Credit Union Share Insurance Fund (NCUSIF) certificate number if federally insured.. Leave blank if your credit union is neither federally chartered nor insured by the NCUSIF.
5,6	Enter the name and telephone number (including area code) of the individual to be contacted regarding Central Liquidity Facility (the Facility) matters. The individual named should be a person authorized to transact business with the Facility.
7	Enter the date this application is prepared. Use a six digit numeric designation: for example, August 10, 1998 would be entered as 08/10/98.
8	Check the appropriate block to indicate insurance status of your credit union. If member shares are insured by the NCUSIF, check block (a). If member shares are insured by a share insurance program other than NCUSIF, check block (b). If member shares in your credit union are uninsured, check block (c).
9	If block 8(b) is checked, enter the name of the share insurance program which insures your members' shares.
10	Enter the name and address and ABA routing number of the financial institution used by the credit union as its depository and record the credit union's account number at that depository.
11(a),(b)	On line (a) enter the date and requested data for the most recent month end preceding the date of this application. On line (b) enter the date and requested data of the month end which is 6 months prior to the month in item 11(a).
11(c)	Total columns (1), (2), (3), (4), (5) and (6) .
11(d)	Divide the total at 11(c)(6) by 2, to arrive at the arithmetic average of paid-in and unimpaired capital and surplus for this 6 month period. The amount of your credit union's initial Facility stock subscription is based upon this average value in accordance with Section 304(c)(1), the CLF portion of Title III of the Credit Union Act (The Act).
12	The capital stock subscription for your credit union is equal to ½ of one percentum of the average paid-in and unimpaired capital and surplus from item 11(d) above. To determine the amount of your credit union's Facility stock subscription multiply the average paid-in and unimpaired capital and surplus from item 11(d), by .005 and round the resultant answer to the nearest whole dollar. For example, if the value reported in item 11(d) were $25,245.00, the figure to report in item 12 would be computed as follows: $25,245.00 X .005 126.225 ($126.225 rounded to the nearest whole dollar equals $126 If the stock subscription calculated in the above manner results in an answer of less than $50.00, then your credit union's stock subscription shall be $50.00. This is required by section 305(a) of the Act.
13	Section 305(d) of The Act requires that at least 1/2 of the stock subscription amount must be paid to the Facility. The remainder must be held on call and shall be invested in assets designated by the Facility's Board. The amount of funds that must accompany this application when it is submitted to the Facility is computed by dividing the dollar amount of the stock subscription reported in item 12 by 2. In our foregoing example where the stock subscription was $126, the credit union would be required to enclose with its application $63 ($126 ÷ 2). Checks should be made payable to the "Central Liquidity Facility".
14	If your credit union is a member of one or more corporate credit unions, list the names of all those corporate credit unions of which your credit union is a member.

PART B

The Facility is permitted to lend to credit unions primarily serving natural persons, only to meet liquidity needs as specified in The Act. To ensure that Facility loans are used by Regular members for those purposes permitted by The Act. The Facility will need to have access to certain records of the Regular member and will require certain record keeping. This section contains a series of agreements that will provide the Facility with the necessary access to information.

3a	This section requires that the credit union attach certain supporting documents to the application. The documents requested are those which are routinely prepared at month end by credit unions.
3B	If your credit union is state chartered, attach a copy of your credit union's charter and by-laws.

PART C

Any supporting documents submitted with this application are to be identified by schedule number beginning with 1 (one) and numbered consecutively. All schedules should be listed in Part C.

Prior to submitting this application, the resolutions contained in part C must be adopted by the credit union's board of directors.

***The CLF may not collect this information, and you are not required to complete this form unless it displays a currently valid control number. Estimated time to complete this form is ½ hour.

APPENDIX C-1
APPLICATION AND AGREEMENTS FOR REGULAR MEMBERSHIP IN THE NATIONAL CREDIT UNION CENTRAL LIQUIDITY FACILITY

PART A - GENERAL INFORMATION

Items 1 thru 10 are designed for computer data entry. Please do not use more than the allotted number of characters.
(The number in parenthesis after each title block of each item is the total number of allowed characters including spaces for that item.)

1. _____ Credit Union Name (35)

4. _____ Charter/Insurance Certificate Number (5)

2. _____ Street Address (35)

5. _____ Contact Person (30)

3. _____ City (20) State (2) Zip Code (5)

6. _____ Telephone Number (10)

7. _____ Date of Application (10)

8. Insurance Status: a. ☐ Federally Insured b. ☐ State Program c. ☐ Uninsured

9. _____ Name of Share Insurance Program [ ] NCUA Use Only

10. Local Depository Information:

a. _____ Depository Name (35)

d. _____ ABA Routing Number (9)

b. _____ Street Address (35)

e. _____ Account Number (15)

c. _____ City (20) State (2) Zip Code (5)

11. Computation of six month arithmetic average of paid-in and unimpaired capital and surplus: (Account Numbers obtained from NCUA 5300 Call reports)
Line (a) DATE: _____ (Most recent month end figures): Line (b): DATE: _____ (Data for month end six months prior)

	(1) Shares - (018)	+	(2) (3) Other Reserves (658)	+	Net Gain or (Loss) (602)	+	(4) (5) Undivided Earnings (940)	+	Accum. Unrealized Gains/Losses on AFS Securities .(945)	=	(6) Paid-in and Unimpaired Capital and Surplus
(a)											
(b)											
(c)										Total:	

(d) Arithmetic average of paid-in and unimpaired capital and surplus (Item (c) (6) ÷ 2) $ _____

12. Amount of Facility shares (Item 11 (d) x .005) $ _____

13. Amount enclosed with application (Item 12 ÷ 2) $ _____
(Round to nearest whole number)

14. Membership(s) in Corporate Credit Unions:

_____ Credit Union [ ] NCUA Use Only

_____ Credit Union [ ] NCUA Use Only

_____ Credit Union [ ]

IF YOU NEED HELP COMPLETING THIS APPLICATION PLEASE CALL 1-703-518-6391

***The CLF may not collect this information, and you are not required to complete this form unless it displays a currently valid control number. Estimated time to complete this form is ½ hour.

APPENDIX C-1

PART B - MEMBERSHIP AGREEMENTS AND SUPPORTING DOCUMENTS

1. The above named credit union hereby applies for Regular membership in the Central Liquidity Facility (Facility) as provided in Title III of the Federal Credit Union Act, and in consideration of the granting of Regular membership hereby agrees:

a. To comply with the requirements of Title III of the Federal Credit Union Act and any regulations and reporting requirements which are prescribed for Regular members by the NCUA Board pursuant thereto.

b. To permit the NCUA Board or its designee to have access to any information or report with respect to any examination made by or for any public regulatory authority, including any commission, board, or authority having supervisory responsibility over this credit union, and furnish such additional information with respect thereto as the NCUA Board may require.

c. To permit the NCUA Board or its designee to have access to all records and information concerning the affairs of this credit union related to Facility activity and to furnish such information pertinent thereto that the Board may require.

d. To maintain records related to Facility activity in conformance with requirements prescribed by the NCUA Board from time to time.

2. I (We) understand that:

a. The stock subscription represents an investment by this credit union in the Facility.

b. The paid portion of the stock subscription will be recorded on the credit union's books as an asset.

c. The unpaid portion of the stock subscription shall be held in cash, deposits in corporate credit unions with remaining maturities of 6 months or less, deposits in federally insured banks and savings and loan associations with remaining maturities of 6 months or less, U.S. Government obligations (of a type authorized for investment by Federal credit unions under 12 U.S.C. 175(7) with remaining maturities of 1 year or less, additional shares in the Facility and such other investments as may be authorized from time to time by the NCUA Board.

d. The amount of the Facility capital stock subscription shall be adjusted at the close of each calendar year in accordance with an arithmetic average of the unimpaired capital and surplus over a period specified by regulations.

e. This credit union may withdraw from membership in the Facility subject to the following notification and waiting period:

(1). A member of the Facility whose required capital stock subscription constitutes less than 5 per centum of such required stock subscriptions outstanding , may withdraw from membership in the Facility six months after notifying the NCUA Board of its intention to do so.

(2). A member of the Facility whose required capital stock subscription constitutes 5 per centum or more of such required stock subscriptions outstanding, may withdraw from membership in the Facility twenty-four months after notifying the NCUA Board of its intention to do so.

f. The NCUA Board may terminate our membership in the Facility if, after opportunity for hearing, it determines that we have failed to comply with any provisions of the Central Liquidity Facility Act or regulation issued pursuant thereto.

g. Dividends will be paid on the paid-in portion of out Facility stock from available earnings at rates to be determined by the NCUA Board.

3. The following required supporting documents are attached.

a. Copies of our financial and statistical reports for the most recent month-end, including but not limited to:

(1). Balance Sheet

(2). Statement of Income and Expense

(3). Delinquent loan report showing the number and dollar amount of delinquent loans by delinquent categories (2 months to less than 6 months, 6 months to less than 12 months, 12 months and over, or such other categories as may be required by the state regulatory authority.)

b. A copy of our credit union's charter and bylaws (not required for Federal credit unions)

APPENDIX C-1
APPLICATION AND AGREEMENTS FOR REGULAR MEMBERSHIP IN THE NATIONAL CREDIT UNION CENTRAL LIQUIDITY FACILITY

PART C - CERTIFICATIONS AND RESOLUTIONS

We, the undersigned, certify to the correctness of the information submitted. In support of this application we submit the Schedules described below:

Schedule No.	Title

(Signature) Chief Elected Official

(Print or Type Officers Name)

(Signature) Treasurer

(Print or Type Treasure's Name)

CERTIFICATIONS AND RESOLUTIONS

(Corporate Name of Credit Union)

(City) (State)

We certify that we are the duly elected and qualified president (chief elected official) and secretary of said credit union and that at a properly called regular or special meeting of its board of directors, at which a quorum was present, the following resolutions were passed and recorded in its minutes:

"Be it resolved that this credit union apply for Regular membership in the National Credit Union Central Liquidity Facility as provided in Title III of the Federal Credit Union Act."

"Be it further resolved that the president (chief elected official) and treasurer be authorized and directed to execute the APPLICATION AND AGREEMENTS FOR REGULAR MEMBERSHIP IN THE NCUA CENTRAL LIQUIDITY FACILITY and any other papers and documents required in connection therewith and to pay all expenses and do all such things necessary or proper to secure and continue such membership."

"Be it further resolved that the president/chairman or vice president/vice chairman and treasurer or assistant treasurer (or their successors as authorized by resolution) are authorized to execute notes and applications for advances from the National Credit Union Central Liquidity Facility in such amounts as may be authorized from time to time by the board of directors of this credit union."

(Signature) Chief Elected Official

(Print or Type Officers Name)

(Signature) Secretary, Board of Directors

(Print or Type Secretary's Name)

APPENDIX C-2

INSTRUCTIONS FOR COMPLETING THE NCUA CENTRAL LIQUIDITY FACILITY REPAYMENT, SECURITY AND CREDIT REPORTING AGREEMENT FOR REGULAR MEMBERS CLF-8703

In order to eliminate the need to sign documents each time an advance is made, the Central Liquidity Facility (Facility) requires each member to sign a repayment, security and credit reporting agreement governing all advances by the Facility

The enclosed agreement includes a promise to repay all advances, the security agreement, and the other loan terms which are known in advance. Other more specific terms, such as the amount, interest rate, maturity and the schedule of payments will be disclosed in a confirmation that will be sent to the borrowing credit union each time an advance is made. The agreement also includes a credit reporting agreement which establishes reporting requirements to enable the Facility to obtain information concerning the status of its advances.

To properly complete the agreement, type or print the data requested at the top of page one and at the bottom of the last page. For the line designated "Charter/Insurance Certificate Number" on page one; enter your credit union's charter number if federally chartered or National Credit Union Share Insurance Fund (NCUSIF) certificate number if federally insured. Leave blank if your credit union is neither federally chartered nor insured by NCUSIF.

The Chief Elected Official and the Treasurer should sign on the lines provided on the last page. Return a original executed copy in the pre-addressed envelope. Retain a copy for the credit union's files.

***The CLF may not collect this information, and you are not required to complete this form unless it displays a currently valid control number. Estimated time to complete this form is 3 hours.

APPENDIX C-2
NCUA CENTRAL LIQUIDITY FACILITY REPAYMENT, SECURITY AND CREDIT REPORTING AGREEMENT (Regular Member)

(Corporate Name of Credit Union)	Charter /Insurance Certificate Number
City	State

PARTIES

(1) **Effective date**. This agreement is between the National Credit Union Central Liquidity Facility (hereinafter "the Facility") and a Regular member of the Facility (hereinafter "the Member"). It becomes effective when signed by the Regular member and the Facility and shall remain in effect as long as the Regular member is a member of the Facility or there is any unpaid repayment obligation created hereunder between the Regular member and the Facility.

(2) **CLF Rules and regulations**. All advances of Facility funds to the Regular member are subject to the terms and conditions of this agreement and to applicable terms and conditions in the National Credit Union Central Liquidity Facility Act, rules and regulations prescribed by the NCUA Board on behalf of the Facility, and operating circulars issued by the Facility, including all amendments and supplements thereto. The Regular member shall perform each of the obligations imposed on it by any such term or condition.

REPAYMENT

(3) **Confirmation**. In connection with each advance of Facility Funds to the Regular member, the Facility shall issue a confirmation of credit (hereinafter the "confirmation") which shall be sent to the Regular member. The confirmation may be issued before or after the date of the advance and shall be in such form and sent in such manner as may be determined by the Facility. The confirmation shall specify:

(i) the date of the advance;
(ii) the amount of the advance;
(iii) the interest rate;
(iv) the principal repayment date or dates, if any;
(v) the amount due on each such principal repayment date (excluding interest);
(vi) the interest payment date or dates, if any;
(vii) the maturity date; and
(viii) the types of liquidity needs for which the Facility funds are advanced (i.e.. short-term adjustment credit, seasonal credit, or protracted adjustment credit);
(ix) the security given for the advance.

The confirmation may also specify the manner in which the Regular member must pay the Facility on the maturity date. A confirmation may be combined with other information, including other confirmations, in a listing or other form of communication. More than one advance of Facility funds may be included, with or without other funds, in a single transfer of funds from the Facility to the Regular member.

(4) **Loan application; use of funds**. The Regular member's application for a Facility advance must be filed on a Facility-approved application form, or pursuant to any other method approved by the Facility. Each advance of Facility funds shall be used by the Regular member **solely** for the liquidity needs for which funds were advanced, as specified in the confirmation issued by the Facility in connection with the advance. If funds were previously borrowed by the Regular member from a party other than the Facility to meet the liquidity needs for which Facility funds were advanced, the advance of Facility funds may be used to repay the borrowed funds.

(5) **Repayment obligation**. When the Regular member receives an advance of Facility funds, a repayment obligation is created (herein a "repayment obligation created hereunder") whereby the Regular member, for value received, agrees:

(i) to pay to the Facility on each principal repayment date an amount equal to the principal amount due on such principal repayment date plus unpaid interest from the date of the advance through such principal repayment date; and

(ii) to pay the Facility on each interest payment date an amount equal to unpaid interest from the date of the advance through such interest payment date; and

(iii) to pay the Facility on the maturity date an amount equal to the unpaid balance of the amount of the advance, if any, plus unpaid interest from the date of the advance through such maturity date; and

(iv) if the amount due on the maturity date or any principal repayment date or interest repayment date is not paid on or before such date, to pay the Facility

(a) reasonable expenses of collection, including the reasonable attorney's fees and expenses incurred, plus

(b) a late payment charge equal to 5% of the unpaid balance of the principal amount due on such date, plus

(c) interest after such date on the unpaid balance of the principal amount due on such date.

As used herein, unless the context otherwise requires, the date and amount of the advance, the interest rate, the principal repayment and interest payment dates, the principal amount due on each such principal repayment date, and the maturity date are the dates, amount and rate specified as such in the confirmation issued by the Facility in connection with the advance. Interest shall be determined hereunder as follows,

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Estimated time to complete this form is 3 hours.

using the interest rate specified as such in the confirmation: commencing on the date of the advance, interest shall accrue each day on the unpaid balance of the amount of the advance, and the unpaid interest from the date of the advance through any date shall be equal to accrued interest through such date less the portion of such accrued interest that has been paid prior to such date. The Regular member may make a prepayment in any amount at any time. Each payment and each prepayment shall be applied first to any unpaid late payment charge, then to unpaid interest through the date of the payment or prepayment, and then to the unpaid balance of the amount of the advance. When the unpaid balance of the amount of the advance is reduced as a result of a prepayment, the principal amount due on the next succeeding principal repayment date shall be reduce by an amount equal to the reduction in the unpaid balance of the amount of the advance. The Facility may waive any part or all of the interest or late payment charge. If the amount owed to the Facility on all repayment obligations created hereunder become immediately due and payable under the terms of this agreement, the maturity date, as used herein, is the date such amounts become immediately due and payable or the date specified in the confirmation as the maturity date, whichever occurred first.

The Regular member may make a prepayment in any amount at any time provided, however, that the Facility shall impose on any such prepayment, a prepayment penalty equivalent to any resultant prepayment penalty or cost incurred by the Facility.

SECURITY

(6) **Collateral.** To secure the repayment obligation created by an advance of funds pursuant to this agreement, the regular member grants the Facility a security interest (the "collateral") as set forth below:

(i) a first priority security interest in the following described assets of the regular member having a net book value of at least 110% of the funds advanced., unless the advance is guaranteed by the national Credit Union Share Insurance Fund (NCUSIF):_____ ; **OR**

(ii) a security interest in all assets of the regular member, including but not limited to:

(a) all notes, instruments, and other monetary obligations (written or unwritten) which evidence or represent right of the Regular member to the payment or repayment of money;

(b) all chattel paper, as defined in the Uniform Commercial Code;

(c) all securities (whether or not represented by instruments), including shares in the capital stock of the Facility;

(d) all demand, time savings, passbook and loan accounts, including share accounts, maintained with a bank, savings and loan association, credit union or like organization;

(e) money, as defined in the Uniform Commercial Code;

(f) all general intangibles, as defined in the Uniform Commercial Code;[1] and

(g) all proceeds of all such notes, instruments, monetary obligations, chattel paper, securities, accounts, money and general intangibles.

(7) **Perfection.** The Facility shall have the right at any time to perfect the security interest granted hereunder with respect to any part or all of the collateral, either by filing or by taking or retaining possession thereof. If perfection is by filing, the Regular member shall sign a financing statement and such other papers as may be appropriate for filing and shall pay all necessary filing fees. If perfection is by taking possession, the Regular member shall take such action as may be necessary to transfer possession to the Facility, including delivery to the Facility or its designee at the expense of the Regular member. The Facility may subordinate or terminate it security interest in any part of all of the collateral subject to such terms and conditions as the Facility may impose.

(8) **Third-party security interest**. The Regular member may not pledge or grant a security interest in any asset in which a security interest is granted to the Facility under this agreement if, as a result, the net book value of the collateral would fall below 110% of the amount owed. The Facility may at any time further restrict or prohibit the pledging or granting of security interests in the collateral or the borrowing of amounts that are secured by any pledge or security interest. Except as stated in this paragraph, or as further restricted or prohibited by the Facility, the Regular member may at any time pledge or grant security interests in the collateral to parties other than the Facility, including corporate credit unions. The Regular member must report such security interests to the Facility as follows: Each application of the Regular member for Facility advance shall show the total amount borrowed by the Regular member from sources other than the Facility and shall identify the types of assets, if any, which the Regular member has pledged or subjected to a security interest in order to secure repayment of the amounts borrowed. If there is an increase in the total amount borrowed from other sources, as shown in the application or any subsequent report, the Regular member shall report the increase to the Facility within five business days after the increase occurs. The report shall show the total amount currently borrowed from other sources (including the increase) and shall identify the types of assets, if any which the Regular member has pledged or subjected to a security interest in order to secure repayment of the amounts borrowed. A report of the increase is not required if the Regular member does not owe any amount to the Facility on any repayment obligation created hereunder.

(9) **Acceleration and default**. The amounts owed to the Facility on all repayment obligations created hereunder shall become immediately due and payable to the Facility, without any demand or notice, upon:

(i) the failure of the Regular member to perform any of its obligations under this agreement, including failure to pay the amount due on any maturity date, principal repayment date or interest repayment under any repayment obligation created hereunder; or

(ii) the failure of the Regular member to pay any other obligation to the Facility when due; or

(iii) the failure to comply with the terms of any undertaking, statement or representation made

by the Regular member to the Facility in any application, certification or other communication; or

(iv) the insolvency of, or appointment of a trustee or receiver for, the Regular member; or

(v) an assignment for the benefit of creditors of the Regular member; or

(vi) the closing or suspension or revocation of the charter of the Regular member, or the taking possession of its business, by any governmental authority; or

(vii) the Regular member's use of the proceeds of any advance for a purpose other than the liquidity needs for which the advance was made; or

(viii) the withdrawal of the Regular member from membership in the Facility.

The occurrence of any of the events described in subparagraphs (9)(i) through (9)(viii) hereof shall constitute a default under this agreement. The term "insolvency" in subparagraph (9)(iv) hereof has the same meaning as in 12 CFR 700.1 (j)(1). The Facility may waive a default under this agreement and may reinstate the maturity date on any repayment obligation created hereunder which becomes immediately due and payable as a result of any such default.

(10) **Enforcement**. Upon the occurrence of a default under this agreement, or at any time thereafter, the Facility shall have all the rights and remedies provided under the Uniform Commercial Code and under this agreement, including but not limited to any one or more of the following: the Facility may -

(i) take or retain possession of the collateral, or any part thereof',

(ii) collect the proceeds of the collateral,

(iii) notify obligors on the collateral to make payments to the Facility,

(iv) sell or otherwise dispose of any part or all of the collateral at public or private proceedings,

(v) buy the collateral or any part thereof, and

(vi) retain the collateral, or any part thereof, in satisfaction of any part of all of the obligations secured by the collateral.

The proceeds of the collateral, including the proceeds of sale or other disposition thereof, shall be applied by the Facility first to the reasonable expenses of collecting such proceeds and of taking, holding, and selling the collateral, including the reasonable attorney's fees and legal expenses incurred, and then to the payment of amounts due on all repayment obligations created hereunder. Any surplus then remaining shall be paid or returned to the Regular member. If there is a deficiency, the Regular member shall be liable for the deficiency. If the Facility is indebted to the Regular member, the Facility shall have the right to set-off such indebtedness against all amounts due the Facility on all repayment obligations created hereunder, without regard to when such indebtedness may be due and payable.

CREDIT REPORTING

(11) **Required reports**. The Regular member shall file such reports and provide such information as may be required by the Facility from time to time.

CONSTRUCTION AND MODIFICATION

(12) **Governing law.** This agreement shall be construed under and governed by the law of the Commonwealth of Virginia, including the Uniform Commercial Code as adopted and amended from time to time by the Commonwealth of Virginia, and the terms used in such Code shall have the same meaning when used in this agreement. All references to the Uniform Commercial Code in this agreement are to such Code as adopted and amended from time to time by the Commonwealth of Virginia. Unless the context of this agreement requires otherwise, the terms used in such Code shall have the same meaning when used in this agreement. Unless the Uniform Commercial Code or the context of this agreement otherwise requires, the terms defined in the rules and regulations prescribed by the NCUA Board on behalf of the Facility shall have the same meanings when used in this agreement.

(13) **Modification procedures**. Thus agreement may be modified from time to time by the NCUA Board. Any such modifications shall be published in the Federal Register and shall become a part of this agreement as of the effective date specified in the Federal register. The modification shall apply to all advances of Facility funds after such effective date. All such modifications are a part of this agreement, including modifications that occurred prior to the signing of this agreement.

(14) **Communication**. Unless otherwise directed by the facility, all applications, reports, notifications, and other communications from the Regular member to the Facility shall be filed with a Facility lending officer.

[1]General intangibles are any personal property other than goods, accounts, chattel paper, documents instruments or money. Examples of general intangibles are the right to receive payment of a loan not evidenced by an instrument or chattel paper, rights to performance, and business goodwill.

(Signature) Chief Elected Official

(Print or Type Official's Name)

(Signature) Treasurer

(Print or Type Official's Name)

Accepted By: Date Accepted_____

(Signature) NCUA Central Liquidity Facility

(Date of Execution of this Agreement)

OMB Control #: 3133-0061 Expiration Date: 6/30/2011

APPENDIX C-3

FORMS AND INSTRUCTIONS FOR CLF LOANS

INSTRUCTIONS TO REGULAR MEMBERS AND AGENT MEMBERS FOR COMPLETION OF A REQUEST FOR FUNDS FROM THE NATIONAL CREDIT UNION CENTRAL LIQUIDITY FACILITY

INTRODUCTION

A Regular member may apply to the Facility for an extension of credit to meet its liquidity needs. This request may be approved if the purpose of the request falls within on of the following categories:

A. **Short-term** adjustment credit available to assist in meeting temporary requirements for funds or to cushion more persistent outflows of funds pending an orderly adjustment of credit union assets and liabilities.

B. **Seasonal** credit available to assist in meeting seasonal needs for funds arising from a combination of expected patterns of movement in share deposit accounts and loans.

C. Protracted adjustment credit (sometimes known as "long-term emergency credit") available in the event of unusual or emergency circumstances of a longer term nature resulting from national, regional or local difficulties.

REQUEST FOR FUNDS

Enclosed are the forms a Regular Member may need in preparing a request for funds:

(1) **Request for Funds from National Credit Union Central Liquidity Facility**

– This form must be completed for each request for funds from the Facility. Each question on the form must be answered. The supporting schedules or documents discussed in Item 11 of the form should be attached to the Request for Funds when appropriate for the circumstances involved in the request. The instructions in Item 11 should be followed closely to assure all required information is submitted. Incomplete or missing data will delay processing of the request

(2) **Statement of Cash Receipts and Disbursements** (An equivalent form/report may be submitted.)

– To be submitted for requests with maturity over 90 days <u>or</u> if the repayment source cannot be clearly explained in items 7 and 8. Information will be reported on the statement for receipts and disbursements for the current month and the preceding 3 months.

(3) **Cash Flow Projections** (An equivalent form/report may be submitted.)

– To be submitted for requests with maturity over 90 days <u>or</u> if the repayment source cannot be clearly explained in items 7 and 8. Projections will be provided for each month end through the maturity date of the loan or for a 6-month period, whichever is less.

(4) **Seasonal Flow Computations**

– Complete this form if your credit union is applying for credit to assist in meeting annual recurring seasonal flows. Completion of this form will assist in determining, (1) that your credit union has experienced an annual recurring flow of funds, (2) the amount of the request, and (3) the time period for which funds will be needed. Normally requests for seasonal loans will be filed at least 30 days prior to the start of the period during which the funds will be needed.

FILING APPLICATIONS

– All Regular members of the CLF will file their requests at the following address:

National Credit Union Administration
Central Liquidity Facility
1775 Duke Street
Alexandria, VA 22314-3428

– Agent Members will file applications at the office of the Agent (corporate credit union).

Additional information or assistance in completing an application may be obtained by calling (703) 518-6391.

***The CLF may not collect this information, and you are not required to complete this form unless it displays a currently valid control number. Estimated time to complete this form is 1 hour.

(For Internal Use only)
Application Number: _____
Date Received:: _____
Received by: _____

APPENDIX C-3

REQUEST FOR FUNDS
NATIONAL CREDIT UNION CENTRAL LIQUIDITY FACILITY

1) Name of Credit Union: _____

2) Identification Number: _____
(Enter Charter/ Insurance number)

3) Person Requesting Funds: _____
(Must be person authorized by the Board of Directors to transact business with the Facility.)

4) Provide a complete statement of the specific PURPOSE for the request and the nature of the conditions which support the purpose. Be specific and attach additional information or continue on another page:

_____

_____

_____

5) Amount of Funds requested: _____

6) When do you expect to need the funds? (Provide a specific date or dates and amounts required on the stated dates if funds are to be advanced over a period of time rather than in one lump sum):

_____

_____

_____

7) When do you expect to repay the funds requested? (Provide a specific maturity period & date of expected payment.)
Maturity period: _____ Date to be repaid: _____

8) How will the loan be repaid? Provide the specific source of repayment and repayment plan. Attach additional sheet if necessary.

_____

_____

_____

9) Has the credit union agreed or committed to purchase any investments or loans? ☐Yes ☐No (Provide details of any such commitments including the date to be honored and amount.)

_____

_____

_____

_____

10) Categorize your borrowing from other sources on the following schedule. If your credit union issues promissory notes to individual, lump the total dollar amount outstanding by maturity category.

			Assets Pledged: Description	Book Value
a.	Maturity 180 days or less	$		$
b.	Maturity 181 days to 1 year	$		$
c.	Maturity greater than 1 year	$		$
	TOTALS	$		$

***The CLF may not collect this information, and you are not required to complete this form unless it displays a currently valid control number. Estimated time to complete this form is 1 hour.

11) Check additional information attached to this application which support the request. *Required with all requests unless previously submitted to the CLF.

☐* A financial statement, income & expense statement and statistical report for the previous monthend and as of the monthend for the latest dividend period. The total dollar amount of delinquent loans by categories 2-6, 6-12, and 12 months and over should be attached if not included on the statistical report. (if the request is filed after the 15th day of the current month, the financial statements submitted must be as of the last day of the previous monthend.)

☐* Resolution of the Board of Directors to borrow funds.

☐* Note, security agreement, and credit reporting agreement.

☐ Statement of cash receipts & disbursements. To be submitted for requests with maturity over 90 days or if the repayment source cannot be clearly explained in items 7 and 8. Information will be reported on the statement for receipts and disbursements for the current month and the preceding 3 months. An equivalent form/report may be submitted.

☐ Cash Flow Projections. To be submitted for requests with maturity over 90 days or if the repayment source cannot be clearly explained in items 7 and 8. Projections will be provided for each monthend through the maturity date of the loan or for a 6-month period, whichever is less. An equivalent form/report may be submitted.

☐ Seasonal Flow Computation. Will be provided for the 2 calendar years prior to the year in which the request is made. Seasonal credit requests will be made annual

12) _____ _____ _____

Signature of Requestor | Title | Date

(For internal use only)

Request ☐ Approved Type of credit: _____

Amount: _____

Maturity Date: _____

☐ Denied Reason: _____

By: _____

Date: _____

Comments:

_____

_____

_____

_____

INSTRUCTIONS FOR COMPLETING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - NCUA 7002

This form will be completed with each request for funds except seasonal requests. Information should be reported for the previous 3 months of operation and the current month to date. The form requests selected information pertaining to the categories of cash receipts and disbursements and will be completed based upon information in the credit union's Journal and Cash Record, and General ledger. Total investment activity should be obtained from the credit union's subcontrols for investments.

ITEM NO.

1. Cash and Investments at the Beginning of the month - Represents the General ledger balance for the total of Cash, Petty Cash, any Change Funds, and all Investments as of the first day of the month prior to transacting any business. Will be the same balance as reported for the above accounts as of the previous month-end.

2. Loan Repayments - Represents the total credit to the Journal and Cash Record for cash payments made by borrowers for each month.

3. Investments Liquidated - Represents the total credit to the Journal and Cash Record for investments disposed of or sold.

4. Loans Sold or Participated Out - Represents the dollar amount of cash received for loans sold or participated out for the month.

5. Deposits to Share Accounts - Represents the total credit less dividend credits to all types of share, share deposit and share certificate accounts made during the month. Includes share draft account, retirement accounts and Christmas and vacation accounts.

6. Borrowed Funds - Represents the total credits to Notes payable including any certificates of indebtedness issued during the month.

7. Miscellaneous Receipts - Represents all other cash receipts not specifically mentioned above.

8. Total Cash Receipts - Equals the total of items numbered 2 through 7 above. Should equal the total debit to cash for the month as reflected in the credit union's Journal and Cash Record and General ledger.

9. Loans Extended - Represents the total dollar amount of loans granted during the month less the amount of any loan balances which were refinanced.

10. Investments Purchased - Represents the total debit to the Journal and Cash Record for long-term investments purchased during the month.

11. Loans Purchased or Participated In - Represents the total dollar amount of cash disbursed for the purchase of or participation in of a partial or complete interest in loans under the provisions of section 701.21-3 of the NCUA Rules and Regulations or under State statute permitting the purchase of or participation in, loans.

12. Share Withdrawals - Represents the total debit to all types of share, share deposit and share certificate accounts during the month. Includes share draft accounts, public unit accounts, retirement accounts and Christmas and vacation accounts.

13. Operating Expenses - Represents the total debit to expense for the month less any amounts which are a result of a credit to depreciation, prepaid or deferred expense accounts, the allowance for loan losses, or losses on the sale of investments or mixed assets.

14. Repayment of Borrowed Funds - Represents the total debit to Notes Payable including any certificates of indebtedness which were retired during the month.

15. Miscellaneous Disbursements - Represents all other cash disbursements not specifically included above.

16. Total Cash Disbursements - Equals the total of items numbered 9 through 15 above. Should equal the total credit to cash for the month as reflected in the credit union's Journal and Cash Record and General Ledger.

17. Cash and Investments at the End of the Month - Represents the total of the beginning balance (A), plus the total of Receipts (B), less the total of Disbursements (C). Should equal the total of the General Ledger balance for Cash, Petty Cash, Change Funds, and Investments at the end of the month.

APPENDIX C-3

Statement of Cash Receipts and Disbursements

NAME OF CREDIT UNION:_____

Month Ending:

		(3 months ago)	(2 months ago)	(Last month)	(Current Month to Date)
1. Cash & Investments beginning of month (A)	$				
RECEIPTS:					
2. Cash Loan Repayments	$				
3. Investments Liquidated	$				
4. Loans Sold or Participated Out	$				
5. Deposits to Share Accounts	$				
6. Borrowed Funds	$				
7. Miscellaneous Receipts	$				
8. TOTAL CASH RECEIPTS (B)	$				
DISBURSEMENTS					
9. Loans Extended	$				
10. Investments Purchased	$				
11. Loans Purchased /Participated In	$				
12. Share Withdrawals	$				
13. Operating Expenses	$				
14. Repayment of Borrowed Funds	$				
15. Miscellaneous Disbursements	$				
16. TOTAL CASH DISBURSEMENTS (C)	$				
17. Cash & Investments end of month (A+B-C)	$				

*Read instructions page prior to completing this form.
Report all dollar amounts rounded to nearest $1,000
Example: $1,213 reported as $1

OMB Control #: 3133-0064
Expiration Date: 6/30/2011

INSTRUCTIONS FOR COMPLETION OF CASH FLOW PROJECTIONS - NCUA 7003

Complete this form if your credit union's total advances outstanding plus the current request equals or exceeds $250,000.

This form, when completed, reflects the projected receipts and disbursements for the current month and for each month following the current month for the term of the loan, or for 6 months, which ever is less. The projection should consider the impact of the requested CLF loan on the cash flow of the credit union. The result of the analysis should reflect that the credit union will have sufficient funds available to repay the advance when it comes due.

Item No.

1. Cash and Investments at the Beginning of the month - Represents the General Ledger balance for the total of Cash, Petty Cash, any Change Funds, and all Investments as of the first day of the month prior to transacting any business. Will be the same balance as reported or projected for the above accounts as of the previous month-end.

2. Loan Repayments - Represents the total projected credit to the Journal and Cash Record for cash payments made by borrowers for each month.

3. Loans Sold or Participated Out - Represents the projected dollar amount of cash received for loans sold or participated out for the month.

4. Deposits to Share Accounts - Represents the total projected credit less dividend credits to all types of share, share deposit and share certificate accounts made during the month. Includes share draft accounts, retirement accounts and Christmas and vacation accounts.

5. Borrowed Funds - Represents the total projected credits to Notes payable including any certificates of indebtedness issued during the month and advances from the CLF.

6. Miscellaneous Receipts - Represents all other projected cash receipts not specifically mentioned above.

7. Total Cash Receipts - Equals the total of items numbered 2 through 6 above..

8. Loans Extended - Represents the total projected dollar amount of loans to be granted during the month less the amount of any loan balances which will be refinanced.

9. Loans Purchased or Participated In - Represents the total projected dollar amount of cash disbursed for the purchase of or participation in of a partial or complete interest in loans under the provisions of section 701.21-3 of the NCUA Rules and Regulations or under State statute permitting the purchase of or participation in, loans.

10. Share Withdrawals - Represents the total projected debit to all types of share, share deposit and share certificate accounts during the month. Includes share draft accounts, public unit accounts, retirement accounts and Christmas and vacation accounts.

11. Operating Expenses - Represents the total projected debit to expense for the month less any amounts which result from a credit to depreciation, prepaid or deferred expense accounts, the allowance for loan losses, or losses on the sale of investments or mixed assets.

12. Repayment of Borrowed Funds - Represents the total projected debit to Notes Payable including any certificates of indebtedness which will be retired during the month and any CLF loans.

13. Miscellaneous Disbursements - Represents all other cash disbursements not specifically included above.

14. Total Cash Disbursements - Equals the total of items numbered 8 through 13 above.

15. Cash and Investments at the End of the Month - Represents the total of the beginning balance (A), plus the total of Receipts (B), less the total of Disbursements (C). Represents projected cash position at the end of each month and the beginning cash and investment balance for the next month.

APPENDIX C-3
CASH FLOW PROJECTIONS

NAME OF CREDIT UNION:_____

Month Ending:_____	1 2 3 4 (Current Month)				5 6 7		
1. Cash & Investments beginning of month (A)	$						
RECEIPTS:							
2. Cash Loan Repayments	$						
3. Loans Sold or Participated Out	$						
4. Deposits to Share Accounts	$						
5. Borrowed Funds	$						
6. Miscellaneous Receipts	$						
7. TOTAL CASH RECEIPTS (B)	$						
DISBURSEMENTS							
9. Loans Purchased or Participated In	$						
10. Share Withdrawals	$						
11. Operating Expenses	$						
12. Repayment of Borrowed Funds	$						
13. Miscellaneous Disbursements	$						
14. TOTAL CASH DISBURSEMENTS (C)	$						
15. Cash & Investments end of month (A+B-C)	$						

*Read instructions page prior to completing this form.
Report all dollar amounts rounded to nearest $1,000
Example: $1,4,285,652 as $4,286

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Expiration Date: 6/30/2011

INSTRUCTIONS FOR COMPLETION OF SEASONAL FLOW COMPUTATION - NCUA 7004

This workpaper will be completed by all credit unions applying for credit to meet annual recurring seasonal flows. The form will be completed by entering the Share and Loan Account total balances for each month end during the two calendar years prior to the year for which the current advance is being requested. The share balance will include all share accounts and share certificate accounts. The loan balance will include all loans.

Net Funds Available Column

If the share account balance exceeds the loan account balance enter the difference with a plus (+) sign in front of the number in this column. If the loan balance exceeds the share account balance enter the difference with a minus (-) sign in front of the number in this column.

Seasonal Swing from Peak Column

First determine the largest balance of net funds available for any month during the calendar year. Next subtract from this figure the amount listed in the Net Funds Available Column and enter the result in this column for each month during the year. The result will either be zero (0) or less than zero (0) with a minus (-) sign appearing in front of the results which are less than zero (0).

The following example demonstrates the proper method for completing this form for one year. Again, be certain to complete the information for two (2) calendar years prior to the year for which the current advance is being requested.

SEASONAL FLOW COMPUTATION (EXAMPLE)

Name of Credit Union:_____

Months Ending during 19 ____	Share Account Balances (000 Eliminated)	Loan Account Balances (000 Eliminated)	Net Funds Available +/- (000 Eliminated)	Seasonal Swing From Peak (000 Eliminated)
January	$53✶ $43	✷ $+-10	✹ $0	
February	52	42	+10	0
March	52	42	+10	0
April	40	45	+5	-5
May	48	46	+2	-8
June	48	46	+2	-8
July	46	47	-1	-11❊
August	47	48	-2	-12
September	48	48	0	-10
October	50	45	+5	-5
November	54	44	+10	0
December	52	42	+10	0

✶ Total share balances for January 1995, $53,353.
✷ Total loan balances for January 1995, $42,960.
✹ Largest balance of net funds available for any month during the calendar year.
❊ A seasonal trend is reflected by the decreasing amount of net funds available during the period from April through August and then an increase in the amount of net funds available from September through November. If a similar trend were reflected by 1994 data the credit union would be in a position to support a request for seasonal credit.

APPENDIX C-3

SEASONAL FLOW COMPUTATION

NAME OF CREDIT UNION:_____

Months Ending during 20 ____	Share Account Balances (000 eliminated)	Loan Account Balances (000 eliminated)	Net Funds Available +/- (000 eliminated)	Seasonal Swing from Peak (000 eliminated)
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

Months Ending during 20 ____	Share Account Balances (000 eliminated)	Loan Account Balances (000 eliminated)	Net Funds Available +/- (000 eliminated)	Seasonal Swing from Peak (000 eliminated)
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

*Read instructions page prior to completing this form.
Report all dollar amounts rounded to nearest $1,000
Example: $1,582 as $2

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