



Participation Lending

Strengthen and Expand your Lending Capabilities



Want to enhance your lending options without the added risk?

BUSINESS VALUE

- Increase Revenue

COMPATIBILITY

- Episys®

Credit unions continuously look for ways to broaden their product portfolio in an effort to better position their organization for future success. With changing loan demands, credit unions are looking for new avenues to generate maximum returns with their available funds. The ever-evolving credit market continually creates new lending opportunities for credit unions. Symitar's Participation Lending module enables credit unions to expand their lending options, diversify loan portfolios, and mitigate risk.

IT WORKS LIKE THIS...

Administered by one financial institution and partially owned with other financial institutions, participation loans are an additional revenue source benefitting several credit unions. By sharing funding and spreading the risk, this credit union partnership opens the door to larger business lending opportunities than a single credit union could handle. The originating credit union manages the loan process and the client relationship. The participating institutions benefit by using available funds to generate loan margins without having to originate or administer the loans.

THAT'S NOT ALL...

Loan Participation can also be established by packaging a single loan to a pool of investors, or a pool of loans to a single investor. This provides a channel to improve liquidity for the originating credit union and offer credit unions an available funding source to generate higher margins than can be generated by investments.

EFFECTIVE MANAGEMENT, OPTIMAL RESULTS

The Participation Lending module provides credit unions with the ability to efficiently sell and track participation loans. It streamlines processes required to administer loan participations to effectively manage these accounts and relationships. In addition to optimizing lending services, Participation Lending offers a series of features which eliminate the need for staff members to manually track information. This add-on module seamlessly integrates with the Episys® platform.

WHAT IT DOES:

- Enables credit unions to create and manage participation loans
- Supports single mortgage, business real estate, consumer loans, and commercial loans or pools of loans, such as indirect, auto, and mortgage loans
- Dedicates a work area to create, track, and monitor these relationships
- Records the agreement information and funding for each institution's participation
- Calculates the portion of principal and interest (less service fees) due to each participant paid by ACH or check
- Creates a monthly statement of activity showing principal and interest collected and fees applied for each participant
- Allows the administering credit union to collect participant administrative fees

- Assigns and tracks participation loans sold to a defined General Ledger account
- Generates a series of reports of participation loan activities
- Enables the setting of the distribution rounding method

WHAT IT DOES FOR YOU:

- Increases the potential of having funds available for additional and larger loans
- Improves liquidity
- Strengthens the credit union member relationship
- Diversifies loan portfolios
- Reduces risk by distributing it over several credit unions
- Provides additional revenue streams
- Eliminates the need to manually track information outside of Episys