



# **Bringing Business To You**

*Company and Product Overview*



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## Profile - July 2009

CU Business Group is a CUSO formed to assist credit unions in offering business loan and deposit services. CU Business Group is owned by eight corporate credit unions and partners with three other corporate credit unions as remarketers.

The following are highlights of our history:

- ❑ Initially formed in August 2002 as a CUSO of Northwest Corporate – hired three staff, all with well over twenty years experience in commercial banking.
- ❑ CU Business Group is now a staff of twenty-three working with 309 credit unions in 39 states to help them deliver quality business services.
- ❑ 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 over \$1.5 billion in business loan packages for our review.
- ❑ 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. This includes merchant bankcards, business ACH and tax payments, marketing materials, and training on products and sales techniques.
- ❑ Education sessions are a major part of our role in the industry. Our education staff lead sessions regularly across the country and via webcast on all aspects of business services. These offering include in-depth business lending education to credit union staff and executives as well as detailed cash flow analysis instruction.
- ❑ CU Business Group's technology products include the Portfolio Risk Manager, an automated tool for monitoring every loan in the business portfolio.



## 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
- Operations, compliance, and systems guidance and expertise
- Marketing ideas, templates and resources
- Education and training for management and staff
- Expertise in advanced products, e.g. merchant bankcards, ACH, tax payments

### Business Loan Consulting

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

### Business Loan Origination

- Commercial real estate, term, lines of credit, construction, agriculture, SBA
- Complete analysis and risk-rated credit presentation
- Assistance with pricing and loan structure
- Loan documentation compliant in all 50 states

### Risk Monitoring

- Periodic financial review and analysis, including updated risk ratings
- Tools and consulting for proper MBL portfolio monitoring
- Assistance with problem loans and workouts
- The *Portfolio Risk Manager*, a software tool for automated MBL risk monitoring

### Loan and Participation Servicing

- Book your loan or participation on CUBG's system
- Includes funds management/distribution reporting and all detailed accounting

### Loan Participations

- Established network makes buying or selling easy
- Standardized processes, parameters and legal agreements
- Expertise to guide your credit union through the entire process

### Loan Review and Quality Control

- Independent loan reviews for quality assurance and management comfort

### Education

- Complete webinar program covering a variety of important business services topics
- *Nuts 'n Bolts Course Series*, two five-hour courses on the basics of business lending and deposit operations
- *Analyzing Business Loans II*, a three day course covering all aspects of business loans
- Customized training to fit your credit union's or association's need

CU Business Group, LLC

8909 SW Barbur Blvd., Suite 200 Portland, OR 97219 | Toll-free 866-484-2876 | [www.cubg.org](http://www.cubg.org)



## Core Staff Expertise

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### Larry Middleman, President/CEO

**29 Years Experience**



Larry is the founder of CU Business Group and brings many 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.

### Larry Robbins, Senior VP/Chief Credit Officer

**40 Years Experience**



Larry has many years of experience in the banking industry. Positions he has held include senior commercial loan officer, credit administrator, special assets officer and credit analysis training officer. He has extensive background in originating all types of secured and unsecured business lines of credit, term loans, agricultural loans, commercial real estate loans and Small Business Administration (SBA) loans. Larry has in-depth experience as a workout specialist for delinquent and classified credits. He is also a qualified instructor for TaxAnalysis and Moody's Financial Analyst underwriting programs. Larry leads the commercial loan underwriting group and regularly consults with credit unions on business loans.

### Michael Mucilli, Senior VP/Senior Business Services Officer

**31 Years Experience**



Michael has spent his entire career gaining expertise in banking, commercial lending and sales. He founded CU Business Group'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, including commercial real estate, lines of credit, term loans, letters of credit, and asset-based lines. He also has extensive experience with SBA lending, has 12 years experience as a branch manager, and served as Director of Consumer and Home Equity Lending. Michael consults with credit unions in the eastern U.S. on all aspects of business services planning, program development, account pricing, and education.

### Brian Rose, Senior VP/Operations

**30 Years Experience**



Brian brings his experience in business lending support services to CU Business Group. His background includes significant experience in loan origination, ongoing servicing and risk monitoring for both conventional business loans and SBA lending. Brian brings specific expertise in loan documentation, loan auditing, portfolio management, collections/workouts, collateral control, and deposit operations. His experiences with GE Capital and Key Bank provided him with extensive training in leadership development and project management. His primary focus is compliance, documentation and operations of CU Business Group.

### Dan Hutchison, VP/Senior Business Services Officer

**38 Years Experience**



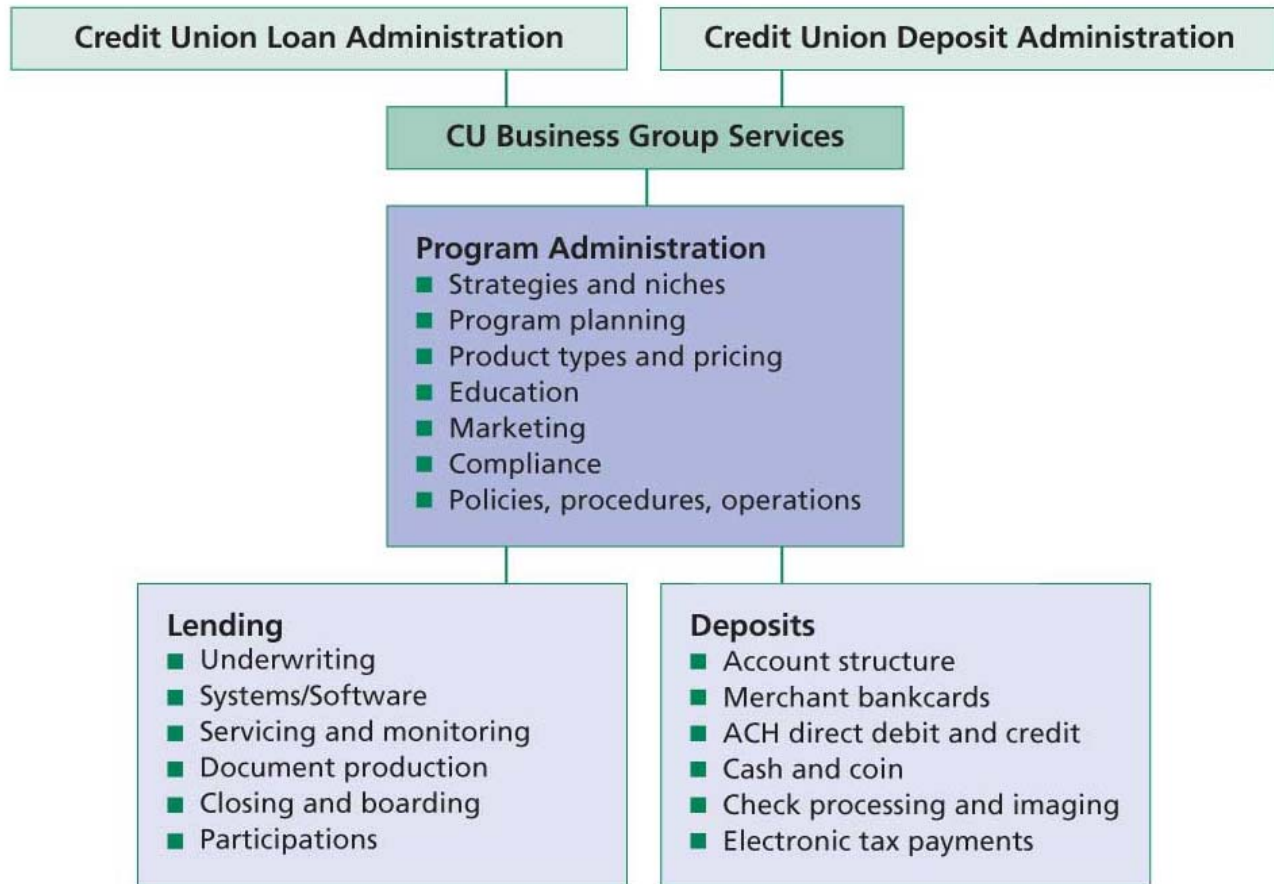
Dan has brought a wealth of experience to CU Business Group. Prior to joining CUBG he spent 1½ years at Redwood Credit Union, a \$1.3 billion institution in Northern California, where he managed the business lending, deposits and sales to Redwood's 100,000+ members. Before that, Dan spent 30+ years at large national banks and smaller community banks. As a senior banking officer, credit administrator, and special assets manager, Dan gained extensive experience in all types of term loans, lines of credit, equipment loans, and commercial real estate, letters of credit and SBA loans. Dan has taught a variety of courses in both banks and credit unions and specializes in consulting with credit unions throughout the U.S. on all aspects of business services.

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# CU Business Group Services



Members get the “five course meal”

Affiliates go “a la carte”



# How We Work With You

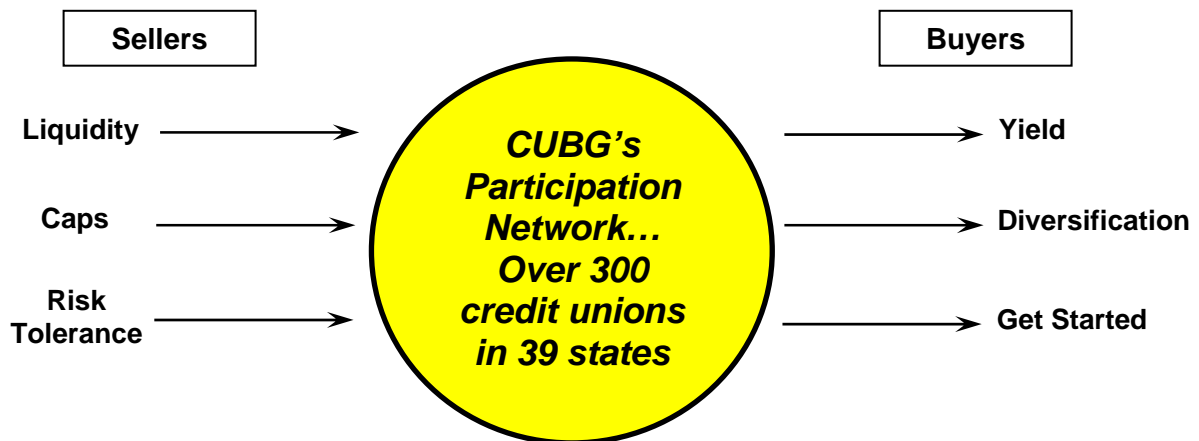
Business Lending: a shared process with CU Business Group		
Process Step	Responsibility	
	Credit Union	CU Business Group
Business development, sales calls, marketing efforts	■	■
Obtain completed application and supporting information, submit for underwriting	■	
Receive complete package and begins underwriting 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



## 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

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## Business Deposits

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Business deposits are part of the core package of services business members need. The expert staff at CU Business Group will guide you through the process of developing and implementing the package of services that best fits your program. The following are some of the options for your business deposit services package:

- Business checking accounts
- Business savings and money market accounts
- On-line banking and bill pay
- Merchant bankcards
- Business tax payments
- ACH origination
- Sweep accounts
- On-line cash management
- Payroll services

Of course, in assembling this package there are many important considerations to address. CU Business Group will provide the necessary expertise to evaluate these key areas:

Your core system capabilities – is the system robust enough?

Teller row processes – do you need a merchant window?

New accounts – do you have the right forms and procedures in place?

Volumes – what about businesses with large deposits and high cash/coin usage?

Ultimately, your credit union staff must fully understand these products to best serve the business member. CU Business Group's full line of training courses will ensure your staff presents a professional, knowledgeable image to this important new group of members. We offer a variety of training courses, either in person or in a convenient webinar format:

- ✓ *Business Deposits 101* – The New Accounts Desk
- ✓ *Business Deposits 201* – Managing Deposit Fraud Risk
- ✓ *Business Services 101* – Effective Interviewing
- ✓ *Business Services 201* – Sales & Marketing
- ✓ *Business Services 301* – Reaching New Heights in Business Services

For more details on our deposit, loan and other services, visit our website, [www.cubg.org](http://www.cubg.org).

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## Credit Union Webinar Training 3<sup>rd</sup> Quarter 2009

CU Business Group offers comprehensive, concise training courses on business services in a convenient and efficient webinar format. The schedule below shows our webinars for the upcoming quarter. The following is the general webinar fee schedule:

CUBG Members	<b>First login free for all 100 level courses, each additional at \$69 per login All 200-300 level courses are \$69 per login</b>
All other Credit Unions	\$99 per login

**Fees:** All fees will be charged at the time of registration. Refunds will not be processed once training materials have been sent out regardless of attendance. Cancellations will be charged a \$15.00 processing fee when requested before training materials have been sent out (approximately 2 business days preceding the scheduled session).

**Registration:** To sign up for these webinars, please complete the registration form at the end of this document. Registration deadlines are always 2 business days preceding the scheduled session. Please reference CUBG's website at [www.cubg.org](http://www.cubg.org) for the most current course offerings.

### 3rd Quarter Schedule at a Glance

July	Pacific Time	Course Level	Course Title
Thursday, July 9	10:00 a.m.	Collections 401	<i>Avoiding Lender Liability in the Collection Process</i>
Friday, July 10	11:00 a.m.	Introductory	<i>The Basics of Buying and Selling Loan Participations</i> **FREE**
Tuesday, July 14	11:00 a.m.	Introductory	<i>CU Business Group – Bringing Business to You</i> **FREE**
Friday, July 17	9:00 a.m.	Business Lending 203	<i>Loan Operations, Exam Considerations and Other Must-Know Topics</i>
Tuesday, July 21	12:00 p.m.	Business Lending 102	<i>Closing Loan Documents</i>
Monday, July 27	12:00 p.m.	Business Lending 103	<i>The Basics of SBA Lending</i>
<b>August</b>			
Monday, August 3	11:00 a.m.	Business Services 301	<i>Reaching New Heights in Business Services</i>
Thursday, August 6	9:00 a.m.	Business Lending 101	<i>The Loan Application Package</i>
Tuesday, August 18	9:00 a.m.	Business Services 101	<i>Effective Interviewing</i>
Wednesday, August 19	10:00 a.m.	Collections 201	<i>Basic Collections and Dealing with Problem Loans</i>
Monday, August 24	11:00 a.m.	Introductory	<i>CU Business Group – Bringing Business to You</i> **FREE**
Wednesday, August 26	12:00 p.m.	Business Deposits 201	<i>Managing Deposit Fraud Risk</i>
Friday, August 28	10:00 a.m.	Introductory	<i>Enhancing the CUBG Underwriting Process</i>
Monday, August 31	10:00 a.m.	Business Lending 202	<i>Commercial Real Estate Appraisals</i>
<b>September</b>			
Wednesday, September 9	12:00 p.m.	Introductory	<i>Merchant Services: Introduction and Overview</i>
Monday, September 14	12:00 p.m.	Business Lending 302	<i>Taking Care of the House...Business Loan Portfolio Management</i>
Tuesday, September 15	10:00 a.m.	Business Lending 201	<i>Understanding NCUA MBL Regulations</i>
Friday, September 18	10:00 a.m.	Collections 301	<i>Advanced Collections, Foreclosures &amp; Liquidations</i>
Tuesday, September 22	12:00 p.m.	Business Deposits 101	<i>The New Accounts Desk</i>
Friday, September 25	9:00 a.m.	Business Lending 204	<i>Business Loan Participations, New Regulations and Requirements</i>
Wednesday, September 30	11:00 a.m.	Business Lending 301	<i>HOT TOPICS in Environmental Due Diligence</i>



## 3<sup>rd</sup> Quarter 2009 Regional Education Calendar

**The Nuts 'n Bolts of Business Deposits:** A five-hour training full of information on everything from business deposits and target marketing to procedures and package products. Learn critical knowledge needed to set up new accounts, the starting point for controlling depository risk and more.

**The Nuts 'n Bolts of Business Lending:** A five-hour overview of the basics of running a business lending program. Learn about cash flow management, analyzing tax returns, loan types and more.

**The Nuts 'n Bolts of Cash Flow Analysis:** A five-hour overview of the techniques used to determine whether sufficient cash flow exists to repay a proposed debt.

**Analyzing Business Loans II:** This in-depth business lending education course covers the full spectrum of business loans, including reading and interpreting tax returns, debt service coverage, appraisals, and examiner hot buttons. The course is presented in an efficient but in-depth three day format.

**CUBG National Business Services Conference:** Join CUBG and industry experts for an in-depth educational experience featuring general and breakout sessions on a variety of business deposit and business lending topics. Visit [www.cubg.org](http://www.cubg.org) for more information.

Date	Course	Host/Location
July 14 – 16	Analyzing Business Loans II	Postal Credit Union – St. Paul, Minnesota
August 10-12	CUBG National Business Services Conference	Portland Marriott Waterfront Downtown Hotel – Portland, Oregon
September 22 – 24	Nuts 'n Bolts of Business Deposits Nuts 'n Bolts of Business Lending Nuts 'n Bolts of Cash Flow Analysis	Members United FCU – Albany, New York

### Pricing

### CUBG Members

### All Other Credit Unions

Nuts 'n Bolts of Business Deposits,  
Lending or Cash Flow

\$149 each

\$199 each

Nuts 'n Bolts Two Course Package

\$279

\$369

Nuts 'n Bolts Three Course Package

\$399

\$549

Analyzing Business Loans II

\$695

\$795

National Business Services Conference  
(before July 10<sup>th</sup>)

\$445

\$545