# Managing Your Concentration Risk Packaging Loans For Sale



### More Than Just a Selling Tool

#### Package Loans to be Sold (Tool #574)

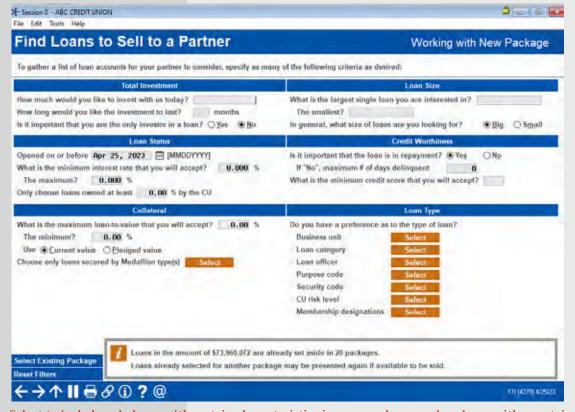
Packaging Loans for Sale is more than just a feature credit unions can use when considering if they would like to participate or sell a portion of their loan portfolio; this feature also allows management to segment a portion of their loan portfolio for concentration risk analysis, including viewing servicing income and yield analysis.

The Package Loans for Sale feature is a free brokerage tool. Use it to bundle and sell loans at your credit union. Maybe your goal is to have a certain percentage of loans in your portfolio from outside sources. Now you can make money without the need of a middleman.

Packaging Loans to be Sold (Tool #574) Use the filters on the entry screen, such as loan-to-value, loan balance, or credit score range to narrow your results. You can even select "small" loan size so your smaller loans are presented at the top of the resulting listing, allowing you to spread out your risk.

#### Step 1: Select Your Filters

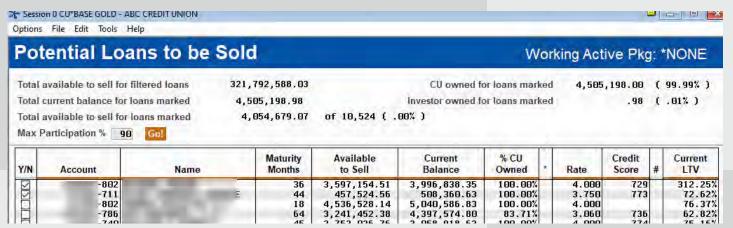
Packaging Loans for Sale can also be used as a Risk Management tool. The built in evaluation tools allow you to measure your loan portfolio for risk and yield analysis. No need to run complex queries to evaluate your loan portfolio.



Select to include only loans with certain characteristics in your package, such as loans with a certain loan-to-value ratio.

#### Step 2: Select Your Loans

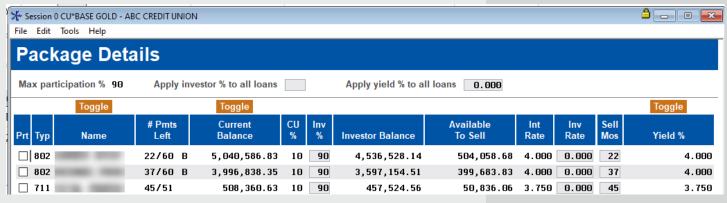
From the loan selection screen view details of the loans, such as credit score of the member, current balance, amount available to sell, and month until maturity.



Use the Y/N column to add a loan to the package.

## Step 3: Elect Which Part of the Loan to Participate and View Service Income

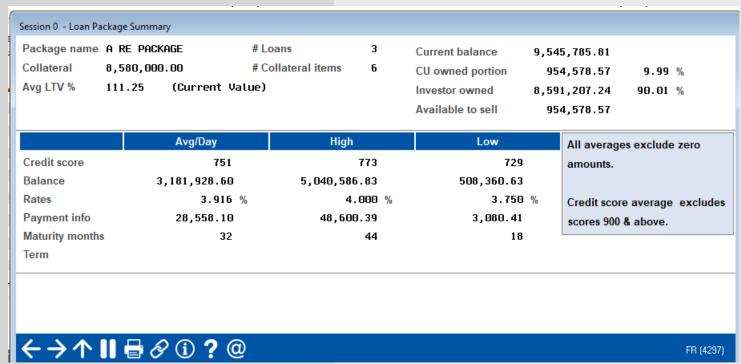
View details about your servicing income, based on the amount of the loan to participate and the associated interest rate.



Play around with the investor % and try "what if" scenarios with the package.

## Step 4: Review the Package Loan Summary

Use the Loan Package Summary to analyze the loans contained in the package and potentially communicate details to a prospective buyer. You can return to the previous screens to make adjustments to the package.



Included are details you can report to your buyer, including credit score and average loan-to-value.

#### Step 5: Prepare for Final Sale

Once the package is created and you have finalized the package details, return to the main Potential Loans to be Sold screen and select to "Prepare for Final Sale". The funds for a loan included in a finalized package cannot be included in another package.

Prepare for Final Sale



The loan package is finalized and the appropriate entries are made to create the loans in the subsidiary participation loan system!

#### Other Publications

Check out the other brochures in the "Managing Your Concentration Risk" series, found under "C' and "O" on the CU\*BASE Reference page.



