

MEMBER BUSINESS UPDATE

INTELLIGENCE FOR FORWARD THINKING BUSINESS LENDERS

FEBRUARY 2014



LOOK TO YOUR OWN PEOPLE TO GROW YOUR PORTFOLIO

The secret to growing your business portfolio may only be one hire away - a Business Development Officer (BDO). With special skills and experience, the BDO makes a big difference in your organization and is a position that you don't want to take lightly in your staffing process. A good BDO develops your portfolio using a variety of talents. Enthusiasm, organization and being outgoing are at the top of the list of qualifications. A BDO will build your portfolio by developing new business. His or her organizational skills come out in processing, analyzing and closing Commercial and Small Business Administration loan applications accurately and in a timely way that conforms to existing policy and procedure. The BDO's personality and enthusiasm is demonstrated in representing the credit union to the community. Your credit union's brand is on the line every time the BDO has a contact with the community. Your BDO needs to be marketing your credit union's business services continually, building a friendship with business and prospective business owners in your market area.

It is essential that your BDO not be hesitant but committed to the following ten activities:

1. Source, develop and underwrite new business financing requests for new and existing borrowers.
2. Maximize credit union profitability through appropriate pricing of new loan originations, fee income and selling of all business loans and services.
3. Negotiate terms, structure loan financing based on risk considerations, and present applications for approval.
4. Utilize sound credit underwriting skills to recommend a credit decision, and to prepare appropriate internal and external reports to obtain necessary credit union and government agency approvals.
5. Support the credit union's strong relationship lending culture through on-going member contact, quality service, and superior product knowledge.
6. Handle incoming phone calls from credit union staff, loan brokers, borrowers or other loan referral sources to obtain loan proposals.
7. Determine if a loan is eligible for SBA financing and meets NCUA and credit union lending requirements.
8. Analyze the following elements of Commercial or SBA loan presentations:
 - a. Historical and/or projected business financials to determine

viability of applicant business, including cash flow, trend and consistency.

b. Management, business plan, marketing strategies and other critical business factors.

c. Personal financial information of borrowers and guarantors.

d. Business and personal credit reports.

9. Ensure that loan files are complete per SBA, NCUA and individual credit union policies prior to loan closing.

10. Develop relationships with local civic groups, such as Rotary Club, local Lions Club and Chambers of Commerce. Develop relationships with accounting groups. Studies show small business owners use accountants as their first line of business advisors.

A BDO needs to have successful and recent experience in SBA and/or commercial loan origination and processing with a strong understanding of small business and owner-occupied commercial and real estate lending as it pertains to underwriting and loan structuring. Experience in financial statement analysis is a must. He or she must also show expertise in preparing and maintaining reports using technology, with particular emphasis on Microsoft Word, Excel and Outlook, and the ability to perform mathematical calculations.

MBL GIVES YOU THE PULSE OF YOUR PORTFOLIO WITH DASHBOARD REPORTS

To maintain control of his or her aircraft and to maintain the proper altitudes and attitude of the aircraft, a pilot watches the craft's dashboard. A good credit union CEO or product manager does the same thing at your credit union. To help to measure progress in your business portfolio, MBL has developed a series of private dashboards to help you stay current with industry penetration, portfolio collateralization and production progress, using your figures and data. These dashboard reports are designed to help you keep your finger on the pulse of your commercial loan program.

During the next few months MBL will use this newsletter to explain these dashboard reports and how they can help you measure your progress in building and managing your business loan portfolio. To help you see your progress in growing your portfolio and to know if that portfolio is performing as well as you hope, MBL invites you to use our Portfolio Diagnostics Reports.

THE PORTFOLIO DIAGNOSTICS REPORTS FOCUS ON TEN IMPORTANT MEASUREMENTS:

- Referrals
- Growth Rate 7(a) and non 7(a)
- Withdrawal Rate
- Return on Asset

- Approval Rate
- Trouble Rate
- Funding Rate
- SBA 7(a) Purchase Rate
- Utilization Rate
- Audit Exceptions Rate

The monthly dashboard reports are created using your data and then they are sent to you on our secure FTP site in the "MonthEndReports" folder. The report is presented in an easy to read .pdf format and provides a comprehensive overview of the status of your portfolio. The dashboard will give you the data you need to make business decisions with information about where your portfolio stands currently.

This product also lets you analyze your commercial loan activity using detailed trending charts which give you a visual display of your portfolio activity over the most recent 12 months, as reported on the Portfolio Diagnostics Report.

These reports help your credit union CEO, your portfolio manager, Business Development Officer (BDO), your board members and others to keep you above the dangers of "mountain tops" and other obstacles that may be lurking to create problems for you and your portfolio while also keeping your wings level, allowing you to travel forward and grow.

FREE WEBEX TRAINING SESSION

Join us on Wednesday, February 12th at 2 PM for a session entitled, "My Loan Has Been Approved – Now What?" Register with Kathy McIff at kmciff@mblllc.com by February 11th or call (801)545-7930.

HOLIDAY CLOSURES

February 17 Presidents Day

CURRENT RATES

WSJ PRIME	3.25%
1-Month LIBOR	3.16%
SBA Fixed	5.31%
SBA Peg	3.13%

PUT US ON YOUR GAC MUST SEE LIST

Member Business Lending wants to see you at the Governmental Affairs Conference (GAC). Bring a friend with you to see what we are doing. We invite you to drop by our booth #454 in the vendor display area February 23- 25 in Washington, DC. We have some exciting news about 2014 and what MBL is ready to do to help you reach your business lending goals. And we'll have some fun things for you to take home too. We're ready to show you the new look and feel of MBL. So come by and join us for a good time at GAC.