



User Guide for Small Business Lending Documents

User Guide
for
Small Business Lending Documents

Disclaimer

This guide is distributed to provide general information about the subject matter covered. It should not be substituted for professional advice in specific situations. CUNA Mutual Group does not represent or warrant the fitness or suitability of any LOANLINER® Business Lending Document for any specific purpose. Competent business lending personnel with experience in making the type of business loans that will be documented with these forms should thoroughly review each loan document and determine its suitability for use for a specific loan transaction. In addition, all documents should be thoroughly reviewed to identify any inconsistencies with your credit union's policies and procedures. CUNA Mutual cannot provide legal advice. If you have questions related to specific loan transactions, please consult your attorney.

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Introduction

Welcome to the Small Business Lending User Guide. To enable you to take care of most of your business lending needs, LOANLINER® has developed three business packages, one for non-real estate secured loans, one for real estate secured loans and one for business deposit. The lending packages will share the Business Adverse Action Notice, the Business Guaranty Agreement, and the Authorization Designation documents. Instruction for the shared documents will be provided in the Miscellaneous Business Lending User Guide. This User Guide will help you process the documents needed for business lending that is not secured by real estate. These documents include:

- Business Application
- Business Expanded Application
- Business Credit and Continuing Security Agreement
- Business Credit Agreement Rider
- Business Loan Receipt
- Consent of Landlord
- UCC1 Financing Statement & Addendum
- UCC3 Financing Statement Amendment

Now you can create a cost-effective loan processing system that's tailored to meet the needs of your credit union. LOANLINER's Business Lending Documents were designed to reduce the paperwork for you and your borrowers. LOANLINER's Business Lending Documents have been designed for compatibility with most data processors' hardware and software. LOANLINER's Business Credit and Continuing Security Agreement simplifies and speeds up the lending process, giving you an important tool to build borrower relationships. All documents are written in clear, straightforward language, and are easy to use and understand.

With LOANLINER you can rest assured that every document when completed in accordance with the instructions provided in this guide is compliant with federal and state regulations and standards.

Service and Support

The LOANLINER® Program has been part of credit unions' lending success for two decades and is currently being used by nearly 7,000 credit unions. Our work with these credit unions has helped us develop a high degree of lending expertise. You will have direct access to this expertise via any of the channels described below.

Lending Resource Center. The Lending Resource Center offers a comprehensive and timely way to stay on top of key lending and compliance issues and a variety of resources to improve your lending performance, available at your fingertips 24/7. Key resources include: compliance alerts with action steps; training and operational needs; credit union best practices; lender tutorial; product news and updates; featured questions and answers; and optional email notification of newly published alerts and articles. The Lending Resource Center is available only to credit unions using LOANLINER Lending or Deposit documents; or credit unions that offer one or more of the following CUNA Mutual products: credit disability insurance, credit life insurance, debt cancellation, guaranteed asset protection, mechanical repair coverage. To request access, go to www.cunamutual.com/lendingresourcecenter.

LOANLINER Business Document User Guides. We strongly recommend that all credit unions review the LOANLINER Business Documents User Guides for important document usage information and state specific language that is recommended for certain loan documents. These User Guides can be found in the LOANLINER Lending Resource Center:

- User Guide for Small Business Lending Documents
- User Guide for Business Real Estate Secured Lending Documents
- User Guide for Miscellaneous Business Lending Documents
- User Guide for Business Deposit Documents

LOANLINER Customer Service. Providing you with assistance in selecting and ordering documents, checking the status of your order, or billing questions. Call 1-800-356-5012 or e-mail loanliner@cunamutual.com.

Compliance Alerts. Stay informed about compliance and regulation changes. For recent compliance updates, go to www.loanliner.com and click on Lending Resource Center.

LOANLINER Compliance Support. Providing you with assistance in selecting documents as well as answers to your compliance and document usage questions. Call 1-800-356-5012 or e-mail loanliner@cunamutual.com.

Your CUNA Mutual Representative. Call your CUNA Mutual Group Account Representative at 1-800-333-2644 for more information.

Using this Guide

This User Guide provides the basics on how to use the LOANLINER Small Business Lending Documents. You can download a current User Guide from the LOANLINER Lending Resource Center. This User Guide is intended to be used as:

- A learning tool to learn the LOANLINER Business Lending Program.
- A reference tool once you begin using the documents on a regular basis.
- A set of instructions for modifying certain documents with state specific notice requirements.

If you need detailed assistance, you can rely on your local CUNA Mutual representative or the LOANLINER staff for expert help on using any of the Business Lending Documents.

The User Guide was designed to make it easy for you to reference each document. Each chapter provides the following information:

- Document Description
- Document Sample
- Document Instructions

Chapter 1:

Business Application

The Business Application is a simple generic two-page loan application used to collect basic loan application data from the loan applicant(s) and guarantor(s), document the request for a business loan, and support internal credit underwriting policies. It is designed for loans involving smaller businesses and less complex loan transactions.

The document provides a way for the credit union to collect required data about the applicant (e.g., names, addresses, credit history) and the loan transaction (e.g., loan amount, loan purpose). The information contained on the application along with other underwriting tools at the credit union will be used to evaluate the credit worthiness of applicant(s), as well as assess the ability to repay each loan advance.

Document Description

When used:	This document, the first completed during the loan transaction, is used whenever an applicant wants to initiate a business loan, when the applicant's relationship has been established and when the loan is relatively simple. It is used if the credit union does not have a comparable document.
Purpose:	Data collected from the document is used to evaluate the applicant's creditworthiness and serves to document the request for a specific loan purpose and amount. It collects pertinent information relative to the applicant(s)' present financial condition, credit history and personal and business information in order to establish a business relationship between the applicant(s) and the credit union.
Document number:	AXB10*
How distributed:	This document is kept with your credit union's file.
Imprinting:	This document allows an imprint of your credit union's name, address, phone number and logo. If the imprinting option is not selected, be sure to add your credit union name while processing the document.
Number of pages	Two
State specific versions:	None

*Indicates spaceholder for version number

Page one sample

Use the numbers provided to locate the corresponding instructions on the next page.

LOANLINER

Business - Application

IMPORTANT INFORMATION ABOUT PROCEDURES FOR APPLYING FOR A LOAN

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or business that opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, if applicable, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. Married Applicants may apply for a separate account.

LOAN REQUEST

Member/Account Number: _____

Application Type: ☐ New ☐ Renewal/Change ☐ Other: _____

Type of Credit: ☐ Individual/Business ☐ Joint (Co-Applicant must individually complete Co-Applicant Information)

Amount requested: \$ _____ Terms/Maturity: ☐ Term Loan ☐ Credit Card

Type: ☐ Line of Credit ☐ Commercial Real Estate ☐ Other: _____

Purpose of Loan: _____

LOAN SECURITY

Collateral Description: _____

Value: _____ Liens/Security Interest and State Filed: _____

Subject Property Address (street, city, state, and zip): _____

APPLICANT/INDIVIDUAL INFORMATION

BUSINESS/INDIVIDUAL NAME _____ YEAR BUSINESS ESTABLISHED _____ STATE _____

DBA NAME(S) _____

PRIOR BUSINESS NAME(S) _____

CONTACT NAME _____ TITLE _____ TELEPHONE _____

TYPE OF ORGANIZATION: ☐ INDIVIDUAL ☐ PROPRIETORSHIP ☐ PARTNERSHIP ☐ CORPORATION ☐ LLC ☐ ASSOCIATION ☐ NON-PROFIT ☐ OTHER: _____

IF INDIVIDUAL, PROVIDE THE FOLLOWING INFORMATION:

EMPLOYER NAME: _____ EMPLOYER TELEPHONE NUMBER: _____

SSN/TIN NUMBER _____ DRIVER'S LICENSE NUMBER/STATE _____ ISSUANCE DATE _____ EXPIRATION DATE _____ DATE OF BIRTH _____

HOME TELEPHONE _____ WORK TELEPHONE _____ CELL PHONE _____ FAX NUMBER _____ WEB SITE ADDRESS/EMAIL _____

PHYSICAL ADDRESS _____

MAILING ADDRESS _____

COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE: ☐ MARRIED ☐ SEPARATED ☐ UNMARRIED (Single - Divorced - Widowed) ID VERIFICATION: _____

GUARANTOR/CO-APPLICANT

1. I AM PROVIDING THE FOLLOWING INFORMATION FOR PURPOSES OF SERVING AS A (CHECK ONE): ☐ GUARANTOR ☐ CO-APPLICANT

NAME _____ SSN/TIN NUMBER _____ DATE OF BIRTH _____

DRIVER'S LICENSE NUMBER/STATE _____ ISSUANCE DATE _____ EXPIRATION DATE _____

HOME TELEPHONE _____ WORK TELEPHONE _____ CELL PHONE _____ FAX NUMBER _____ WEB SITE ADDRESS/EMAIL _____

PHYSICAL ADDRESS _____

MAILING ADDRESS _____

COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE: ☐ MARRIED ☐ SEPARATED ☐ UNMARRIED (Single - Divorced - Widowed) ID VERIFICATION: _____

2. I AM PROVIDING THE FOLLOWING INFORMATION FOR PURPOSES OF SERVING AS A (CHECK ONE): ☐ GUARANTOR ☐ CO-APPLICANT

NAME _____ SSN/TIN NUMBER _____ DATE OF BIRTH _____

DRIVER'S LICENSE NUMBER/STATE _____ ISSUANCE DATE _____ EXPIRATION DATE _____

HOME TELEPHONE _____ WORK TELEPHONE _____ CELL PHONE _____ FAX NUMBER _____ WEB SITE ADDRESS/EMAIL _____

PHYSICAL ADDRESS _____

MAILING ADDRESS _____

COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE: ☐ MARRIED ☐ SEPARATED ☐ UNMARRIED (Single - Divorced - Widowed) ID VERIFICATION: _____

OR ☐ CHECK IF ADDITIONAL GUARANTOR/CO-APPLICANT INFORMATION ACCOMPANIES THIS APPLICATION.

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1. Read important information
2. Make loan request
3. Provide loan security
4. Provide applicant information
5. Provide guarantor/co-applicant information

Page one instructions

Instructions are given for each section of the document. Please refer to the corresponding number on the sample document to determine each section's relative position on the document.

1. **Read important information.** This section discloses to the applicant what type of personal information must be collected. This disclosure satisfies the USA Patriot Act notice requirements.
2. **Make loan request.** This section collects information from the applicant to determine:
 - The type of business and type of credit
 - The amount requested and the terms/maturity of the loan
 - The type of loan and the purpose of the loan
3. **Provide loan security.** This section collects information from the applicant to determine:
 - The description of the collateral and the value of the collateral
 - If the collateral already has a lien against it for another loan and the location of the collateral
4. **Provide applicant information.** This section collects information from the applicant (ID verification is determined by the credit union):
 - The name of the business or individual and when the business was established
 - Where the business is located (what state) and what other/prior names are/were used by the business
 - Who is the business contact and the contact's title and phone number
 - The type of organization
 - The applicant's personal information, if the applicant is an individual including: SSN/TIN number, driver's license and state, issuance date, expiration date, date of birth, home telephone, work telephone, cell phone, fax number, web site address/email, physical address, and mailing address
 - The marital status if the applicant is an individual
 - Record applicant's identification verification. Examples of applicant records to identify and verify include driver's license, passport, and corporate identification badge
5. **Provide guarantor/co-applicant information.** This section collects information from the guarantor or co-applicant. The document provides two sets of fields for collecting information from more than one guarantor or co-applicant. If more than two parties are involved as guarantor or co-applicant, an additional application should be used. Some community property states may require the co-applicant section to be completed. Check with your own attorney for guidance. If the information for an item in the Guarantor/Co-applicant section is the same as the information for the same item in the Applicant section, complete the item by filling in "SAA" ("Same as applicant").

6. Record sources of income

7. Record financial information

8. Read state notices

9. Record Signatures

10. Reserved for credit union use

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Page two instructions

Instructions are given for each section of the document. Please refer to the corresponding number on the sample document to determine each section's relative position on the document.

6. **Record sources of income.** This section collects information from the applicant , the guarantor/co-applicant and spouse regarding annual income from the following sources:
 - Net sales and base salary
 - Overtime, bonus and/or commissions
 - Dividends/interest and net rental income
 - Other income
7. **Record financial information.** This section collects information from the applicant and sometimes guarantor/co-applicant as specified by credit union underwriting policies. For each box checked by the credit union, the applicant will attach copies of the requested documents to the application. Financial information that may be requested include:
 - Federal tax return for current or past year(s) and balance sheet for current year
 - Income statement for current year
 - Checking account, savings account and loans (account number, institution name, and balance)
8. **Read state notices.** This section discloses to applicants living in Ohio and Wisconsin the following state specific information:
 - Ohio law specifies that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain and provide separate credit histories on each individual upon request
 - In Wisconsin the applicant should sign if he or she is not applying for this account or loan with his/her spouse
9. **Record signatures.** This section collects signatures from the applicant and any guarantor/co-applicant. All applicants or guarantors should sign and date the application. By signing the applicant , co-applicant, and guarantor agree to the terms written in the signature section.
10. **Reserved for credit union use .** This section is for the credit union to use to document the request and other processing information according to credit union policy associated with its identity processes and procedures.

