

APPENDIX C: AGREEMENTS

C-3 Forms and Instructions for CLF Loans

INSTRUCTIONS TO REGULAR MEMBERS AND AGENT MEMBERS FOR COMPLETION OF A REQUEST FOR FUNDS FROM THE NATIONAL CREDIT UNION CENTRAL LIQUIDITY FACILITY

Introduction

A Regular member may apply to the Facility for an extension of credit to meet its liquidity needs. This request may be approved if the purpose of the request falls within one of the following categories:

- **Short-term** adjustment credit available to assist in meeting temporary requirements for funds or to cushion more persistent outflows of funds pending an orderly adjustment of credit union assets and liabilities.
- **Seasonal credit** available to assist in meeting seasonal needs for funds arising from a combination of expected patterns of movement in share deposit accounts and loans.
- **Protracted adjustment credit** (sometimes known as "long-term emergency credit") available in the event of unusual or emergency circumstances of a longer term nature resulting from national, regional or local difficulties.

Request for Funds

Enclosed are the forms a Regular Member may need in preparing a request for funds:

(1) **Request for Funds from National Credit Union Central Liquidity Facility**

This form must be completed for each request for funds from the Facility. Each question on the form must be answered. The supporting schedules or documents discussed in Item 11 of the form should be attached to the Request for Funds when appropriate for the circumstances involved in the request. The instructions in Item 11 should be followed closely to assure all required information is submitted.

(2) **Incomplete or missing data will delay processing of the request**

Statement of Cash Receipts and Disbursements (An equivalent form/report may be submitted.) To be submitted for requests with maturity over 90 days or if the repayment source cannot be clearly explained in items 7 and 8. Information will be reported on the statement for receipts and disbursements for the current month and the preceding 3 months.

(3) **Cash Flow Projections (An equivalent form/report may be submitted.)**

To be submitted for requests with maturity over 90 days or if the repayment source cannot be clearly explained in items 7 and 8. Projections will be provided for each month end through the maturity date of the loan or for a 6-month period, whichever is less.

(4) **Seasonal Flow Computations**

Complete this form if your credit union is applying for credit to assist in meeting annual recurring seasonal flows. Completion of this form will assist in determining

- (i) that your credit union has experienced an annual recurring flow of funds,
- (ii) the amount of the request, and
- (iii) the time period for which funds will be needed.

Normally requests for seasonal loans will be filed at least 30 days prior to the start of the period during which the funds will be needed.

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Filing Applications

All Regular members of the CLF will file their requests at the following address:

National Credit Union Administration
Central Liquidity Facility
1775 Duke Street
Alexandria, VA 22314-3428

Agent Members will file applications at the office of the Agent (corporate credit union).

Additional information or assistance in completing an application may be obtained by email: CLFMail@NCUA.gov.

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(For Internal Use Only)

Application No.: _____

Date Received: _____

Received By: _____

REQUEST FOR FUNDS NATIONAL CREDIT UNION CENTRAL LIQUIDITY FACILITY

- 1) Name of Credit Union: _____
- 2) Identification Number: _____
(Enter Charter/ Insurance Number)
- 3) Person Requesting Funds: _____
(Must be person authorized by the Board of Directors to transact business with the Facility.)
- 4) Provide a complete statement of the specific PURPOSE for the request and the nature of the conditions which support the purpose. Be specific and attach additional information or continue on another page:

- 5) Amount of Funds requested: _____
- 6) When do you expect to need the funds? (Provide a specific date or dates and amounts required on the stated dates if funds are to be advanced over a period of time rather than in one lump sum)

- 7) When do you expect to repay the funds requested? (Provide a specific maturity period & date of expected payment.)
Maturity period: _____ Date to be repaid: _____
- 8) How will the loan be repaid? Provide the specific source of repayment and repayment plan. Attach additional pages if necessary

- 9) Has the credit union agreed or committed to purchase any investments or loans? Yes No
(Provide details of any such commitments including the date to be honored and amount.)

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10) Categorize your borrowing from other sources on the following schedule. If your credit union issues promissory notes to individual, lump the total dollar amount outstanding by maturity category.

ASSETS PLEDGED

	Description	Book Value
a. Maturity 180 days or less	\$	\$
b. Maturity 181 days to 1 year	\$	\$
c. Maturity greater than 1 year	\$	\$
Totals:	\$	\$

11) Check additional information attached to this application which support the request. *Required with all requests unless previously submitted to the CLF.

- * A financial statement, income & expense statement and statistical report for the previous month end and as of the month end for the latest dividend period. The total dollar amount of delinquent loans by categories 2-6, 6-12, and 12 months and over should be attached if not included on the statistical report. (if the request is filed after the 15th day of the current month, the financial statements submitted must be as of the last day of the previous month end.)
- * Resolution of the Board of Directors to borrow funds.
- * Note, security agreement, and credit reporting agreement.
- Statement of cash receipts & disbursements. To be submitted for requests with maturity over 90 days *or* if the repayment source cannot be clearly explained in items 7 and 8. Information will be reported on the statement for receipts and disbursements for the current month and the preceding 3 months. An equivalent form/report may be submitted.
- Cash Flow Projections. To be submitted for requests with maturity over 90 days *or* if the repayment source cannot be clearly explained in items 7 and 8. Projections will be provided for each month-end through the maturity date of the loan or for a 6-month period, whichever is less. An equivalent form/report may be submitted.
- Seasonal Flow Computation. Will be provided for the 2 calendar years prior to the year in which the request is made. Seasonal credit requests will be made annual

12) _____
 Signature of Requestor Title Date

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Request Approved Type of credit: _____
Amount: _____
Maturity Date: _____

Denied Reason: _____
By: _____
Date: _____

Comments:

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INSTRUCTIONS FOR COMPLETING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS – NCUA 7002

This form will be completed with each request for funds except seasonal requests. Information should be reported for the previous three months of operation and the current month to date. The form requests selected information pertaining to the categories of cash receipts and disbursements and will be completed based upon information in the credit union's Journal and Cash Record, and General ledger. Total investment activity should be obtained from the credit union's subcontrols for investments.

Item No.

- 1) **Cash and Investments at the Beginning of the month**—Represents the General ledger balance for the total of Cash, Petty Cash, any Change Funds, and all Investments as of the first day of the month prior to transacting any business. Will be the same balance as reported for the above accounts as of the previous month-end.
- 2) **Loan Repayments**—Represents the total credit to the Journal and Cash Record for cash payments made by borrowers for each month.
- 3) **Investments Liquidated**—Represents the total credit to the Journal and Cash Record for investments disposed of or sold.
- 4) **Loans Sold or Participated Out**—Represents the dollar amount of cash received for loans sold or participated out for the month.
- 5) **Deposits to Share Accounts**—Represents the total credit less dividend credits to all types of share, share deposit and share certificate accounts made during the month. Includes share draft account, retirement accounts and Christmas and vacation accounts.
- 6) **Borrowed Funds**—Represents the total credits to Notes payable including any certificates of indebtedness issued during the month.
- 7) **Miscellaneous Receipts**—Represents all other cash receipts not specifically mentioned above.
- 8) **Total Cash Receipts**—Equals the total of items numbered 2 through 7 above. Should equal the total debit to cash for the month as reflected in the credit union's Journal and Cash Record and General ledger.
- 9) **Loans Extended**—Represents the total dollar amount of loans granted during the month less the amount of any loan balances which were refinanced.
- 10) **Investments Purchased**—Represents the total debit to the Journal and Cash Record for long-term investments purchased during the month.
- 11) **Loans Purchased or Participated In**—Represents the total dollar amount of cash disbursed for the purchase of or participation in of a partial or complete interest in loans under the provisions of § 701.21-3 of the NCUA regulations or under state statute permitting the purchase of or participation in, loans.
- 12) **Share Withdrawals**—Represents the total debit to all types of share, share deposit and share certificate accounts during the month. Includes share draft accounts, public unit accounts, retirement accounts and Christmas and vacation accounts.
- 13) **Operating Expenses**—Represents the total debit to expense for the month less any amounts which are a result of a credit to depreciation, prepaid or deferred expense accounts, the allowance for loan losses, or losses on the sale of investments or mixed assets.
- 14) **Repayment of Borrowed Funds**—Represents the total debit to Notes Payable including any certificates of indebtedness which were retired during the month.
- 15) **Miscellaneous Disbursements**—Represents all other cash disbursements not specifically included above.
- 16) **Total Cash Disbursements**—Equals the total of items numbered 9 through 15 above. Should equal the total credit to cash for the month as reflected in the credit union's Journal and Cash Record and General Ledger.

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17) **Cash and Investments at the End of the Month**—Represents the total of the beginning balance (A), plus the total of Receipts (B), less the total of Disbursements (C). Should equal the total of the General Ledger balance for Cash, Petty Cash, Change Funds, and Investments at the end of the month.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Name of Credit Union: _____

Month Ending	\$	(3 months ago)	(2 months ago)	(Last month)	(Current Month to Date)
1 Cash & Investments beginning of month (A)	\$				
Receipts					
2 Cash Loan Repayments	\$				
3 Investments Liquidated	\$				
4 Loans Sold or Participated Out	\$				
5 Deposits to Share Accounts	\$				
6 Borrowed Funds	\$				
7 Miscellaneous Receipts	\$				
8 TOTAL CASH RECEIPTS (B)	\$				
Disbursements					
9 Loans Extended	\$				
10 Investments Purchased	\$				
11 Loans Purchased /Participated In	\$				
12 Share Withdrawals	\$				
13 Operating Expenses	\$				
14 Repayment of Borrowed Funds	\$				
15 Miscellaneous Disbursements	\$				
16 TOTAL CASH DISBURSEMENTS (C)	\$				
17 Cash & Investments end of month (A+B-C)	\$				

*Read instructions page prior to completing this form. Report all dollar amounts rounded to nearest \$1,000 Example: \$1,213 reported as \$1

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INSTRUCTIONS FOR COMPLETING CASH FLOW PROJECTIONS - NCUA 7003

Complete this form if your credit union's total advances outstanding plus the current request equals or exceeds \$250,000.

This form, when completed, reflects the projected receipts and disbursements for the current month and for each month following the current month for the term of the loan, or for 6 months, whichever is less. The projection should consider the impact of the requested CLF loan on the cash flow of the credit union. The result of the analysis should reflect that the credit union will have sufficient funds available to repay the advance when it comes due.

Item No.

- 1) **Cash and Investments at the Beginning of the month**—Represents the General Ledger balance for the total of Cash, Petty Cash, any Change Funds, and all Investments as of the first day of the month prior to transacting any business. Will be the same balance as reported or projected for the above accounts as of the previous month-end.
- 2) **Loan Repayments**—Represents the total projected credit to the Journal and Cash Record for cash payments made by borrowers for each month.
- 3) **Loans Sold or Participated Out**—Represents the projected dollar amount of cash received for loans sold or participated out for the month.
- 4) **Deposits to Share Accounts**—Represents the total projected credit less dividend credits to all types of share, share deposit and share certificate accounts made during the month. Includes share draft accounts, retirement accounts and Christmas and vacation accounts.
- 5) **Borrowed Funds**—Represents the total projected credits to Notes payable including any certificates of indebtedness issued during the month and advances from the CLF.
- 6) **Miscellaneous Receipts**—Represents all other projected cash receipts not specifically mentioned above.
- 7) **Total Cash Receipts**—Equals the total of items numbered 2 through 6 above.
- 8) **Loans Extended**—Represents the total projected dollar amount of loans to be granted during the month less the amount of any loan balances which will be refinanced.
- 9) **Loans Purchased or Participated In**—Represents the total projected dollar amount of cash disbursed for the purchase of or participation in of a partial or complete interest in loans under the provisions of § 701.21-3 of the NCUA regulations or under State statute permitting the purchase of or participation in, loans.
- 10) **Share Withdrawals**—Represents the total projected debit to all types of share, share deposit and share certificate accounts during the month. Includes share draft accounts, public unit accounts, retirement accounts and Christmas and vacation accounts.
- 11) **Operating Expenses**—Represents the total projected debit to expense for the month less any amounts which result from a credit to depreciation, prepaid or deferred expense accounts, the allowance for loan losses, or losses on the sale of investments or mixed assets.
- 12) **Repayment of Borrowed Funds**—Represents the total projected debit to Notes Payable including any certificates of indebtedness which will be retired during the month and any CLF loans.
- 13) **Miscellaneous Disbursements**—Represents all other cash disbursements not specifically included above.
- 14) **Total Cash Disbursements**—Equals the total of items numbered 8 through 13 above.
- 15) **Cash and Investments at the End of the Month**—Represents the total of the beginning balance (A), plus the total of Receipts (B), less the total of Disbursements (C). Represents projected cash position at the end of each month and the beginning cash and investment balance for the next month.

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CASH FLOW PROJECTIONS

Name of Credit Union: _____

Month Ending: _____

		1	2	3	4	5	6	7
		(Current Month)						
1	Cash & Investments beginning of month (A)	\$						
Receipts								
2	Cash Loan Repayments	\$						
3	Loans Sold or Participated Out	\$						
4	Deposits to Share Accounts	\$						
5	Borrowed Funds	\$						
6	Miscellaneous Receipts	\$						
7	TOTAL CASH RECEIPTS (B)	\$						
Disbursements								
8	Loans Purchased /Participated In	\$						
9	Share Withdrawals	\$						
10	Operating Expenses	\$						
11	Repayment of Borrowed Funds	\$						
12	Miscellaneous Disbursements	\$						
13	TOTAL CASH DISBURSEMENTS (C)	\$						
14	Cash & Investments end of month (A+B-C)	\$						

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INSTRUCTIONS FOR COMPLETION OF SEASONAL FLOW COMPUTATION - NCUA 7004

This workpaper will be completed by all credit unions applying for credit to meet annual recurring seasonal flows. The form will be completed by entering the Share and Loan Account total balances for each month end during the two calendar years prior to the year for which the current advance is being requested. The share balance will include all share accounts and share certificate accounts. The loan balance will include all loans.

Net Funds Available Column

If the share account balance exceeds the loan account balance enter the difference with a plus (+) sign in front of the number in this column. If the loan balance exceeds the share account balance enter the difference with a minus (-) sign in front of the number in this column.

Seasonal Swing from Peak Column

First determine the largest balance of net funds available for any month during the calendar year. Next subtract from this figure the amount listed in the Net Funds Available Column and enter the result in this column for each month during the year. The result will either be zero (0) or less than zero (0) with a minus (-) sign appearing in front of the results which are less than zero (0).

The following example demonstrates the proper method for completing this form for one year. Again, be certain to complete the information for two (2) calendar years prior to the year for which the current advance is being requested.

SEASONAL FLOW COMPUTATION (EXAMPLE)

Name of Credit Union: _____

Months Ending During	Share Account Balances (000 Eliminated)	Loan Account Balances (000 Eliminated)	Net Funds Available +/- (000 Eliminated)	Seasonal Swing From Peak (000 Eliminated)
January	\$53*	\$43 [♦]	\$+10 [×]	\$0
February	52	42	+10	0
March	52	42	+10	0
April	40	45	+5	-5
May	48	46	+2	-8
June	48	46	+2	-8
July	46	47	-1	- 11 [^]
August	47	48	-2	-12
September	48	48	0	-10
October	50	45	+5	-5
November	54	44	+10	0
December	52	42	+10	0

* Total share balances for January 1995, \$53,353.

♦ Total loan balances for January 1995, \$42,960.

× Largest balance of net funds available for any month during the calendar year.

^ A seasonal trend is reflected by the decreasing amount of net funds available during the period from April through August and then an increase in the amount of net funds available from September through November. If a similar trend were reflected by 1994 data the credit union would be in a position to support a request for seasonal credit.

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SEASONAL FLOW COMPUTATION (EXAMPLE)

Read instructions page prior to completing this form. Report all dollar amounts rounded to nearest \$1,000 Example: \$1,582 as \$2

Name of Credit Union: _____

Months Ending During	Share Account Balances (000 eliminated)	Loan Account Balances (000 eliminated)	Net Funds Available +/- (000 eliminated)	Seasonal Swing from Peak (000 eliminated)
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

Months Ending During	Share Account Balances (000 eliminated)	Loan Account Balances (000 eliminated)	Net Funds Available +/- (000 eliminated)	Seasonal Swing from Peak (000 eliminated)
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				