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REFINANCE OF EXISTING LENDER DEBT LOAN GUIDELINES FOR LENDERS

Insurance on existing relationships may be provided, including through On-Line Answer. The following criteria apply:

- Up to a maximum 40% of FAME loan insurance on refinancing of existing debt.
- 1st lien positions on collateral securing these loans, with a maximum LTV of 120%;
- Debt service coverage to be at a minimum of .8:1 after refinance;
- Company/borrower must be viable;
- Current loans cannot be greater than 60 days past due based on the current interest paid to date and date of last payment;
- Public benefit must be part of submission. Public benefit may be determined by: the need to retain jobs; the impact this industry has on jobs at other businesses and/or other industries in the region; and the impact on unemployment rates in the region.
- In addition to the normal OLA submission, FAME to receive an e-mail from the lender that: states: that this request is for FAME loan insurance on existing lender debt not currently insured by FAME; that outlines the public benefit as discussed above; that outlines the cash flow benefit due to the refinance (this must be at a minimum of 15% savings on payments for the borrower); that outlines current interest paid to date, date of last payment, and confirms the account is not over 60 days past due; and that this refinance allows the company/borrower to be an ongoing viable operation. The e-mail must include the borrower's name;
- Up to a maximum of \$250,000 of FAME loan insurance is allowed under the On-Line Assistance (OLA) Program. Any application not approved by the OLA process, or any amount exceeding this limit needs to be processed under FAME's normal processing guidelines;
- Fees to remain at current pricing;
- This program is for pro-rata insured loans only, and leveraged loans are not eligible.