

# ONLINE ANSWER

## User Guide

**FAME**  
FINANCE AUTHORITY OF MAINE

*Works for ME*

# TABLE OF CONTENTS

## Getting Started

System Requirements and Recommendations.....	4
--	---

## Overview

About OLA .....	4
Overview of System Flow .....	5

## Logging In

Eligibility .....	6
Signing Up .....	6
Password Criteria .....	6
Changing Your Password .....	7
Permission Levels .....	7
Relationship Types .....	8

## Entering an Application

Introduction.....	8
New Loan Insurance Application .....	9
Unsubmitted (Saved) Loan Insurance Applications .....	9
Submitted Loan Insurance Applications/Renewals.....	9
Inputting a New Application.....	9
Loan Officer Information .....	9
Borrower Profile .....	10
Industry Information .....	10
Borrower Financial Information.....	11
Loan Information .....	12
OLA Limits .....	12
Refinance of Existing Debt.....	14

Uninsured Debt.....	15
Collateral.....	16
Submit or Test.....	16

### **After Submission**

With Approval .....	18
With Pending.....	19
Unsubmitted (Saved) Applications .....	19
Submitted Applications .....	19
Renewing Loan Insurance.....	20

### **Finishing Up**

Logging Out .....	21
-------------------	----

### **Security**

Security .....	21
----------------	----

### **Audits**

Audits .....	22
Appendix 1: Eligibility Requirements and Underwriting Criteria .....	23
Appendix 2: Disclosure and Confidentiality Statement .....	25
Appendix 3: OnLine Application Audit Form .....	26

### **Contact Us**

General Questions .....	29
Commercial Loan Officers .....	29

## GETTING STARTED

### System Requirements and Recommendations

OnLine Answer (OLA) has been tested using Mozilla Firefox version 25.0, Google Chrome and Internet Explorer version 10. If you are using one of these browsers, you should not have any problems accessing and using the system. If you are using an earlier version of Firefox or Internet Explorer, certain functions and cookies may be disabled and the application may not work properly.

The FAME OLA system will work with any browser that meets the following requirements:

- ✓ HTML version 4
- ✓ Cookies enabled
- ✓ 128-bit encryption
- ✓ Secure Sockets Layer
- ✓ Java Script enabled
- ✓ Cascading Style Sheets enabled
- ✓ PDF reader (like Adobe)

## OVERVIEW

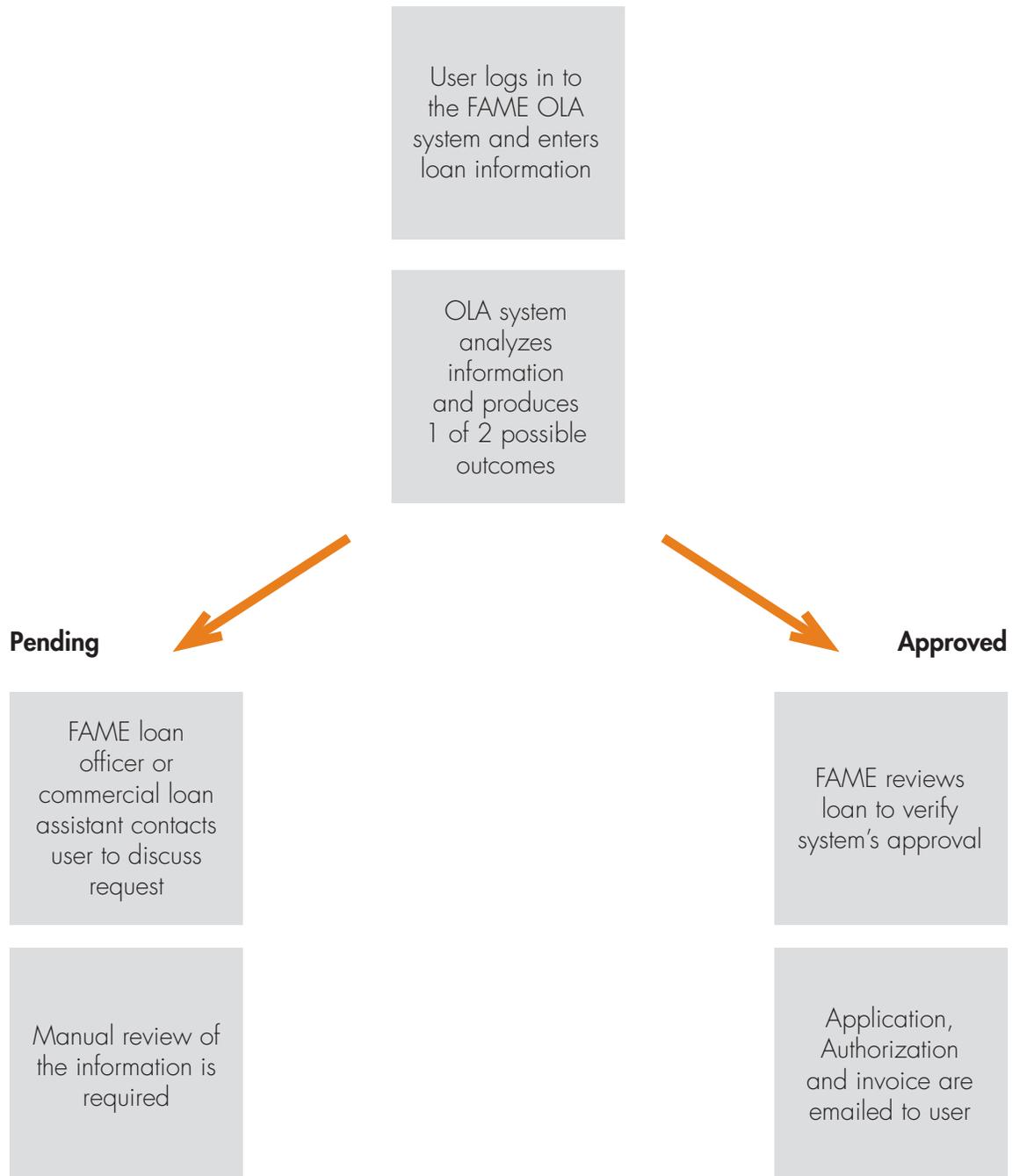
### About OLA

The OLA system is a secure web application that allows lenders to apply for loan insurance, and in situations where FAME exposure is \$375,000 or less, the lender is able to receive an immediate response as to whether the loan insurance is approved.

*Works for ME* ✓

## Overview of System Flow

The following flow chart illustrates the loan insurance application process using the OLA system.



*Works for ME* ✓

# LOGGING IN

## Eligibility

To be eligible to use the OLA system, a lender must have a **Loan Insurance Agreement and Addendum** on file with FAME. The Addendum designates one person (Lender Liaison) to coordinate the lender's employees to access the OLA system.

New users must obtain permission from their **Lender Liaison** to be granted access to the system. A Loan Insurance Agreement and an Addendum must be signed, and a Lender Liaison chosen, before the OLA system can be accessed.

## Signing Up

Login credentials for users are provided by FAME. The Lender Liaison must provide FAME (1-800-228-3734 or via email at Business@FAMEmaine.com) with the name, email address, phone number and mailing address of each user.

FAME will generate a login and password via secure email to the user. This password must be changed after initial login to the program.

## Password Criteria

Passwords must be at least eight characters long and must contain characters from at least three of the following four categories:

- ✓ Uppercase Letters
- ✓ Lowercase Letters
- ✓ Numbers
- ✓ Special Characters (For example: !, \$, #, or %)

## KEY TERMS

### LENDER LIAISON

Designee of your financial institution who has access to all information entered by all authorized users of your financial institution. The Lender Liaison will have the responsibility of providing prompt written notice of any additions to or deletions from your financial institution's list of authorized users.

### LOAN INSURANCE AGREEMENT AND ADDENDUM

The addendum to the contract between your financial institution and FAME describing the OLA system usage requirements.

## Changing Your Password

To change your password:

- ✓ Log in to OLA and click on the “Change Password” link on the left side of the main menu.

### NOTE

Passwords expire annually.

### Change Your Password

Please change your password below. Passwords are case sensitive, please check your "Caps Lock" key before continuing.

**Passwords must be at least 8 characters and have three of the following:**

- Password must contain at least one number
- Password must contain at least one uppercase letter
- Password must contain at least one lowercase letter
- Password must contain at least one special character (!#\$%&?\*^())

Current password:

New password:

New password again:

**Change Password** **Cancel**

- ✓ Enter your current password, which is provided in a secure email.
- ✓ Enter your new password.
- ✓ Enter your new password again for confirmation.
- ✓ Click the “Change Password” button.
- ✓ You will receive a confirmation message that your password has been changed.

If you encounter any problems, please contact FAME at 1-800-228-3734.

## Permission Levels

FAME is the administrator of the OLA system and, as administrator, will be able to see all applications that have been entered by all users.

Lender permissions will be based on the following two-tier levels:

- 1. Lender Liaison** – Users with the security level of “Lender Liaison” are the designees of the lender and may have access to all information entered by any authorized user of that lender.

*Works for ME* ✓

- 2. User** – Users with the security level of “user” are the designees of your financial institution, approved by the Lender Liaison to access OLA. Users can only see applications that they have entered.

## Relationship Types

The following profile types are available from the drop-down menu:

- ✓ Borrower
- ✓ Co-Borrower
- ✓ Corporate Guarantor (Business Profile)
- ✓ Personal Guarantor (Individual Profile)

## ENTERING AN APPLICATION

### Introduction

You can enter and submit an application directly, or test a loan first to see what the result is likely to be and then submit the application after you have tested it.

To test the application result, use the “Test Application” feature (see page 16). There is also a training site that should only be used for training purposes for new OLA users. Submitted applications inside the training site cannot be transferred to the live OLA site.

You may log in to the OLA system and enter a new application, edit and submit unsubmitted or saved applications and view all submitted loan applications.

### TIP

#### TEST VS. TRAINING SITE

To test loan scenarios please use the “Test Application” function to enter your information in the live site. Only use the training site to familiarize yourself with the OLA system. Information is not guaranteed to be kept on file as this site is frequently refreshed for training purposes.

*Works for ME* ✓

## New Loan Insurance Application

Log in to the system and select “New Loan Insurance Application,” to start a new application.

## Unsubmitted (Saved) Loan Insurance Application

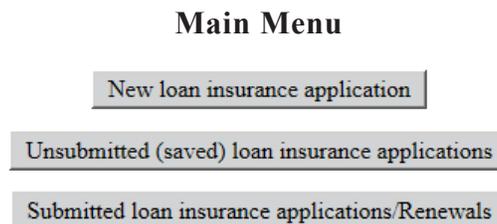
Displays all applications that have been saved, but not submitted by current user. Lender Liaison can view all applications submitted by financial institution’s users.

## Submitted Loan Insurance Applications/Renewals

Displays all applications that have been previously submitted by current user. Lender Liaison can view all applications submitted by financial institution’s user.

To submit a new loan insurance application, click the top button, “New loan insurance application.” (Figure 1)

Figure 1



## Inputting a New Application

### Loan Officer Information

Select a loan officer from the drop-down box. If the loan officer does not appear, provide name, address (including zip code), email address and phone number of the loan officer responsible for the loan application.

## Borrower Profile (Figure 2)

1. Choose "New Borrower" or an existing borrower. Existing borrowers can be found in the drop-down menu.
2. Choose "Business" or "Individual." Note there are different fields for each; see page 11.
3. Enter the rest of the demographics as required. Telephone and address fields are required for all profiles; email is optional.

Figure 2: Borrower Profile

The screenshot shows a web form titled "Profile 1" with the following fields and options:

- Select Existing Borrower:** A dropdown menu with "New Borrower/Guarantor" selected.
- Profile Type:** Radio buttons for "Business" (unselected) and "Individual" (selected).
- Relationship Type:** A dropdown menu with "Choose one..." selected.
- Business Type:** A dropdown menu with "Choose one..." selected.
- Name:** Three text input fields labeled "First:", "MI:", and "Last:".
- Social Security Number:** A text input field.
- Telephone: (xxx)xxx-xxxx:** A text input field.
- Address:** A text input field.
- Zip Code:** A text input field.
- City:** A dropdown menu with "Choose one..." selected.
- State:** A dropdown menu with "ME" selected.
- E-mail Address: (Not Required):** A text input field.

## Industry Information

4. Enter both NAICS and SIC codes, if available. If entity is a real estate holding company, please use the codes of the operating company.
5. Industry Description - Provide a brief description of what the company does.
6. Select "Town" to find Labor Market Area - Select the town (from the drop down menu) in which the business is primarily located.
7. Project Labor Market Area - Automatically populated by selecting the town.
8. Salary Ranges - Fill in the number of jobs (based on wage level). There must be at least one job created or retained for each entity. If the Borrower has more than 10 employees, you must complete the FAME Employment Plan provided in this section of the OLA.

Works for ME ✓

## Borrower Financial Information (Figure 3)

Enter the *Borrower Financial Information*. The information required will vary based on whether Business or Individual was selected.

**Figure 3: Borrower Financial Information**

**Financial Information:**

Most Recent Year Ending (MM/DD/YYYY):

Financials Quality:

Gross Revenues:  \*\*

Net Income (+/-):  \*\*

Depreciation/Depletion:  \*\*

Amortization:  \*\*

Interest Expense:  \*\*

Distributions:  \*\*

Unfunded CAPEX:  \*\*

Adjustments (+/-):  \*\* 

Adjustment Detail:

CADS/EBITDA:  \*\*

Business Debt Service:  \*\*

Profile Debt Service Coverage Ratio:

*Annotations:* Arrows point from callout boxes to the 'Adjustments (+/-)' field, the 'CADS/EBITDA' field, and the 'Profile Debt Service Coverage Ratio' field.

Click the **Blue Information Icons** for additional information. The information will appear under the "Logout" button.

EBITDA and the **Debt Service Coverage Ratio** are automatically calculated based on prior input.

**Financial Information:**

Most Recent Year Ending (MM/DD/YYYY):

Current Empirica Credit Score:

Wages & Salaries (Line 7 from 1040):  \*\*

Interest & Dividends (Sch B):  \*\*

Business Cash Flow (Sch C & F):  \*\* 

Rental Real Estate Cash Flow:  \*\* 

IRA Distributions/Pension/SSI:  \*\* 

Other Recurring Income:  \*\*

Adjustments (+/-):  \*\* 

Adjustment Detail:

Partnership/5-Corp Disbursements:  \*\*

Federal Tax:  \*\*

Taxes: State, RE, Personal & Other:  \*\*

Estimated Living Expenses (Enter # of Exemptions):  \*\*

Estimated Personal Cash Flow:  \*\*

Business Sch. (C & F) & Rental R/E Debt Service:  \*\*

Personal Debt Service:  \*\* 

*Annotations:* Arrows point from callout boxes to the 'Business Cash Flow (Sch C & F)' field and the 'Estimated Personal Cash Flow' field.

**IMPORTANT:**  
Be careful not to double count information in Schedules C & F. If it appears under another profile, do not add it or subtract it again. For example, business borrower with Schedule C cash flow and debt service - don't include the same figures on the individual's profile.

**IMPORTANT:**  
When adding a second individual who completes a joint tax return with the borrower or guarantor, only populate the credit score and personal debt service fields. The personal debt service field can be \$0 if that debt service is captured in the primary borrower's or guarantor's debt schedule.

*Works for ME* ✓

## KEY TERMS

### BLENDING RATE

When FAME loan insurance on a new loan is combined with loan insurance on existing debt, a blended interest rate calculation must occur. The calculation is as follows: calculate the total of both the new and existing loans. Multiply that sum by the requested percentage of commercial loan insurance for each loan to get FAME's aggregate exposure on all loans, then divide FAME's aggregate exposure by combined loan total. The result is the blended rate. See the example below.

	Bank Loans	Insured Percentage	FAME Exposure	Blended Percentage
Loan 1	\$200,000	75%	\$150,000	
Loan 2	\$100,000	40%	\$40,000	
Total	\$300,000		\$190,000	63.3%*

\*Blended Percentage = FAME Aggregate Exposure (\$190,000) / Combined Loan Total (\$300,000)

### EXISTING LENDER DEBT

Debt held by your institution which is *not* currently FAME insured. Refinancing debt from another financial institution is not considered existing lender debt.

## OLA Limits

- ✓ Insurance requested plus any existing FAME exposure to any borrower or guarantor must be no greater than \$375,000.
- ✓ \$500,000 for lines of credit
- ✓ 60% for startup business
- ✓ 40% for existing lender debt refinance (this may be a **blended rate**)
- ✓ 75% for all other loans

### Loan Information (Figure 4)

Enter the **Loan Information**. Each application can accept up to four loans. Loans to different borrowers require separate applications. Enter the loan information based on the eligibility criteria on the **Fact Sheet or see Appendix 1 page 23**. See OLA limits and blended rates on next page.

Works for ME ✓

Figure 4: Loan Information

	Loan 1	Loan 2	Loan 3	Loan 4
Loan Amount:	\$ <input type="text"/> . <sup>00</sup>			
Loan Type:	<input type="text" value="Choose one..."/>			
Related Profile:	Profile 1 <input type="checkbox"/>			
Business Age:	<input type="text" value="Choose one..."/>			
Are you refinancing existing uninsured debt with your own institution?:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% Pro-Rata Insurance Requested:	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Blended Rate Detail:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Insurance Requested:	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>	<input type="text"/>
Natural Disaster:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Forestry, Fishing & Farming (qualifies for up to 85% loan insurance): <a href="#">i</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural Resource: <a href="#">i</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Not For Profit:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interest Rate:	<input type="text" value="Choose one..."/>			
Payment Type:	<input type="text" value="Choose one..."/>			
Term:	<input type="text"/> Months	<input type="text"/> Months	<input type="text"/> Months	<input type="text"/> Months
Amortization:	<input type="text"/> Months	<input type="text"/> Months	<input type="text"/> Months	<input type="text"/> Months
Purpose of Loan:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Before proceeding to Uninsured Debt, please complete all loans if submitting multiple loans.</b>				
Uninsured Debt:	\$ <input type="text"/> .00	<input type="text"/>	<input type="text"/>	<input type="text"/>
Equity:	\$ <input type="text"/> .00			

**Refinance Existing Bank Debt.** When this box is checked a new pop-up window will appear. Please fill out the required information, check the "Certification" box and click submit. The "Blended Rate Detail" box auto-fills from the pop-up screen.

**Uninsured Debt.** When the user clicks into this box a new pop-up window will appear. Please fill out the required information. Information entered will populate "Uninsured Debt" and "Equity" boxes (see page 16).

*Works for ME* ✓

## Refinance of Existing Debt

By checking the box, I certify the following:

- ✓ This request is for FAME loan insurance on existing lender debt not currently insured by FAME;
- ✓ First lien positions on collateral securing these loans, with a maximum LTV of 120%;
- ✓ New Debt service coverage to be at a minimum of 8:1 after refinance;
- ✓ Company/borrower must be viable currently and refinance allows for continued viability;
- ✓ Current loans cannot be >60 days past due based on the current interest paid to date and date of last payment;
- ✓ Public benefit must be met. This is 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.

**Refinance Confirmation**

**By checking the box, I am certifying the following:**

- This request is for FAME loan insurance on existing lender debt not currently insured by FAME;
- 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 currently and refinance allows for continued viability;
- Current loans cannot be > 60 days past due based on the current interest paid to date and date of last payment;
- Public benefit must be met. This is 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.

Verify that this refinance must create a cash flow benefit of a minimum 15% savings on payments for the borrower;

If this is a blended rate due to a refinance with new money, please articulate below the refinance amount, the new money amount and how you calculated the blended rate. You may also use this box to indicate any other information you wish us to know about this refinance.

Once the box is checked no follow up is necessary. Evidence of compliance must be provided for all purposes.

Please see Refinance Requirements for more information

I agree

Please list the public benefit in the box. Verify that this refinance creates a cash flow benefit of at least 15% savings on payments for the borrower.

Please verify the 15% minimum savings in this box. If this is a blended rate due to a refinance with new money, please provide the refinance amount, the new money amount and how you calculated the blended rate. You may also use this box to indicate any other information you would like FAME to know about this refinance.

Works for ME ✓

## Uninsured Debt

The uninsured debt calculation is the entire debt required to complete the financing of the current project, less the amount of FAME-insured debt requested. For example, a three-loan project consisting of real estate mortgage (CREM), equipment loan, and a working capital LOC, where only the equipment loan and the LOC require FAME insurance (and the CREM does not), the CREM would be considered “uninsured debt.”

Field	Value
Lender's Debt	\$ 0
Non-Lender Debt	\$ 0
Equity Related to Loan 1	\$ 0
Equity Related to Loan 2	\$ 0
Equity Related to Loan 3	\$ 0
Equity Related to Loan 4	\$ 0
Total Project Cost	\$ 0
FAME Insured Loans	\$ 0
Uninsured Debt (Can be \$0)	\$ 0

**Lender's Debt** – Includes all lender debt associated with only this project, whether FAME-insured or not.

**Non-Lender Debt** – Includes seller financing, vendor, or other agency debt associated with only this project. This number can be \$0 and does not include any of the borrower's existing debt.

Works for ME ✓

## Collateral

Enter the location and description of the collateral.

Add collateral to this loan. Click here to open an entry screen to add collateral.

Before proceeding to Uninsured Debt, please complete all loans if submitting multiple loans.					
Uninsured Debt:	\$ 0	.00			
Equity:	\$ 0	.00	\$ 0	.00	
			\$ 0	.00	
				\$ 0	.00
Collateral					
<b>Add Collateral to This Loan</b>					

## Submit or Test - You have now completed the application!

At this point you are ready to Test Application (select blue button) or Submit for Approval (select green button). The buttons are located on the left navigation or at the bottom of the screen (see figure 5).

Figure 5



### TIP

Consider using the "Test Application" feature before submitting the application if there is a low credit score, a shortfall of collateral or a cash flow deficiency.

## Test Application

The "Test Application" feature analyzes the information entered in the application to determine the likely outcome of submission without creating a file on FAME's system. When the loan is ready to close, the user can re-open the application from the Unsubmitted (Saved) Loan Application button and choose "submit" to populate our system and generate an authorization.

- ✓ A "pending" result will prompt the assigned FAME loan officer to contact you and discuss why it wasn't approved.
- ✓ Changes made to the original information entered may impact the end result.

*Works for ME* ✓

## Submit for Approval

Submits the application to the system for a decision.

## Calculation Results

There are two possible outcomes to the calculation process:

- 1. Approved** – This result means that the information entered is sufficient to give advance notice of an approval. FAME then reviews the information to verify that the loan insurance should be approved and may contact the user for verification. A copy of the *Application, Authorization, Invoice* and *Employment Plan* (if applicable) are emailed to the user and loan officer. The Authorization and Application should be printed when received – after 14 days the secure email will no longer be available. You may use the “resend” feature to access these documents (see page 20). Within 24 hours an invoice will be separately sent to the user and the loan officer.
- 2. Pending** – This result means the OLA system found that the loan would require interaction between FAME and the lender to determine if loan insurance will be approved. FAME will contact the lender within 24 hours to discuss the loan application. OLA allows the user to make edits to the application such as additional collateral or guarantors, or reduce a loan or insurance amount in order to obtain a passing score.

### KEY TERMS

#### INVOICE

An accounting of the amount of insurance premium due from the financial institution to FAME if the application is approved. The invoice is emailed within 24 hours after the application is received by FAME.

#### EMPLOYMENT PLAN

In accordance with 10 MRSA Section 979, FAME is required to collect information from this form from the financial institution’s applicants with more than ten (10) employees, and to provide it to the Maine Department of Labor and the Maine Department of Health and Human Services. If the OLA Application indicates more than ten (10) employees, the employment plan form will be automatically emailed to the user with the Authorization and Application.

## AFTER SUBMISSION

After the “Calculation Results” screen appears, the following will occur:

### With Approval:

1. Within minutes, a secure email will be sent to the user and the loan officer (if they are not the same person) with a copy of the Application, Authorization, and Employment Plan (if more than 10 employees). Print or save these documents. The secure email system will delete the email after 14 days. If you need to access these documents on OLA after 14 days, click the envelope icon to the left of your loan (see page 20).
2. Within 24 hours, a secure email will be sent to the same two people listed in step 1, with an invoice for the insurance premium and instructions on what to return to FAME. Print or save this invoice.
3. For current fees, please visit [FAMEmaine.com](http://FAMEmaine.com).
4. When the loan has closed, ONLY the following items need to be returned to FAME immediately (unless you have been specifically asked to send additional items):
  - ✓ The original signed Authorization
  - ✓ Copy of the invoice (please include your loan number on the invoice)
  - ✓ Check
  - ✓ Employment Plan (if required)
5. Insurance is activated ONLY when all these items are received.
6. Automated emails (30-day, 14-day and 1-day notices) will be sent to the loan officer and the OLA Liaison reminding of Commitment expirations, Line of Credit renewals, Extension expirations and Term Loan maturity.

### NOTE

The institution is FAME’s customer. When the annual insurance invoice is sent to the lender, the institution is responsible for paying the insurance in a timely manner (30 days). Fees cannot be added to the principal balance of the loan if the bank advances the funds for the customer.

## With Pending:

FAME will contact the loan officer listed in the application to discuss why the application was not automatically approved, and talk about options which may include additional guarantors, collateral, a reduced loan amount, a reduced insurance percentage or submission through the paper application process. The application will be saved to your unsubmitted (saved) applications.

## Unsubmitted (Saved) Applications

To return to a saved application, click on the "Unsubmitted (Saved) Loan Insurance Application" link on the main menu.

The "Unsubmitted (Saved) Loan Insurance Applications" screen lists all applications that have been saved but NOT submitted for approval or modified within the last 45 days. After 45 days without modifications, these applications are deleted.

Click on the application you wish to view on the screen below:

Please choose from:

	Borrower	Saved Date	Loan 1
	Test - Tester	9/15/2015	\$23,765

Click the borrower's name to open the application.

**CAUTION:** This red "X" deletes a saved application.

## Submitted Applications

The "View Submitted Applications" screen lists all applications that have been submitted for approval. On the main menu click on the "Submitted Loan Insurance Applications" link. This may take a moment to load. ALL of the user's applications will load and can be sorted alphabetically by clicking on the word "borrower" at the top of the column. Lender Liaisons will see a list of all applications submitted by all users.

To refine your search criteria you may enter information or select from the boxes on the screen. You may also click on any of the column headings to sort. You can sort by:

*Works for ME* ✓

- ✓ **Borrower Name** – Enter part or all of a borrower’s name in the empty box to display all related applications.
- ✓ **Begin Date** – Shows all applications with a last saved or submitted date greater than or equal to the current date.
- ✓ **End Date** – Shows all applications with a last saved or submitted date less than or equal to the current date.
- ✓ **Status** – Select the status of the loan you are looking for; either approved or pending.
- ✓ **Show Renewable Only** – Check this box to show line-type loans that are eligible for renewal.

## NOTE

Applications for renewal must be submitted prior to expiration date of original application.

Automatically generated reminder notices will be sent via secure email to the loan officer and Liason 30 days, 14 days and 1 day prior to renewal date.

**Search** – Press this button to refresh the list of results once you have made changes to the above search criteria.

**Submitted Application Links** – Click on any part of the application row to see and/or continue working with the saved application. Clicking on the link takes the user to the application.

## Renewing Loan Insurance

Insurance on a line of credit that is currently insured through OLA is renewable.

To renew insurance on LOC:

- ✓ Click on the “Submitted Loan Insurance Application Renewals” link on the main menu.
- ✓ Check the “Show Renewable Only” checkbox on the right side of the screen.
- ✓ Fill in any other search criteria to help narrow the search.
- ✓ Click “Search.”

Loan amounts in red (with an asterisk) are renewable. Choose the most recent submission. Click on the dollar amount to access an editable application to renew the LOC.

**Submitted Loan Insurance Applications/Renewals**

Search Criteria:

Borrower Name	Begin Date	End Date	Status	Show Renewable Only
<input type="text"/>	3/1/2006	9/17/2015	All	<input type="checkbox"/>

**Search**

\* **Renewable Loan:** Click the loan amount to renew the loan insurance. Once initiated, renewals can be found in the "Unsubmitted (saved) loan insurance applications" area.

Borrower	Saved Date	Status	Loan 1	Loan 2	Loan 3	Loan 4
TestBusiness	5/3/2009	Manual Process	\$100,000			
Liu, Bethney	12/23/2014	Pending	\$10,000			
Hank, Pym	9/14/2015	PendingSO	\$25,000			

Other search criteria

Click the envelopes to resend the initial loan documents (Authorization, Application and Employment Plan, if applicable).

Click to view only loans that are currently renewable.

## FINISHING UP

### Logging Out

To log out of the OLA system, click "Logout" on the application screen. After clicking you will be prompted to save your progress.

### NOTE

Inactivity for 30 minutes or more after leaving the application page will result in automatic logout.

## SECURITY

FAME uses state-of-the-art middleware technology to isolate customer data from our public web sites. Outside connections coming into any portion of the FAME network are processed through a multi-layer security system including dedicated hardware devices and software solutions. All hardware and software solutions are enterprise grade and routinely tested for effectiveness. Included in the security architecture is an enterprise-grade intrusion detection and prevention system that is updated daily.

Security audits of the web servers are completed on a scheduled basis. If you or your IT department requires additional information, please contact FAME.

*Works for ME* ✓

## AUDITS

Pursuant to the Online Application Addendum signed by each lending institution:

“AUDIT OF COMPLIANCE. The Authority shall have the right, at its election, to conduct (or have a third party conduct) an audit of the Lender’s compliance with the OLA requirements, and the Lender’s credit and collateral files related to any loan for which loan insurance is issued under the OLA, upon reasonable advance notice to Lender. The results of such audits will be shared with Lender, and in the case of minor violations of the requirements of the OLA, the Loan Insurance Agreement, or this Addendum, the Lender shall be given an opportunity to correct such violations. In the case of material violations of the OLA requirements, the Loan Insurance Agreement or this Addendum, the Authority may terminate the Lender’s access to the OLA, and any loan insurance issued by the Authority that the Authority determines was affected by such violation may be reduced or terminated. The costs of such audits shall initially be borne by the Authority, although the Authority reserves the right to require that the Lender pay for all or a portion of the costs of audits in the future, after reasonable advance notice to Lender.”

FAME conducts a yearly audit on OLA loans and contracts with an auditor to 1) visit the lender on site to review the OLA loan; or 2) receive electronic versions of the OLA submissions. Loans will be selected for audit based on the following:

1. Submitted between July 1 and June 30 of the previous year;
2. Every lender shall have a random sampling consisting of:
  - ✓ One-third of the loans submitted during the period with a dollar amount below the median.
  - ✓ One-third of the loans submitted during the period with a dollar amount above the median.
3. If two or fewer loans are submitted, then 100% of loans submitted will be audited.

Following the audit, the OLA Liaison is provided with a full report of all the loans audited. If errors are discovered, the lender will work with their FAME loan officer to rectify the errors to the loans.

FAME bears the cost of the audit for the lender during the first year of OLA use. Thereafter, the audit is conducted at the lender’s expense.

To improve performance during the audit, FAME encourages lenders to have in their file a copy of the application they submitted through OLA, and the Authorization. The auditor will be confirming that the numbers used by the lender in the OLA application can be verified by the back-up documents in their file. Please use Appendix 3 as a guide to make certain that your file is complete.

## Appendix 1: Eligibility Requirements and Underwriting Criteria

### Insurance Available/Maximum

Term Loans	75% (pro rata) up to \$375,000 (FAME Exposure)
Lines of Credit Loans	75% (pro rata) up to \$375,000 (FAME Exposure)
Start-ups (< 12 months)	60% (pro rata) up to \$375,000 (FAME Exposure)
Refinance Existing Debt	40% (pro rata) up to \$375,000 (FAME Exposure)

### Fees

1. Term Loans: 1% of insured amount upon acceptance of the FAME insurance authorization and 0.5% of the outstanding insured amount of the loan annually throughout the term.
2. Lines of Credit: fees are 1% of each renewal (annually).
3. Modification fees (restructure, deferral, collateral release/substitution, etc.): \$50 per request plus cost of legal time in excess of one hour.

### Eligible Businesses/Uses of Proceeds

Any business or project for any such business that is located in the state of Maine is eligible except for the following:

- ✓ Religious or fraternal organizations;
- ✓ Gambling or adult entertainment facilities;
- ✓ Residential housing;
- ✓ Investment real estate (defined as 50% or more non-owner occupied);
- ✓ Personal, family or household expenses;

*Works for ME* ✓

- ✓ Refinancing existing indebtedness to a lender that is not already insured by the Authority unless a significant benefit to the borrower will result and all requirements are met (see requirements on page 13);
- ✓ Construction projects, unless the loan is secured by an irrevocable letter of credit or other security satisfactory to the Authority. FAME can issue a commitment to insure a permanent loan subject to completion of construction.

**Interest Rate and Term** – Determined by lender. Term should not exceed useful life of assets financed or serving as collateral.

**Collateral Requirements** – All types of collateral are eligible, except: intangible assets (goodwill, intellectual property, etc.), foreign accounts, leased equipment, and any “going concern” component of a real estate appraisal. Line of Credit loans should have a first priority lien on accounts and inventory and 30-day clearance provision (no other monitoring required).

**Underwriting Criteria** – Underwriting of OLA loans is done by computerized formula, based on the information provided in the application process. The formula considers: business cash flow, collateral coverage, credit score, and public benefit, all as determined by FAME. Below is a summary of how FAME analyzes these factors.

- ✓ Cash Flow – Applications reflecting Historical DSC of 0.5:1 or lower are not likely to be approved.
- ✓ Credit Scores – Applications reflecting personal/guarantor Empirica scores of 600 or lower are not likely to be approved.
- ✓ Public Benefit – Jobs created and retained (number, quality of pay/benefits, multiplier effect, and local unemployment rate/region), possible environmental impact, and whether the business is in an industry targeted by the State Economic Development Plan are considered, and measured against the collateral loan-to-value ratio. Applications reflecting uncollateralized exposure of more than \$10,000 per job are not likely to be approved.

**Personal Guaranty Requirements** – Any individual or entity that owns 20% or more of the borrower, or owns 5% or more of the borrower and receives substantial income from the borrower shall guaranty the loan. All loans shall be guaranteed by owners of at least 51% of the borrower in aggregate, except for non-profit borrowers and borrowers owned by 20 or more shareholders.

**Other Requirements** – Environmental questionnaire, if business real estate is collateral (to be kept in lender’s file). If the business currently has more than 10 employees, an employment plan must be submitted to FAME with Insurance Authorization and premium after approval.

This is for summary purposes only, and is subject to change. Applicable statutes, rules and policies govern FAME’s approval or denial of loans. Please contact a FAME loan officer with any specific questions at 1-800-228-3734.

## **Appendix 2: Disclosure and Confidentiality Statement**

Certain information in the Authority’s possession must be available for public inspection after an application for financial assistance is received. This information includes the names of applicants, including principals; the amounts, types and general terms of financial assistance; description of projects and businesses benefiting from the assistance; the number of jobs and the amount of tax revenues projected in connection with a project; and the names of the financial institutions participating with the Authority.

Certain records of the Authority are designated confidential and will not be available to the public for inspection. This includes the disclosure of records that would constitute an invasion of an individual’s privacy, such as personal tax returns or financial statements, assessments of creditworthiness or financial condition, records obtained by the Authority in connection with any monitoring or servicing on an existing project, and any records or information the release of which the Authority had determined could cause a business or competitive detriment to the person to whom the information belongs or pertains.

If an applicant desires certain information remain confidential, the applicant must clearly identify what information or documents it wishes to remain confidential. The applicant must also explain, in writing, the basis for such a request. Where the applicant asserts that the basis for the confidentiality request is that release of the information could cause a business or competitive disadvantage, or loss of a competitive advantage, the applicant must provide the Authority with sufficient information to independently determine the likelihood of such a detriment. Applicants may wish to consult their attorney or the Authority’s legal counsel as to the scope of public disclosure and confidentiality as it relates to the Finance Authority of Maine and the business seeking assistance.

### Appendix 3: OnLine Application Audit Form

Lender:

Completed By:

Borrower:

Date:

**Legal Documents** - Are all the required documents in file with the proper signatures? Are the terms and conditions consistent with FAME records? Are the liens perfected and do they provide the insured loan with the required property?

Item	Yes	No	N/A	Comments
Guarantee Agreement(s)				
Corporate Resolution(s)				
Commitment Letter				
Stand-by Agreement(s)				
Title Update/Search (Real Estate)				
Final Title (Real Estate)				
UCC Search				
UCC(s)				
Title(s) for Automobiles/ Trucks/Etc.				
Mortgage(s) for Boats/ Planes/Etc.				

**Collateral** - Are all the required documents in file with proper signatures? Has the collateral been properly evaluated (including supporting documentation)? Is the collateral insured? Is the lender named as loss payee and is the coverage sufficient?

Item	Yes	No	N/A	Comments
Collateral Evaluation				
Collateral Lien Position(s) Correct				
Appraisal(s)				
Insurance Binder				
Flood Determination				
Flood Insurance Binder				
Title Insurance (Real Estate)				
Assignment of Life Insurance				

**Financials** - Are all the required financial documents in file and current? Tax returns are required on both businesses and individuals. Personal financial statements are required on all borrowers and guarantors. Does the credit score on the highest principal/guarantor agree with application?

Item	Yes	No	N/A	Comments
Business Financials				
Business Tax Returns				
Personal Tax Returns				
Personal Financials				
Projections (Management Prepared)				
Interim Financials				
Credit Report(s) and Score(s)				
Borrowing Base Certificates				
A/R Aging Reports				
A/P Aging Reports				
Inventory Reports				

*Works for ME* ✓

**Others** - Are the necessary documents in file with the proper signatures? Have the FAME eligibility requirements been satisfied?

Note	Yes	No	N/A	Comments
Application				
Lender Write-up				
Debt Service Coverage Done Correctly				
Environmental Questionnaire				
Eligible Business / Use of Proceeds				
LOC < \$500,000				
Employment Plan (for Businesses with More Than 10 Employees)				
Required Email for 40% FAME Insurance on Refinance of Lender Existing Debt in File				

Exit interview held with: \_\_\_\_\_

Lender comments:

Copy given to lender

*Works for ME* ✓

## CONTACT US

### General Questions

Representatives are available from 8:00 a.m. to 5:00 p.m., Monday through Friday, to assist with questions. Every effort is made to respond to all questions within 24 hours.

We can be reached at **1-800-228-3734** or **Business@FAMEmaine.com**.

### Commercial Loan Officers

Once a loan has been processed, the main contact becomes the FAME loan officer assigned to the loan.

#### **Charlie Emmons**

Senior Commercial Loan Officer  
cemmons@FAMEmaine.com  
207-620-3510

#### **Roxanne Broughton**

Commercial Loan Officer  
rbroughton@FAMEmaine.com  
207-620-3547

#### **John Endicott**

Commercial Loan Officer  
jendicott@FAMEmaine.com  
207-620-3530

#### **Sally Garand**

Commercial Loan Officer  
sgarand@FAMEmaine.com  
207-620-3532

#### **Matt Lindquist**

Commercial Loan Officer  
mlindquist@FAMEmaine.com  
207-620-3527

*Works for ME* ✓