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GETTING STARTED

System Requirements and Recommendations

FAME's Online Application (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.

OVERVIEW

About OLA

The OLA system is a secure web application that allows lenders to apply for pro-rata and leveraged commercial loan insurance (CLI), with an immediate response.

Aggregate maximum FAME exposure per borrower in OLA is \$750,000, which can be a combination of up to four loans per submission.

OLA Insurance Available/Maximum

Pro-rata term loans and lines of credit

- 75% maximum CLI up to \$750,000 FAME exposure
- 60% maximum CLI for start-ups (businesses open less than one year) up to \$500,000 FAME exposure
- Use of projections in cash flow analysis limits availability to \$500,000 FAME exposure.

Leveraged term loans

25% maximum CLI up to \$250,000 FAME exposure

Leveraged lines of credit

20% maximum CLI up to \$250,000 FAME exposure

Pro-rata Refinancing of Existing Debt (not available with leveraged insurance)

Refinance of existing lender debt is subject to certain criteria. The user will be required to certify they have met the criteria by checking a box stating they agree with the certification as to the listed conditions. Debt held by your institution which is not currently FAME insured is eligible for a maximum of 40% FAME commercial loan insurance. Refinancing debt from another financial institution is not considered existing lender debt.

Blended Rate

When FAME loan insurance on a new loan is combined with loan insurance on existing lender debt, a blended interest rate calculation must occur. The calculation is as follows: multiply each loan amount by the percentage of FAME insurance, and calculate FAME’s aggregate exposure, then divide FAME’s aggregate exposure by the bank’s aggregate loan total. The result is the blended insurance rate. See Figure 1.

Figure 1: Blended Rate Table

	Bank Loans	Insured Percentage	FAME Exposure	Blended Percentage
New Loan	\$200,000	75%	\$150,000	
Existing Loan	\$100,000	40%	\$ 40,000	
TOTAL	\$300,000		\$190,000	63.3%

Blended Percentage = FAME Aggregate Exposure (\$190,000)/Lender’s Aggregate Total (\$300,000)



The following screen will appear if you are refinancing existing bank debt:

Figure 2: Refinance Requirements and Confirmation

Refinance Confirmation

- 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.

Required Field

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

Required Field

- 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.

Required Field

Checking the box below shall be a certification that the listed conditions have been met.

Once the box is checked no follow up is necessary. Evidence of compliance must be maintained in the file for FAME audit purposes.

Please see [Refinance Requirements](#) for more information

I agree

Required Field

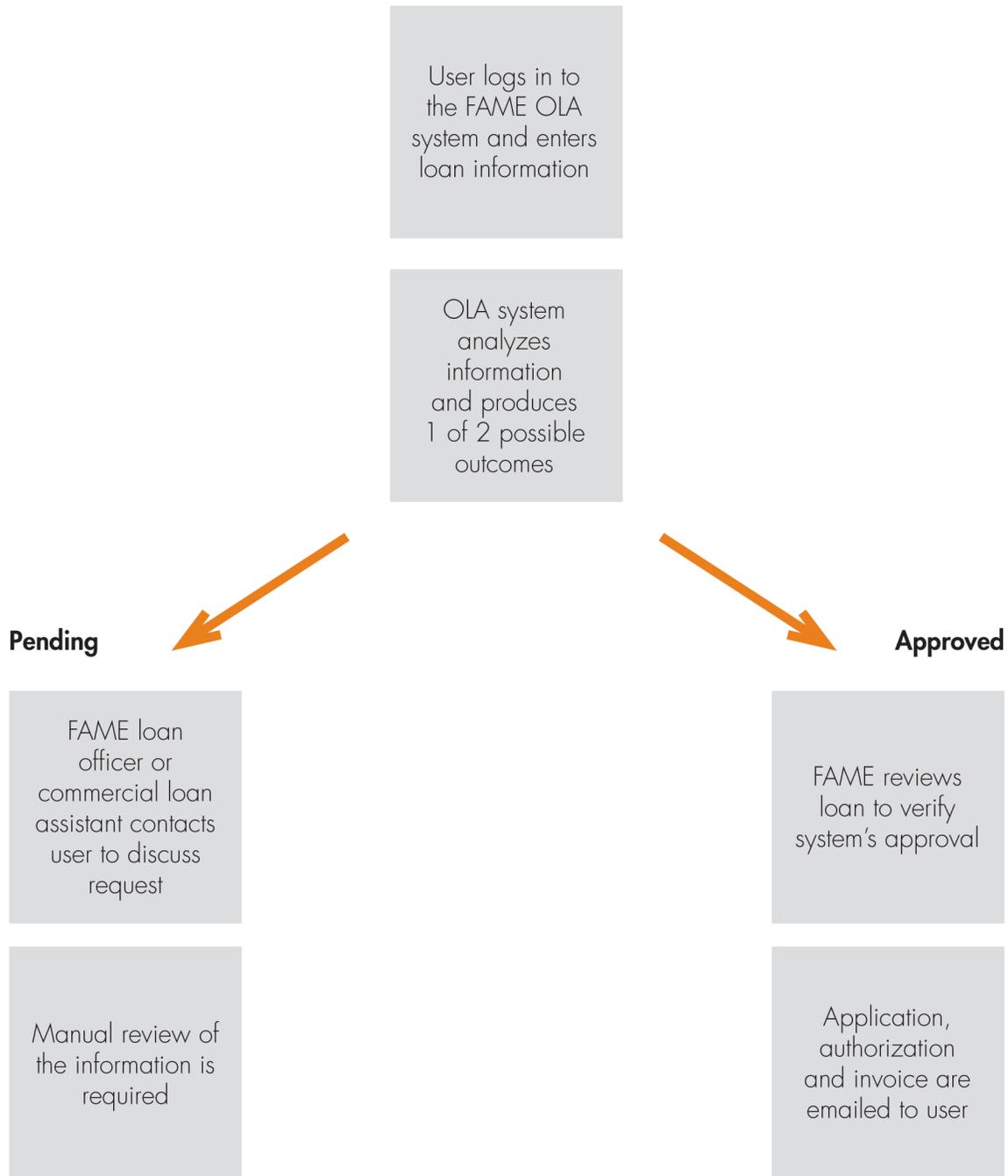
Ok

Close

Overview of System Flow

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

Figure 3: The OLA Application Process



LOGGING IN

Eligibility

To be eligible to use the OLA system, a financial institution must have a signed *Loan Insurance Agreement and Addendum* on file with FAME. The Addendum designates one person as a Lender Liaison, to coordinate the OLA system users.

New users must obtain permission from their Lender Liaison to be granted access to the system.

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

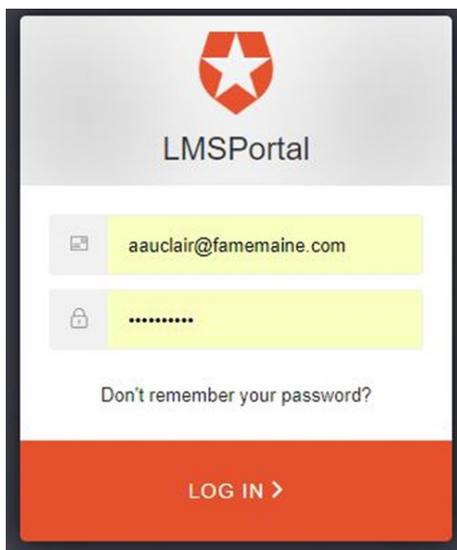
Passwords must be at least eight characters long and should contain:

- Uppercase letters (A-Z)
- Lowercase letters (a-z)
- Numbers (0-9)

Changing Your Password

To change your password:

1. From the OLA landing page click on the “Log in” link on the right side of the page.
2. Click the “Don’t remember your password?” link.

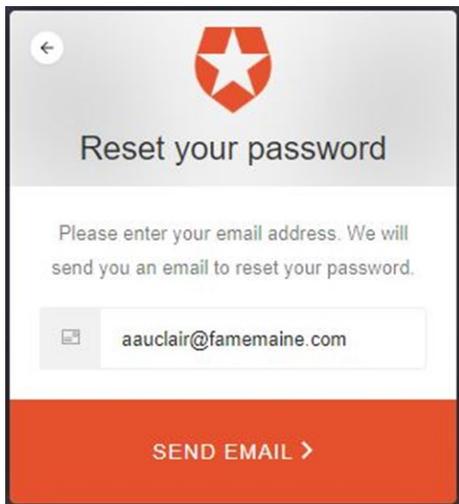


KEY TERM

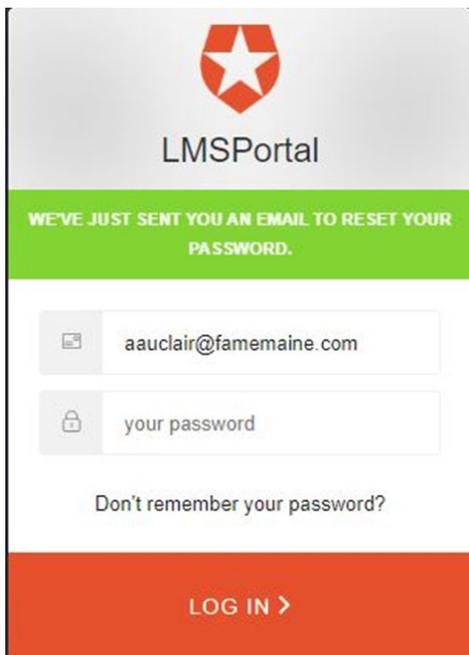
LENDER LIAISON

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.

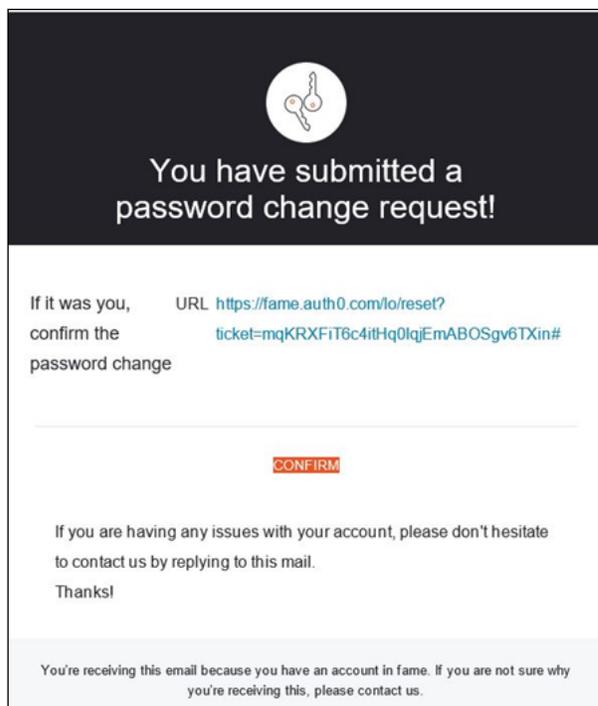
3. Enter your email address and click "SEND EMAIL."



4. You will receive a confirmation email. Follow the confirmation instructions to create your new password.



5. Click on the blue link or the orange CONFIRM button inside the email to enter your new password.



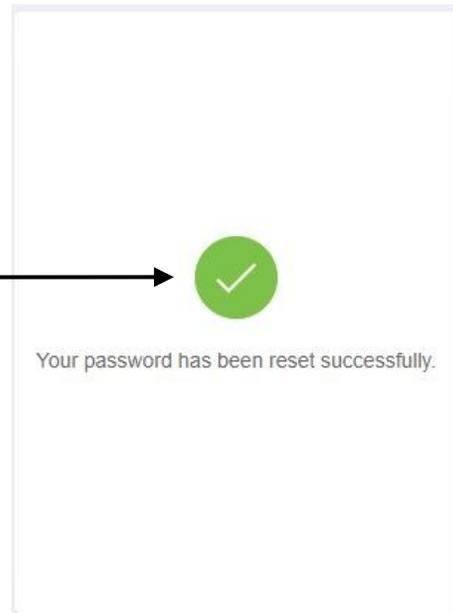
6. Enter and confirm your new password, then click ">" to submit.



Enter a new password for
aaclair@famemaine.com



You will receive a confirmation pop-up message that your password has been reset. If you encounter any problems, please contact FAME at 1-800-228-3734.



Permission Levels

FAME 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:

- **Lender Liaison** – Users with the security level of Lender Liaison are the designees of the financial institution and have access to all information entered by any authorized user of the financial institution. They also, approve new OLA users and/or permission changes. (Maximum of two per lender)
- **User** – Users with the security level of User are the designees of their financial institution, approved by the Lender Liaison to access OLA. Users can only see applications that they have entered.
- **Bank Contact** – Usually one of the two Lender Liaisons, this person will receive all automatic notifications (30-, 14-, and 1-day expirations) and may be contacted if the Relationship Manager or loan officer is unavailable.

ENTERING AN APPLICATION

Introduction

You may log in to the OLA system and enter a new application, edit and submit saved applications, and view all submitted loan applications depending on your permission level.

Insurance Types

Pro-rata covers a percentage of a lender's loss after a default and liquidation, up to 75%.

Leveraged may cover 100% of a lender's loss, up to 25% of the loan balance at the time of default.

Accessing Loan Insurance Applications

Log in to the system and select "Create New Application" or the "New Application" link to start a new application.

Viewing Existing Applications

Selecting the "View Existing Applications" link or the "My Applications" link will display all applications that have been saved by the current user. The Lender Liaison can view all applications submitted by authorized users.

Figure 4: OLA Welcome Screen

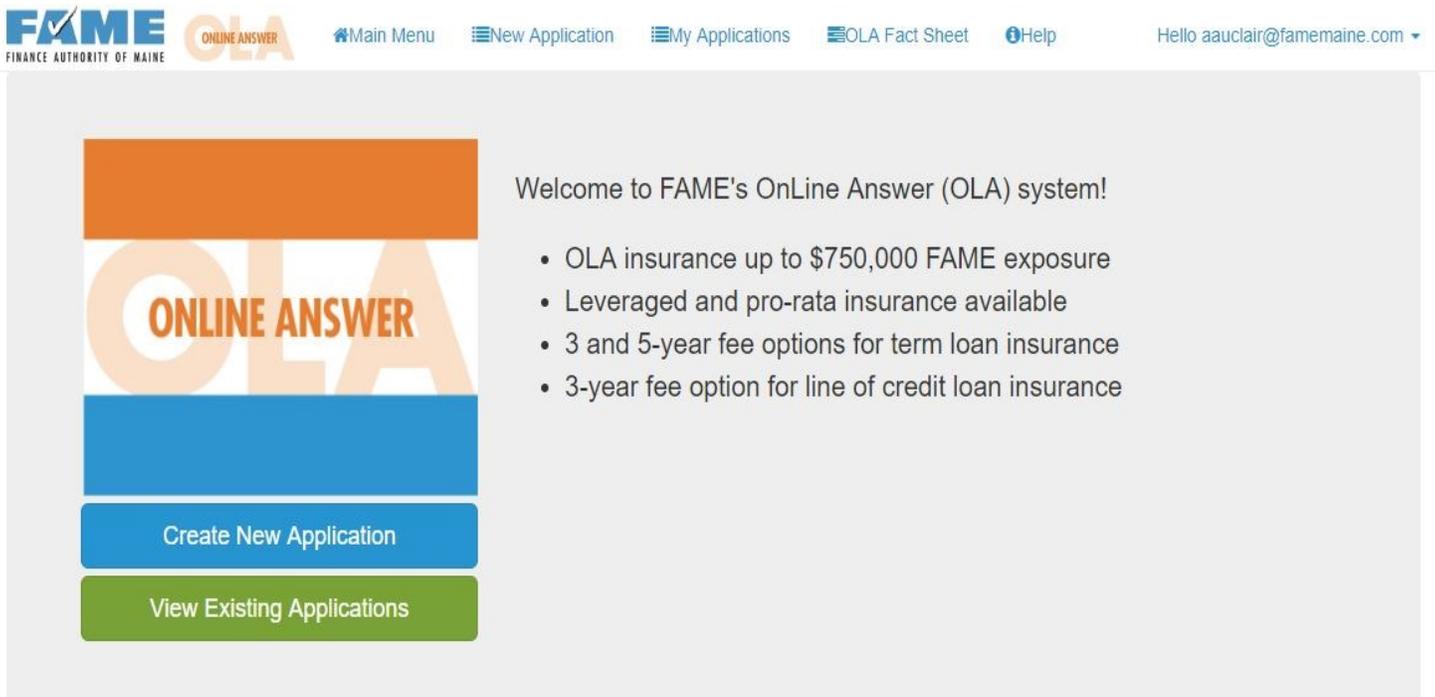


Figure 5: Viewing Existing Applications

BorrowerName **Begin Date** **End Date** **Status**

[Filter](#) [Create New](#)

Borrower	SavedDate	Status	Loan1 Amount	Loan2 Amount	Loan3 Amount	Loan4 Amount	Renew
No Borrower	11/02/2018	UnSubmitted	\$0.00	\$0.00	\$0.00	\$0.00	Edit Delete

To refine your search criteria, you may enter information or select from the drop-down menu under the Status box.

You may also click on any of the column headings to sort. You can sort by:

- **Borrower Name** – Enter part or all of a borrower’s name in the empty box to display all related applications.
- **Begin Date** – Enter a date to show all applications with a last-saved or submitted date greater than or equal to the date entered.
- **End Date** – Enter a date to show all applications with a last-saved or submitted date less than or equal to the date entered.
- **Status** – Select the status of the loan you are looking for from the drop-down menu.
- **Filter** – Click this button to refresh the list of results once you have made changes to the search criteria.

Renewing Loan Insurance

To renew insurance on a line of credit:

- Under the column on the right of the screen, you will see lines of credit that are due for renewal within 90 days prior to the maturity date. (See **Figure 4: Renewing Loan Insurance**, on the next page.)
- Click “Renew” and the Renewal Applications screen will appear. The application will be partially prefilled.
- The blank fields require information to be updated.

NOTE

Although applications for renewal should be submitted prior to the extension expiration or maturity date of the original application, renewals can still be submitted up to 15 days after the maturity or extension expiration. Extensions must be requested by emailing the FAME Business Inbox (Business@FAMEmaine.com).

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

Figure 6: Renewing Loan Insurance

The screenshot shows the FAME OLA web application interface. At the top, there is a navigation bar with the FAME logo, 'ONLINE ANSWER', and links for 'Main Menu', 'New Application', 'My Applications', 'OLA Fact Sheet', and 'Help'. The user's email 'Hello aauclair@famemaine.com' is displayed on the right. Below the navigation bar, a blue banner indicates 'You are currently working with Androscoggin Bank (Change Lender)'. The main heading is 'Applications'. Below this, there are search filters for 'BorrowerName', 'Begin Date', 'End Date', and 'Status' (set to 'All'). A green 'Filter' button is present. Below the filters is a 'Create New' link. The main content is a table with the following columns: Borrower, SavedDate, Status, Loan1 Amount, Loan2 Amount, Loan3 Amount, Loan4 Amount, and Renew. The table contains three rows of data. The 'Renew' column for the second row is circled in red, with a black arrow pointing to it. The 'Renew' button in this row is also circled in red.

Borrower	SavedDate	Status	Loan1 Amount	Loan2 Amount	Loan3 Amount	Loan4 Amount	Renew
	09/18/2018	UnSubmitted	\$0.00	\$0.00	\$0.00	\$0.00	Edit Delete
	09/18/2018	UnSubmitted	\$85,000.00	\$0.00	\$0.00	\$0.00	Edit Delete
	09/05/2018	Approved	\$150,000.00	\$0.00	\$0.00	\$0.00	Renew View Resend

Inputting a New Application

Loan Officer Information

Select either a new or existing loan officer. If entering a new loan officer, provide name, address (including zip code), email address and phone number of the loan officer responsible for the loan application.

Figure 7: New Application – Loan Officer Tab

The screenshot shows the 'New Application - Loan Officer Tab' in the FAME OLA web application. At the top, there are four buttons: 'Save Application' (light blue), 'Check Exposure' (blue), 'Test Submission' (orange), and 'Submit for Approval' (green). Below these buttons is a navigation bar with tabs: 'Loan Officer' (selected), 'Profile', 'Industry Info', 'Jobs', 'Loans', 'Collateral', and 'Uninsured Debt'. A 'Next Tab' button is located in the top right corner. The main content area contains two radio buttons: 'Enter a new loan officer' (selected) and 'Use an existing loan officer'. Below these are several input fields: 'LastName', 'FirstName', 'Address', 'City', 'State', 'Zip', 'Email', and 'Phone'. The 'Enter a new loan officer' radio button is circled in red.

Borrower Profile

In the Profile Type and Relationship section:

1. Specify “Relationship Type” from the drop-down menu.
2. Specify “Profile Type” – Business or Individual.
3. Specify “Business Type” from the drop-down menu, if applicable.

Enter the remaining demographic information as required. Telephone and address fields are required for all profiles; email is optional.

Figure 8: New Application – Profile Tab

Save Application Check Exposure Test Submission Submit for Approval

Loan Officer Profile Industry Info Jobs Loans Collateral Uninsured Debt

Previous Tab Next Tab

New Profile

Delete This Profile Add an Additional Profile ⓘ

Profile Type and Relationship

Relationship Type: Borrower

Profile Type: Business Individual

Business Type: [Dropdown]

New Demographics

Load Demographics from a Previous Profile

First Name: [Text Field]

MI: [Text Field]

Last Name: [Text Field]

SSN: [Text Field]

Telephone: [Text Field]

Email: [Text Field]

Address: [Text Field]

City: [Text Field]

State: [Text Field]

Zip Code: [Text Field]

New Financial Information

Most Recent Year Ending: [Text Field]

Financials Quality: [Dropdown]

Current Empirica Credit Score: [Text Field]

Wages: [Text Field]

Interest & Dividends (Sch B): [Text Field]

Business Cash Flow (Sch C & F) ⓘ: [Text Field]

Rental Real Estate Cash Flow ⓘ: [Text Field]

IRA Distributions/Pension/SSI ⓘ: [Text Field]

Other Recurring Income: [Text Field]

Adjustments (+/-) ⓘ: [Text Field]

Adjustment Detail ⓘ: [Text Field]

Partnership/S-Corp Disbursements: [Text Field]

Federal Tax: [Text Field]

Taxes: State, RE, Personal, & Other: [Text Field]

When entering profile information for an existing borrower, click the “Load Demographics from a Previous Profile” button to populate with borrower’s existing demographic information.

This information icon appears throughout the OLA interface. Hovering over the icon will open a pop-up window with additional information.

Borrower Financial Information

Enter the borrower financial information. The information required will vary based on the specified Profile Type (“Business” or “Individual”).

Figure 9: New Application – Profile Tab (cont’d.)

Previous Tab Next Tab

New Profile

Delete This Profile Add an Additional Profile

Profile Type and Relationship

Relationship Type: Borrower

Profile Type: Business Individual

Business Type: [Dropdown]

New Demographics Load Demographics from a Previous Profile

First Name: [Text Box]
MI: [Text Box]
Last Name: [Text Box]
SSN: [Text Box]
Telephone: [Text Box]
Email: [Text Box]
Address: [Text Box]
City: [Text Box]
State: [Text Box]
Zip Code: [Text Box]

New Financial Information

Most Recent Year Ending: [Text Box]
Financials Quality: [Dropdown]
Current Empirica Credit Score: [Text Box]
Wages: [Text Box]
Interest & Dividends (Sch B): [Text Box]
Business Cash Flow (Sch C & F): [Text Box]
Rental Real Estate Cash Flow: [Text Box]
IRA Distributions/Pension/SSI: [Text Box]
Other Recurring Income: [Text Box]
Adjustments (+/-): [Text Box]
Adjustment Detail: [Text Box]
Partnership/S-Corp Disbursements: [Text Box]
Federal Tax: [Text Box]
Taxes: State, RE, Personal, & Other: [Text Box]
Number of Exemptions: 0
Estimated Living Expenses: [Text Box]
Estimated Personal Cash Flow: [Text Box]
Business Sch. (C & F) & Rental R/E Debt Service: [Text Box]
Personal Debt Service: [Text Box]
Profile Debt Service Coverage Ratio: [Text Box]

Cash flow and debt service for a borrower filing a schedule C or F should not be included on the individual's profile.

Profile Debt Service Coverage Ratio is automatically calculated

IMPORTANT: When adding a second individual who completes a joint tax return with the borrower or guarantor, complete the “Credit Score” and “Personal Debt Service” fields and enter “0” for exemptions, because all exemptions are captured in the debt schedule for the primary borrower or guarantor. The “Personal Debt Service” field can be \$0 if that debt service is captured in the debt schedule for the primary borrower or guarantor.

Industry Information

1. **NAICS** and **SIC codes** must be entered. Use the “NAICS Information” link provided, if needed. If the entity is a real estate holding company, use the operating company NAICS and SIC.
2. **Industry Description** – Provide a brief description of what the company does.
3. **Labor Market Area Town** – Select the town where the business is primarily located from the drop-down menu.
4. **Labor Market Area** – Automatically populates.

Figure 10: New Application – Industry Info Tab

The screenshot shows the 'Industry Info' tab of a new application form. At the top, there are four buttons: 'Save Application' (blue), 'Check Exposure' (blue), 'Test Submission' (orange), and 'Submit for Approval' (green). Below these are navigation tabs: 'Loan Officer', 'Profile', 'Industry Info' (selected), 'Jobs', 'Loans', 'Collateral', and 'Uninsured Debt'. The main form area has 'Previous Tab' and 'Next Tab' buttons. The form contains several input fields: 'NAICS Code (NAICS Information)' (dropdown), 'SIC Code' (dropdown with placeholder text), 'Industry Description' (text input), 'Labor Market Area Town' (dropdown with placeholder text), and 'Labor Market Area' (text input).

Figure 11: New Application – Jobs Tab

The screenshot shows the 'Jobs' tab of a new application form. At the top, there are four buttons: 'Save Application' (blue), 'Check Exposure' (blue), 'Test Submission' (orange), and 'Submit for Approval' (green). Below these are navigation tabs: 'Loan Officer', 'Profile', 'Industry Info', 'Jobs' (selected), 'Loans', 'Collateral', and 'Uninsured Debt'. The main form area has 'Previous Tab' and 'Next Tab' buttons. The form contains a 'Business Location' section with a question: 'This business and associated jobs are primarily located in Maine: No Yes'. Below this are three salary range sections: 'Salary less than \$25,958', 'Salary \$25,958 - \$51,916', and 'Salary greater than \$51,916'. Each section has two input fields: '# Jobs Created' and '# Jobs Retained', both containing the number '0'.

Business Location – If a business is not primarily located in Maine, the application will be automatically pended.

Salary Ranges, Jobs Created & Retained – Enter the number of jobs in each salary range. If the borrower has more than 10 employees, the FAME Employment Plan will be automatically emailed with the Authorization and Application, if approved.

Loan Information

Enter the loan information. Each OLA submission can accept up to four loans. Loans to different borrowers require separate applications.

Figure 12: New Application – Loans Tab

The screenshot shows the 'Loans Tab' of a 'New Application' form. At the top, there are buttons for 'Save Application' and 'Check Exposure'. Below these are tabs for 'Loan Officer', 'Profile', 'Industry Info', 'Jobs', 'Loans', 'Collateral', and 'Unins'. The 'Loans Tab' is active, showing a 'Previous Tab' button and a 'Loan 1' section with a 'Delete' button and an 'Add Loan' button. The form fields include: Amount (text input), Type (dropdown), Initial Insurance Term (dropdown), Related Profile(s) (checkbox), Business Age (dropdown), Refinancing Existing Debt? (checkbox), Insurance Type (dropdown), Pro Rata vs. Leveraged Example (text), Insurance Percent Requested (text input), Insurance Requested (text input), Blended Rate Detail (text area), Natural Resource (checkbox), Not for Profit (checkbox), Construction Loan (checkbox, circled in orange), Interest Rate (dropdown), Payment Type (dropdown), Term in Months (text input), and Amortization in Months (text input). Two callout boxes provide additional information: one for 'Refinancing Existing Bank Debt' and one for 'Construction Loan'.

Refinancing Existing Bank Debt
When this box is checked, a new pop-up window will appear. Fill out the required information, check the "I agree" box and click "ok". The "Blended Rate Detail" box auto fills from the pop-up screen, shown on page 5.

IMPORTANT: Check this box if this is a construction loan. FAME insurance is not effective during construction unless a project is bonded. A FAME loan officer will contact the loan officer to determine the length of the construction project.

Collateral

Enter the details, location and description of the collateral.

Figure 13: New Application – Collateral Tab

Loan Officer Profile Industry Info Jobs Loans Collateral Uninsured Debt

Previous Tab Next Tab

Collateral Loan 1

New Collateral Delete Collateral

Collateral Type	Lien Position	Gross Value of Collateral	Value Type
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Value Source	Amount of Priority Liens	Collateral Description	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Location			
<input type="text"/>			

Add Collateral to loan 1

TIP

Collateral for loan 1 is generally secured with the priority lien position. If entering two loans that are secured by the same collateral, input the value of the collateral with the priority lien position for loan 1.

Next, input the same collateral and value for the second loan with the subordinate lien position and enter the amount of loan 1 and any other senior debt as the priority lien amount.

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, for a three-loan project consisting of a real estate mortgage (CREM), an 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.”

Uninsured debt can be \$0.00 if there are no other loans or sources of funds for the project other than the loan being insured by FAME.

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.

Figure 14: New Application – Uninsured Debt Tab

The screenshot shows the 'Uninsured Debt' tab in a web application. At the top, there are navigation tabs: 'Loan Officer', 'Profile', 'Industry Info', 'Jobs', 'Loans', 'Collateral', and 'Uninsured Debt'. Below these are two buttons: 'Previous Tab' and 'Submit for Approval'. The main content area is titled 'Uninsured Debt' and contains the following fields:

Lender's Debt (FAME Insured)	\$0.00
Lender's Uninsured Loans ⓘ	<input type="text"/>
Non Lender Debt ⓘ	<input type="text"/>
Equity Related to Loan 1	<input type="text"/>
Equity Related to Loan 2	<input type="text"/>
Equity Related to Loan 3	<input type="text"/>
Equity Related to Loan 4	<input type="text"/>
Total Project Cost	\$0.00
Uninsured Debt (Can be \$0)	\$0.00

Submit or Test

You have now completed the application.

At this point you are ready to click “Submit for Approval” or “Test Submission”.

The screenshot shows the bottom navigation bar of the application. It contains four buttons: 'Save Application' (light blue), 'Check Exposure' (blue), 'Test Submission' (orange), and 'Submit for Approval' (green). Below these buttons are the same navigation tabs as in the previous screenshot: 'Loan Officer', 'Profile', 'Industry Info', 'Jobs', 'Loans', 'Collateral', and 'Uninsured Debt'.

Test Submission

The “Test Submission” feature analyzes the information entered in the application to determine the likely outcome. The user can re-open the application with the “View Existing Applications” button on the main menu to update information or submit for approval. Please note that any changes made to the original application may impact the final outcome.

A “pending” result will prompt the assigned FAME loan officer to contact you and discuss the results.

Submit for Approval

This button submits the application to the system for a decision.

Calculation Results

There are two possible outcomes of the calculation process:

Approved – FAME reviews the application and may contact the loan officer for verification. A copy of the Application, Authorization, and Employment Plan (if applicable) are sent via a secure email to the user and loan officer. The Authorization and Application should be printed when received. After 14 days this secure email will no longer be available. You may use the “Resend” feature to have the documents resent. The “Resend” button is shown on your applications list in OLA.

Within 24 hours, invoices will be sent separately to the user and the loan officer.

Pending – FAME will contact the loan officer within 24 hours to discuss the loan application. OLA allows the user to make edits to the application such as adding collateral or guarantors, as well as changing a loan or insurance amount to obtain an approval. The application will be saved in your existing applications list.

FINISHING UP

Logging Out

To log out of the OLA system, click on the arrow next to your username or close your browser.

NOTE

Inactivity for 30 minutes will result in an automatic logout. Entries will be automatically saved if this occurs.

SECURITY

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 are 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 require

AUDITS

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

“AUDIT OF COMPLIANCE. FAME 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 the Lender. The results of such audits will be shared with the 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, FAME may terminate the Lender’s access to the OLA, and any loan insurance issued by FAME that FAME determines was affected by such violation may be reduced or terminated. The costs of such audits shall initially be borne by FAME, although FAME 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 the 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 of \$250,000 or less;
 - All of the loans submitted during the period of \$250,000 or greater.
3. If two or fewer loans are submitted, then 100% of loans submitted will be audited.

Following the audit, the OLA Lender 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 & Underwriting Criteria

Insurance Available/Maximum

Please see OLA Insurance Available/Maximum on page 3.

Fees

Loan Insurance Programs	FAME Exposure Amount	Commitment Fee	Annual Insurance Fee	3-Year* Insurance Fee	5-Year* Insurance Fee
OLA Pro-Rata Term	≤ \$750M	0.50%	1%	2.75%	3.95%
OLA Pro-Rata Line	≤ \$750M	0.50%	1%	2.75%	N/A
OLA Leveraged Term	≤ \$250M	0.50%	2%	5.75%	7.95%
OLA Leveraged Line	≤ \$250M	0.50%	2%	5.75%	N/A

*Once the multi-year term is over, the insurance will automatically continue on an annual basis unless the insurance is canceled or the lender reapplies for an additional multi-year term.

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;
- Refinancing existing debt to a lender that is not already insured by FAME unless a significant benefit to the borrower will result and all requirements are met (see requirements on page 4);
- Construction projects, unless the loan is secured by an irrevocable letter of credit, is a bonded project, or other security satisfactory to FAME is provided. FAME can issue a commitment to insure a permanent loan subject to completion of construction.

Interest Rate, Term and Amortization

The lending institution will determine interest rate, term and amortization. Amortization 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. Loans predominantly secured by accounts receivable and/or inventory require first-priority lien on said assets.

Underwriting Criteria

Underwriting of OLA loans is done by a computerized scoring system, based on the information provided in the application process. The formula considers: global 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 debt service coverage of 0.8:1 or lower are not likely to be approved.
- **Credit Scores** – Applications reflecting personal/guarantor credit 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 a targeted industry sector 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 Guarantee 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 guarantee 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 for the OLA loan, the lending institution is required to complete and retain an environmental questionnaire. The institution may use its own questionnaire document. If the institution does not have an environmental questionnaire, please contact FAME and a FAME Environmental Questionnaire will be provided.

Employment Plan – If the business currently has more than 10 employees, a FAME Employment Plan must be completed and returned with the Authorization and fee payment. The Employment Plan is automatically generated when the user enters the number of employees.

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 has determined could cause a business or competitive detriment to the person to whom the information belongs or pertains.

If an applicant desires that certain information remain confidential, the applicant must clearly identify what information or documents they wish 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

Online Application (OLA) Audit Terms and Documentation			
Transaction Summary			
Borrower(s):		Loan #:	
Orig. Loan (\$):		CLUE Loan Number	
Loan Type:		Lending Institution:	
Term:		Officer:	
Amortization:		FAME %:	
Interest Rate Type:		Payment:	
Guarantor (s):		Business Name:	
		Reviewer - M&M:	
		Review Date:	
		Loan Date:	
		OLA Authorization:	
Purpose:			
Natural Disaster:		MAX Employee Count:	
Refinance Existing-Debt:			
Blended Detail:			
Public Benefit Detail:			

Legal Documents				
LEGAL DOCUMENTS: Are all the required documents in the 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?				
	YES	NO	N/A	COMMENTS
Note				
Guarantee Agreement (s)				
Stand-by Agreement(s)				
Title Update/Search (Real Estate)				
Final Title (Real Estate)				
Mortgage(s) (Real Estate)				
UCC Search				
UCC(s)				
Title(s) (Automobiles, Trucks, etc.)				
Mortgage(s) (Boats, Planes)				

Reviewer Conclusion — Legal Documents

Works for ME ✓

Collateral Documents

COLLATERAL: Are all the required documents in the 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?

OLA Data — Collateral

Address Description	Collateral Type	Lien Position	Collateral Value	Value Source
	YES	NO	N/A	COMMENTS
Collateral Evaluation(s)				
Collateral Lien Position(s) Cor-				
Appraisal(s)				
Insurance Binder				
Title Insurance (Real Estate)				
Assignment of Life Insurance				

Other Documents

OTHER: Are the necessary documents in-file with all the proper signatures? Have the FAME eligibility requirements been satisfied?

	YES	NO	N/A	COMMENTS
Application				
Lender Write-up				
Eligible Business/Use of Pro- ceeds				
LOC < \$500,000				
Employment Plan for Business w/ More Than 10 Employees				
Required Email for 40% FAME Insurance on Refinance of Exist- ing Lender Debt in File				

Reviewer Conclusion — Collateral Perfection

Reviewer Conclusion — Other

Lender Response



Finance Authority of Maine

**Online Application (OLA) Audit
Financial Information**

Transaction Summary — Financial Review

Borrower(s):		Loan #:	
Orig. Loan (\$):		CLUE Loan-Number:	
Loan Type:		Lending Institution:	
		Officer:	

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 the application?

Entity One				
-	YES	NO	N/A	COMMENTS
Business Financials				
Business Tax Returns				
Personal Tax Returns				
Personal Financials				
Projections (Management-prepared)				
Interim Financials				
Credit Report(s) & Score(s)				
Borrowing Base Certificates				
A/R Aging Reports				
A/P Aging Reports				
Inventory Reports				
Debt Service Coverage Done Correctly				

Entity Two				
-	YES	NO	N/A	COMMENTS
Business Financials				
Business Tax Returns				
Personal Tax Returns				
Personal Financials				
Projections (Management-Prepared)				
Interim Financials				
Credit Report(s) & Score(s)				
Borrowing Base Certificates				
A/R Aging Reports				
A/P Aging Reports				
Inventory Reports				
Debt Service Coverage Done Correctly				

Entity Three				
-	YES	NO	N/A	COMMENTS
Business Financials				
Business Tax Returns				
Personal Tax Returns				
Personal Financials				
Projections (Management-Prepared)				
Interim Financials				
Credit Report(s) & Score(s)				
Borrowing Base Certifi- cates				
A/R Aging Reports				
A/P Aging Reports				
Inventory Reports				
Debt Service Coverage Done Correctly				

Entity Four				
-	YES	NO	N/A	COMMENTS
Business Financials				
Business Tax Returns				
Personal Tax Returns				
Personal Financials				
Projections (Management-Prepared)				
Interim Financials				
Credit Report(s) & Score(s)				
Borrowing Base Certifi- cates				
A/R Aging Reports				
A/P Aging Reports				
Inventory Reports				
Debt Service Coverage Done Correctly				

Entity Five				
-	YES	NO	N/A	COMMENTS
Business Financials				
Business Tax Returns				
Personal Tax Returns				
Personal Financials				
Projections (Management-Prepared)				
Interim Financials				
Credit Report(s) & Score(s)				
Borrowing Base Certificates				
A/R Aging Reports				
A/P Aging Reports				
Inventory Reports				
Debt Service Coverage Done Correctly				
Entity Six				
-	YES	NO	N/A	COMMENTS
Business Financials				
Business Tax Returns				
Personal Tax Returns				
Personal Financials				
Projections (Management-Prepared)				
Interim Financials				
Credit Report(s) & Score(s)				
Borrowing Base Certificates				
A/R Aging Reports				
A/P Aging Reports				
Inventory Reports				
Debt Service Coverage Done Correctly				

Entity Seven				
-	YES	NO	N/A	COMMENTS
Business Financials				
Business Tax Returns				
Personal Tax Returns				
Personal Financials				
Projections (Management-Prepared)				
Interim Financials				
Credit Report(s) & Score(s)				
Borrowing Base Certifi- cates				
A/R Aging Reports				
A/P Aging Reports				
Inventory Reports				
Debt Service Coverage Done Correctly				
Financial Review Conclusion				

Most Recent Financial Information In File

	Loan Name	Entity 1	Entity 2	Entity 3	Entity 4	Entity 5	Entity 6	Entity 7		
Entity Name									Global	
Business Financials										
Business Tax Returns										
Personal Tax Returns										
Personal Financials										
Projections (Management-prepared)										
Interim Financials										
Credit Report Date										
Credit Score										
Payments										
Borrowing Base Certificates										
A/R Aging Reports										
A/P Aging Reports										
Inventory Reports										
OLA DATA										
BusinessType										
BusinessAge										
MostRecentYearEnding										
BusinessCashFlow										
EstimatedPersonalCashFlow										
BusinessDebtService										
PersonalDebtService										
EstimatedLivingExpenses										
LowestCurrentCreditscore										
IndividualDSC										
Financial Highlights	#N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Global
Cash		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
INV/AR		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Current Assets		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
T/A		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
A/P		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Current Liabilities		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Liabilities		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
N/W		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Current Ratio										
Working Capital Calculation		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Income Statement	#N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Global
Gross Profit Margin										
Gross Rev		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Gross Inc		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Net Income		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Estimated Federal Taxes		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Estimated State Taxes		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Dep		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Int.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Non-Recurring Gain(Loss)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Add Non-taxable Social Security		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Sch E Adjustment (Pass through)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Comp to prior owner		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Living Expense		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Gross CF		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distributions to Owner		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Cash Flow Analysis	#N/A	-	-	-	-	-	-	-	-	Global
Payments Existing - Monthly		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Payments proposed monthly		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Proposed Payments monthly		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Annualized Payments		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Cash Flow		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DSC - Pre-Distributions										
DSC - Post-Distributions										
OLA DSC										
OLA Business Cash Flow										
OLA Personal Cash Flow										

Financial Review Conclusion

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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.

NOTE: This manual and appendices are for summary purposes only, and are 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 or Business@FAMEmaine.com.