



# Online Answer (OLA) Step-by-Step Training

NOVEMBER 3, 2021

- Brief overview of FAME Commercial Loan Insurance Program
- Live Demo: Completing an OLA Application
- OLA Definitions & Explanations\*
- Q&A

*\*See download link in the chat.*

FAME's commercial loan insurance insures a portion of loans made through participating financial institutions.

**Lenders can apply for commercial loan insurance in two ways:**

- OnLine Answer (OLA) application process
- Traditional (paper) application process

**Lenders can choose from two types of insurance:**

- Pro-rata: covers a percentage of lender's loss after a default and liquidation up to 100%  
(Note: 100% coverage relates to loans made to veterans and must be submitted via the paper application process.)
- Leveraged: covers 100% of lender's loss, up to 25% of the loan balance at the time of default

Any business 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 (50% or more non-owner occupied)
- Personal, family or household expenses

# Commercial Loan Insurance: OnLine Answer (OLA)

## **Pro-rata term loans and lines of credit:**

- 75% maximum insurance up to the new \$1,500,000 FAME exposure
- 60% maximum insurance for start-ups (open less than one year) up to \$1,000,000 FAME exposure
- Use of projections in cash flow limits availability to \$1,000,000 FAME exposure.

## **Pro-rata refinance of existing lender debt:**

- 40% insurance on up to \$1,000,000 FAME exposure (Certain criteria apply.)  
(Leveraged insurance is not available for refinancing existing debt.)

## **Leveraged term loans:**

- Up to 25% insurance on up to \$500,000 FAME exposure

## **Leveraged line of credit loans:**

- Up to 20% insurance on up to \$500,000 FAME exposure

FAME's aggregate exposure per borrower in OLA is \$1,500,000. This can be a combination of pro-rata and leveraged insurance with a \$500,000 limit on leveraged insurance.

## Commercial Loan Insurance: OnLine Answer (OLA)

**Interest rate and term:** Decided by the lender

**Security:** All types of collateral are eligible, subject to review and acceptance by FAME.

**Insurance for term loans:** One-, three-, and five-year options

**Insurance for lines of credit:** One- and three-year options

### OLA Fees

For OLA program details & fees, please visit our website.

— *See link in the chat.* —

**Let's dive into an application!**

# OLA Definitions & Explanations

— See link in the chat. —

- Administrator/Liaison, Bank Contact, Relationship Manager, and OLA User—what these terms mean
- Construction Loan Protocol
- Activating Loan Insurance
- Annual Financial Requirements—when FAME needs financials
- Modifications, consents and collateral releases—when to contact FAME.



**Any additional questions?**

***Let us know in the Q&A!***

# Our Commercial Lending Team



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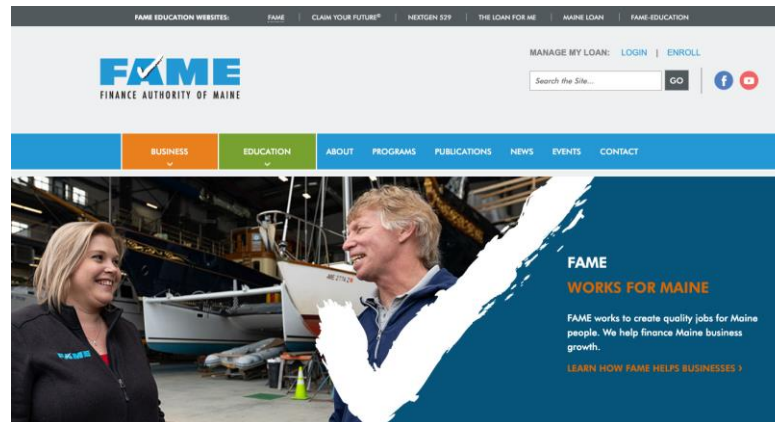


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