



Online Answer (OLA): *Step-By-Step Training*

WEDNESDAY, NOVEMBER 3, 2021

PRESENTED BY:

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Q&A Transcript

Q: Do we add in distributions from business to guarantor cash flow, missed if the business cash flow is pre- or post-distributions?

A: If your analysis or underwriting contains distributions entered into the guarantor cash flow, then you would enter them into OLA. FAME follows your lending institution's analysis and underwriting, so you will enter the information from your cash flow into the appropriate spaces in OLA.

Q: I thought we had to enter at least \$1.00 for income and \$1.00 for debt service on the 2nd individual/guarantor. I didn't think it accepts zeros, or did that change?

A: When entering financial information for a spouse (person filing joint tax return with other guarantor), you must enter the tax year-end, Credit Score and either \$1 or \$0 in the Personal Debt Service field. All joint information (income, expenses, exemptions, etc.) should be entered under one guarantor only.

Q: For individual guarantors, the cash flow section starts with wages and adds relevant other income (interest, business, etc). The Adjustments require that unemployment be entered as a negative adjustment, but it is not already included in income above. Could you explain the unemployment adjustment?

A: If your analysis or underwriting contains a negative adjustment for unemployment, then you would enter the unemployment into OLA as a negative adjustment. FAME follows your lending institution's analysis and underwriting, so you will enter the information from your cash flow into the appropriate spaces in OLA.

Q: How do you indicate skip pays?

A: FAME has seen this done in different forms as lending institutions may have different term years and or amortization schedules to indicate a skip pay. If your loan has a skip pay parameter, you can note that in the "Purpose" field at the bottom of the "Loan" tab.

Q: Are appraisals required for specific levels of insurance?

A: Appraisals are required per the lending institution's Credit Policy. If required, please forward a copy to FAME.

Q: Can you discuss the 110% LTV threshold - is that a hard limit? (Relatedly - the 120% limit for refinance?)

A: The 110% LTV threshold is not a hard limit. OLA will calculate a lower score if the collateral LTV is higher. Please, reach out to a FAME loan officer to discuss all refinanced loans prior to submission.

Q: Could you please email that definitions document to everyone?

A: This document (OLA Definitions & Explanations) will be included in the webinar resources we'll post to the website. We'll email all registrants a link to those resources as soon as they're available.

Q: Can you run through the fee calculation for a \$900,000 loan with a leveraged guaranty through OLA?

A: \$900,000 @25% insurance = \$225,000
 0.05% Commitment Fee = \$1,125
 2.0% Annual Fee = \$4,500

Q: Could you speak to renewing insured LOCs? Process...

A: When a Line of Credit is up for renewal, the OLA User would log into the portal, find the most recent application for the Borrower, and then choose "Renew." This will bring up the application, and the demographics will be populated. You'll then enter the new financial information. If you work on the renewal but do not "Submit" right away, your information will be saved. When you go back to finish, you will choose "Edit." (The "Renew" option is not available because it has already been started.) Complete and then submit the application for renewal.

Q: If a bank is doing a draw down line for leasehold improvements/equipment, when would the insurance be in effect? On Day 1, or once it is fully drawn and converts to P&I payment?

A: You can enter, as an example, a 72-month term and 60-month amortization, as well as some detailed information in a text box. This indicates that you are providing a 12-month draw period. The Original Loan Balance will stay on our system until repayment begins. Monthly Loan Balance Update (LBU) reports may provide only the amount disbursed to date, however we will manually adjust back to the full loan amount.

Q: Could you discuss what is required when you are increasing or decreasing the loan amount for a renewal.

A: Once an OLA loan has been activated, OLA will not allow a change to the Loan Amount.

- If a Line of Credit needs to be increased, you must enter a new OLA application, and note that it will be replacing Loan #XXXXXX. In some instances, unused fees can be credited to the new Annual Fee and the Commitment Fee may be pro-rated for only the new money.
- If the Loan Amount for a Term loan needs to be changed, we can do that with an Authorization Amendment; any fees would be calculated accordingly and a minimum \$100 Modification Fee assessed.
- In either scenario, it is best to contact a FAME Loan Officer to discuss.

Q: How many extensions are allowed on construction? after initial 6 months?

A: Anytime a Construction extension is needed, please send an email to Business@FAMEmaine.com with cc: to the FAME Loan Officer to discuss.

Q: If we are not currently set up in the OLA system, how do we get set up? How long does the process typically take?

A: If you wish to be set up as a lending institution, please send an email to Business@FAMEmaine.com.

All lending institutions must provide the Lender's Credit Policy, financial information, and sign an Agreement with FAME. There is an Addendum to the Agreement for OLA access, in which a Liaison is named and any other Users. Once the initial process is complete, it is the responsibility of the assigned Liaison to notify FAME of any changes in Users (remove access for anyone that has left employment or that may have changed positions and no longer needs OLA access; OR provide contact information for any new Users to be set up).

The set up process requires the following contact information – Name, Title, Branch Address, Phone/Fax and email address. We will send an email to new Users prior to activating their access explaining the initial log-on process.

This process can usually be completed within a few days (or less).

The Liaison at your institution must contact FAME to authorize a new User.