FINANCE AUTHORITY OF MAINE

FAME BUSINESS WEBINAR SERIES

Leveraged vs. Pro-Rata Loan Insurance: What's Best for Your Borrowers?

Presenter: Roxanne Broughton, Commercial Loan Officer

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Q&A

Q: Will there be a recorded session available? I am not getting any audio.
A: Yes! The webinar recording is now available on FAME's website.

Q: Can a lender choose a 3-year guarantee fee and then go year by year if the loan is a 5-year term?
A: When you pay your 3-year fee, it is non-refundable at that point, so you really want to make your decision at the very beginning. If you feel that your customer isn't going to be required to have that insurance for three years, then I probably would suggest that you choose a yearly fee.

Presenter's Note: *If you do choose a 3-year guarantee fee and then need additional insurance beyond that period, you could purchase additional commercial loan insurance year by year, if needed, up to the term of your loan.*

Q: Roxanne, Looks like your first example has an incorrect amount for the claim paid on the leveraged side. Shouldn't the claim paid be $187,825?
A: Keep in mind that it's the lowest of all three scenarios, so the $151,500 is correct.

Q: Is there a limit as to the amount of collection costs that FAME will pay on?
A: It actually just has to be reasonable collection costs and 90 days interest.