

May 2024



NEWSLETTER

HIGHLIGHTS

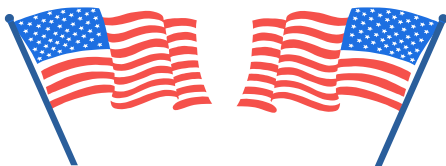
Check out our recent projects!

PARTICIPATION: Element 22 assisted in Underwriting, Closing Documentation, & Servicing of a \$1.072 Million Participation loan! This CREM has a 10 year term amortized over 180 months with a fixed interest rate of 8.50%. With three co-borrowing entities and two Credit Union participants, this refinance will have Real Estate as collateral along with UCC All Business Asset filings on all three borrowing businesses. The businesses operate as Adult Foster Care homes and specialized care for the elderly.

CLOSING DOCS ONLY: This month, we prepared closing documents for a \$370,000 Line of Credit secured by Real Estate. This will enable the borrower to payoff two short-term loans with the Lender & increase their current Line of Credit. If your Credit Union wants to keep Underwriting in house and utilize our a la carte services, having our team prepare closing documents is the perfect start!

OFFICE CLOSURE

Our offices will be closed Monday, May 27 in honor of Memorial Day.



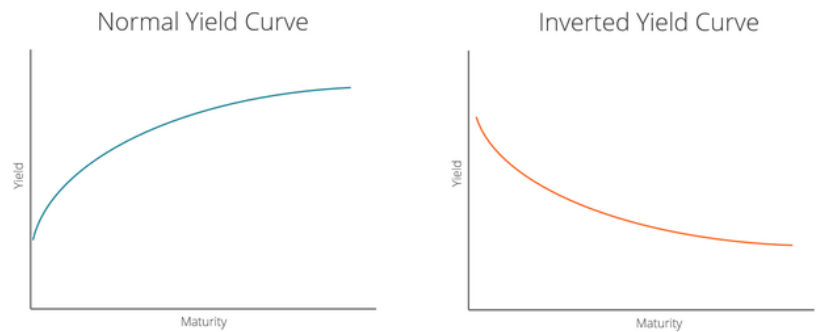
THANK YOU!

Our Traverse City Commercial Lending Series Event was a big success thanks to you! Ryan, Holly, & Kenny discussed Credit Risk Management & Loan Structuring in depth, did a detailed breakdown of the entire Closing Document package and tackled Servicing best practices. A huge thank you to TBA Credit Union for partnering with us to make this event happen!



PRICING YOUR BUSINESS LOANS: THE YIELD CURVE

The yield curve is currently inverted, meaning short term rates are higher than long term rates. This is unusual & can create some difficulty when it comes to pricing loans. Pricing decisions should be based on a number of factors, and there is no 'One-Size-Fits-All' lending solution for all Credit Unions & Banks.



Source: Corporate Finance Institute:
<https://corporatefinanceinstitute.com/resources/fixed-income/inverted-yield-curve/>

Want to strategize further? Element 22 Commercial Group has availability for Strategic Consulting sessions, where we can map out the best approach to refining your Member Business Lending Program, pricing your business loans, and more.

Source: US Treasuries Yield Curve: www.ustreasuryyieldcurve.com/

