



CULS RV Program: FAQs

Aren't RV loans risky?

As with our Auto program, CULS is taking a low-risk approach to RV lending. Our research suggests that the average RV borrower has excellent credit history and healthy disposable income. We expect weighted average (WA) credit scores of 760 or greater, WA LTV's below 90% (based on dealer cost/wholesale value), and WA Life of ~42 months. All collateral must be titled/registered by the dealer, securing CULS' first position lien.

What will the buy-box look like? Will it be the same as what you have for Auto?

The CULS RV program has its own unique credit policy, with a minimum credit score of 680, maximum term of 180 months, and maximum loan amount of \$250,000. The goal is to generate super-prime pools of loans with an average amount financed of \$50,000.

Where will these loans come from?

We'll roll out the program in states where we've had success with Indirect Auto, launching in Georgia, Florida, and North Carolina to start. Ultimately, we envision having a network of RV dealers spread across the same footprint as our Auto program.

Who are these dealers?

The RV industry is built in the same franchised dealer model as the Auto industry. Typically, an RV dealer will carry multiple lines/types of new recreational vehicles, in that way RV dealers are a bit different than auto dealers. CULS will focus solely on those franchised new RV dealers and will conduct appropriate due diligence prior to signing a dealer agreement with them.

Will RV loans be included with the Auto pools?

No, CULS RV pools will be completely independent from Auto. Participation in RV pools will not depend on Auto participation and vice versa, both commitments and reports will be separate. Participants will receive a custom RV reporting package each month, including all the same reports you receive today, meaning no new process for your staff to learn. The RV pool calendar will be structured similarly to our current calendar, running in ~30-day cycles, concluding with a few days of separation from close of our Auto pools.

How profitable will this be for my credit union?

Recreational vehicle loans generally have higher rates than Auto loans. Since terms are longer, consumers understand they have to pay a premium to keep their payment affordable. The market is also less competitive, with just a fraction of the players we see in indirect auto. We anticipate that RV loan pools will generate yields that exceed our Auto pools by 15-20%.

What is the process to begin purchasing RV pools?

An additional NCUA approval will be required prior to purchasing RV pools from CULS. You may also need authorization from your state regulator. Whether it's the NCUA or the state our Investor Relations team can assist as needed. You should also check your Board policy on Loan Participations to ensure compliance. The program is offered at a minimum purchase of \$250,000 with a six-month commitment.