



Participation Servicing Responsibilities

The following are the major responsibilities of CU Business Group in its role as a participation loan servicer:

1. The lead lender will maintain all direct contact with the borrower; CUBG will serve as a backroom servicer, interfacing and communicating with the lead lender and participants only.
2. After the lead lender closes the loan, CUBG will set up the participation on its loan servicing system.
3. All payments will be made to the lead lender. After payment is received by the lead lender, CUBG will be notified of the payment amount and details. CUBG will post the payment amounts to the loan servicing system as appropriate.
4. CUBG will report the breakdown of principal, interest and other components of each payment to the participants and the lead lender.
5. The lead lender will forward the participant payment monies to CUBG, who will in turn disburse the appropriate monies to each participant.
6. CUBG will set up reminders of key dates and required follow up on the loan. Participants and lead lender will be sent reminders as appropriate. (see NOTE below)
7. CUBG will send applicable annual reports to all lenders (e.g. 1099's).
8. CUBG will assist participants with reporting of loan payoffs.

NOTE: Risk Monitoring is a separate service from CUBG and is not included in Participation Loan Servicing. Risk Monitoring consists of annual or periodic credit reviews on the loan as well as assistance with problem loans and workouts.

Pricing for Participation Servicing is .25%