



Introducing Catalyst Strategic Solutions'

# Subordinated Debt Program

YOUR CREDIT UNION'S  
FIRST CHOICE FOR  
SUBORDINATED DEBT

# How can Subordinated Debt benefit you and your members?

Secondary Capital was a program available exclusively to help low-income credit unions (LICUs) grow and deepen their community involvement and support. This allowed LICUs to take on borrowings in the form of a subordinated debt note that was eligible to be counted towards regulatory net worth. The ability to raise external funds for regulatory purposes helped many credit unions grow, expand, and provide even greater value to their members. With the sun-setting of the Secondary Capital rule, NCUA introduced a new Subordinated Debt rule. This new rule opens the door to external funds that can count towards regulatory net worth or risk-based net worth to more credit unions. Specifically, in addition to the previously supported LICUs, Complex Credit Unions and New Credit Unions can look to subordinated debt as a means to help their credit union rise to new heights.



## SUBORDINATED DEBT CAN BE USED TO:

- Restore regulatory capital
- Increase lending capacity
- Support accelerated asset growth
- Deepen community support and investment
- Facilitate expansion through direct investments or acquisitions

# How can Catalyst Strategic Solutions help?

Catalyst Strategic Solutions offers credit unions a full start-to-finish solution to support credit unions seeking to add subordinated debt to their balance sheets.

## CATALYST ASSISTS WITH:

- Regulatory application
- Ongoing investor payment support
- Forecasting
- Investor identification
- Issuance rate determination
- Executed note and document collection
- Offering document preparation
- Accurate and timely settlement
- Investor due diligence preparation
- \*NRSRO debt rating

## CONTACT US.

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