



TMG FINANCIAL SERVICES

# Collateralized Advance Program (CAP)

*Earn an attractive yield while advancing the credit union industry*

## Summary

With increasing market pressure from large bank issuers and an industry that continues to explore selling its credit card portfolios, it remains necessary to have a collaborative solution for today's credit unions. TMG Financial Services (TMGFS) was formed in 2007 to provide such a solution.

TMGFS is a state-chartered lending company and is currently licensed in 49 states (with the remaining states in process). We are owned by the Iowa Credit Union League and progressive credit unions. TMGFS is also a Principal Member of MasterCard.

Whether through the purchase of a credit union's credit card portfolio or by offering an additional low-risk, competitive return opportunity to credit unions, TMGFS encompasses credit union values. We are focused on helping credit unions grow and only offer rates and fee structures that are "credit union-oriented". Our collaborative business model doesn't compete with the credit

**TMGFS is offering progressive credit unions a 4.00% interest rate on a 2-year term for funding portfolio growth and additional portfolio purchases from credit unions across the country.**

**(Effective through 2/28/10)**

union's core products and allows credit unions both ownership and options for excess liquidity.

As a company committed to the credit union philosophy of providing members with low rates and unparalleled member service, TMGFS is also offering credit unions and credit union syndicates the opportunity to participate in a secured growth vehicle.

## Attributes

- Structured as a loan to a CUSO
- 1-year Advance Commitment by Credit Union funded periodically based on TMGFS' Portfolio Acquisitions
- Funded Advances have a 2-year term
- Fixed Interest Rate
- Semi-Annual Interest Payments
- Secured by Credit Card Receivables with TMGFS
- Credit and Fraud losses assumed by TMGFS

## Advantages

During uncertain times, TMGFS' Collateralized Advance Program offers you many advantages:

- High Asset Quality
- Highly-Competitive Return
- Allows for Investor Diversification
- Card Receivables Spread Across the Country
- Portfolio Managed by Seasoned Professionals
- Advances a Credit Union-Focused approach to doing business

## High-Quality Credit Card Receivables Back Your Investment

TMGFS' credit card portfolio out-performs industry standards, ensuring the safety of your investment.

Performance Comparisons	TMGFS	Chase ABS CHAM - AAA Rated	Capital One ABS COMET - AA Rated
	(As of 9/30/09)	(As of 9/30/09)	(As of 9/30/09)
Yield <sup>1</sup>	11.07%	15.31%	21.54%
<i>Delinquency</i>			
30-59 days	0.92%	1.33%	1.66%
60-89 days	0.97%	1.28%	1.41%
90+ days	1.17%	2.08%	3.05%
Total	3.05%	4.69%	6.13%
Charge-offs	3.45%	8.12%	10.74%
<i>FICO Scores</i>			
	Oct-09	Aug-09	Mar-09
No Score	2.2%	0.8%	0.9%
<=600	10.3%	9.3%	14.3%
601-660	9.5%	10.2%	14.1%
661-720	18.5%	24.2%	28.0%
>720	59.6%	55.5%	42.7%

### Account Data (As of 9/30/09)

Total Accounts	28,661
Debit Active Accounts	16,760
Total Outstandings	\$81,218,712

### Credit Quality

Average FICO	723
Average Approval FICO	707

### Credit Capacity

Total Credit Limits Extended	\$204,877,448
Utilization	39.64%
Payment Rate	16.42%

1. Portfolio Yield includes Finance, Interchange and Fee Income as a percentage of average receivables.

### For more information or to schedule a presentation, contact:

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