



# ARC LOAN PROMOTION

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**Commercial Lenders will receive bonus incentives for all ARC loans closed from now through June 30, 2021.**

**By not offering a longer-term fixed rate option, banks will struggle to compete and may risk losing a relationship.**

- During the campaign, lender incentive payout equals 1 basis point for the life of the hedge for existing customers and 2 basis points for new customers.
- New loans must be at least a risk rated 4 and must open a DDA with the bank.
- All other bank underwriting requirements must be met.
- Some ARC loans may be eligible for booking without closing costs to the borrower.

# Protect Your Borrower

**BY REDUCING  
INTEREST RATE, CREDIT,  
AND REFINANCE RISK**

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With rates at historically low levels, expectations of rising interest rates and an extremely competitive market for strong credit quality borrowers, customers are demanding longer-term, fixed rate financing options. We especially do not want to lose existing good customers who may be poached by competitors offering lower rates. The ARC Program allows the Bank to deliver superior customer service by providing greater loan structuring options while also mitigating interest rate and stabilizing DSC ratios should interest rates rise.

## **ARC Bonus Incentive Example:**

Incentive will equal 2 bps for the life of the hedge for new customers. As an example, on a \$5mm loan, structured as a 20-year amortizing due in 20 years, the 2bps hedge fee equals \$8.8k.