

APPENDIX F – EXAMPLE LOANS SOLD WITH RECOURSE
 ALTERNATIVE COMPONENT, §702.107(d)
 (EXAMPLE CALCULATION IN BOLD)

<i>Percent of contractual recourse obligation</i>	<i>Dollar balance of Loans sold with recourse</i>	<i>Percent of total assets</i>	<i>Alternative risk weighting</i>	<i>Alternative component</i>
Recourse 6 % or greater	5,000,000	2.5000 %	.06	0.1500 %
Recourse < 6 %	35,000,000	17.5000 %	.0500 ^{a/}	0.8750 %
Sum of above equals Alternative component*				1.03 %

* Substitute for corresponding standard component if lower.

^{a/} The credit union must calculate this alternative risk weighting for loans sold with recourse of less than 6 %. For an example computation, see worksheet in Appendix G below.