

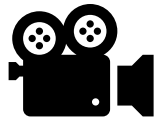


“Money has rules!” and The Rules are a changing!

A discussion on how syndication is changing and AI will be helping



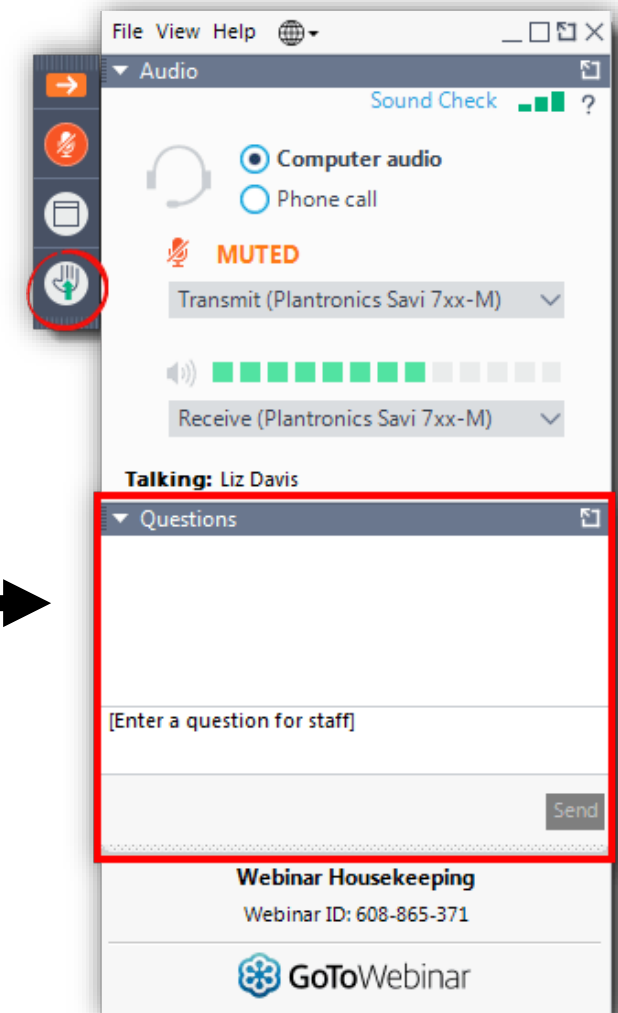
Housekeeping



Today's web seminar is being recorded.



All questions should be submitted via the Questions Panel.



Meet the Panel



Barry Ripes
President and Co-Founder



John Gauger
CEO

COMPASS CAPITAL SOLUTIONS



Kayla Perlinger, CLFP
Vice President Syndications,



Spencer Thomas, CLFP
CEO



How is it going?

Melvis has left the building...
(the banker)



Have you met Private Capital?





“Money has rules.”

“Private equity firms are data-driven by nature.” – Monitor Suite





What's next for Private Capital?





Questions



What's Next?



For previously-recorded web seminars go to:
www.elfaonline.org/events/elearning/web-seminars

Thank you!

Take Away Points:

Changes in the funding ecosystem

- Bank funders are a *Tale of two cities*:
 - Many community banks have left the space and will have difficulty returning due to deposit constraints.
 - Bigger banks are active because EF helps hedge risk with over exposure in commercial real estate.
- Private credit is attracted to equipment finance:
 - Need to deploy excess liquidity
 - Attractive investment characteristics – yield, term, physical collateral
 - Less exposure to interest rate changes - reliable
 - Revenue critical or mission critical equipment
 - Easy to implement diversification in portfolio: assets, NAICs codes, credits, etc.
- Private credit is most active in ...
 - Leveraged finance
 - Sponsor finance
 - Small ticket Independents focused on FMV and Operating leases

Take Away Points:

New approaches to Syndication

- Know your value: EF is attractive to capital – use that.
- Private credit needs help with the nuances of the industry:
 - Be prepared to explain the industry and your segment of it
 - Explain risk, perfection, collateral, collections, etc.
- Go national – private capital not constrained by geography
- Design lease pools to match investment criteria – use your data

Take Away Points: Where will technology and AI help

- Data will be critical to engaging new funding sources whether traditional banks or new private capital parties.
- Data enables faster and better selection and matching of deals to credit requirements
- AI will become a table stakes
 - Help find new matches, new relationships
 - Help manage risk post syndication, during servicing.
- AI affect the following areas Origination - Underwriting - Credit - Servicing - Collections