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Independent Loan Review

OVERVIEW



CHALLENGE

An effective commercial loan review program provides vital information to the financial institutions management and board of directors. Treliant was engaged to independently review the portfolio of at a financial institution regarding overall asset quality, trends in various loan portfolio segments, adequacy of CECL/ALLL, identification of loans with weaknesses, adherence to underwriting guidance, and lending policies and procedures



SOLUTION

Establish a loan review program that was based on the size and complexity of the financial institution. Prescribed an appropriate portfolio coverage percentage of outstanding loans over a twelve-month period. Sections of the portfolios were assessed which included criticized/classified/watch loans. Loan underwriting practices were assessed. Additionally, financial analysis, cash flow analysis, risk rating designation, collateral, and loan documentation was reviewed.



APPROACH

Reviewed and evaluated loan information pertinent to the financial institution asset portfolios and the underlying transactional data. Reviewed loan underwriting quality and assessed accuracy of risk ratings. Benchmarked portfolio against peer institution and shared national credit report. Supplied vital information to the Board on the asset quality and administration of the loan portfolio.

RESULTS

- ✓ Delivered preliminary results to the financial institution lending staff and senior management. Produced a final report on the loan portfolios that elaborated on the overall credit quality, trends, administrative processes, and policy adherence. Confirmed provision and reserve calculations.
- ✓ Communicated findings to the Board that could impact the financial institution safety and soundness. Received action plan response from management.