

Outsourced Special Assets Group:

Bank under a regulatory action needed to resolve credit issues in its loan portfolio
Triaged the portfolio (mostly small business, consumer or auto loans) by identifying (i) the payment history of every loan, (ii) deferral actions approved and (iii) current delinquency status

- Developed a new “playbook” of deferral policies to formalize and expedite decision-making to comply with the regulatory order
- Outsourced auto loan collection activities to a third party, then managed that vendor and reported on portfolio performance
- Provided restructuring advice on small business loans
 - Recommended cash-out refinancing of residential mortgage loans in some cases to provide additional cash equity to the business
 - Combined collateral from multiple facilities to resolve the shortfall in collateral value when possible

Outsourced Portfolio Management

- Performed credit reviews to determine whether any of the concessions qualified as troubled debt restructurings
- Worked with agents of syndications or lead lenders in restructuring multi-bank transactions to ensure client is not disadvantaged in restructuring negotiations, workouts and settlements
- Developed action plans for all troubled credits in order to resolve credit issues in the loan portfolio
- Provided restructuring advice on commercial, small business, farm, agriculture and commercial real estate loans
- Ensured credit concessions have been vetted internally
- Monitored performance of the portfolio

Credit Risk

- Developed user guides and new risk rating scorecard
- Established counterparty and sovereign approval protocols, and enhanced reporting procedures
- Developed bank-wide standards for commercial loan documentation to reduce risk, achieve documentation consistency, support workout teams, and enhance utilization of outside law firms; implemented procedures and trained staff
- Implemented best practices under new policy covering end-to-end risk processes; revealed unrecognized systemic credit risks
- Developed a strategic risk management approach to identify and monitor the credit portfolio which included quarterly reporting to identify and track risk migration, including high risk exposures

Built Credit Review Departments

- Evaluated, developed, and implemented Credit Review functions to provide actionable insights that align with an organization's risk tolerance
- Implemented Credit Review programs in community and mid-size banks requiring significant process and culture change, including modifications to policies, procedures, staffing, and scope
- Activities included:
 - Substantial process reengineering
 - Development of procedure manuals
 - Deployment of exam software
 - Creation of credit review department and bank-wide cultural shift
 - Reduced exam cycle-times for more timely insights
- Increased breadth, depth, and speed of reviews to provide management with holistic risk reporting and provided multiple regulators with confidence in the third line of defense triggering the removal of MRAs
- Established skill development protocols of examiners and rotational opportunities that increased bench depth and demand for credit risk officers

Credit Policy Review

- Developed new Credit Policy for de novo banks
- Refined existing Credit Policies to match industry best practice
- Developed Credit Policy and Governance for merging banks, enhancing existing practices, identifying synergies and addressing new opportunities
- Changed policy and governance for:
 - New products
 - Participations and syndications
 - Other areas to address regulatory concerns