Making More of Loan Review:

Leveraging data collection for deeper analysis

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Agenda

- Trends in Loan Review

- The Data Gap

- Data Capture & Storage

- Visualization and Analysis

- Continuous improvement

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Trends in Loan Review

Moving from Reactive to Proactive
- Predictive Analytics

Data Integration & Automation
- Loan review teams are pulling data from multiple systems for a fuller picture

Custom Risk Scoring & Tiered Reviews
- "One-size-fits-all" vs risk-based loan review plans
- Flexibility is important

Digital Documentation & Remote Reviews
- Post-COVID landscape
- Investment in tech to support auditable, version-controlled workflows

Regulatory Expectations are Rising
- More rigor and documentation in the review process
- Consideration of CRE concentrations
- Ability to respond to macroeconomic uncertainty
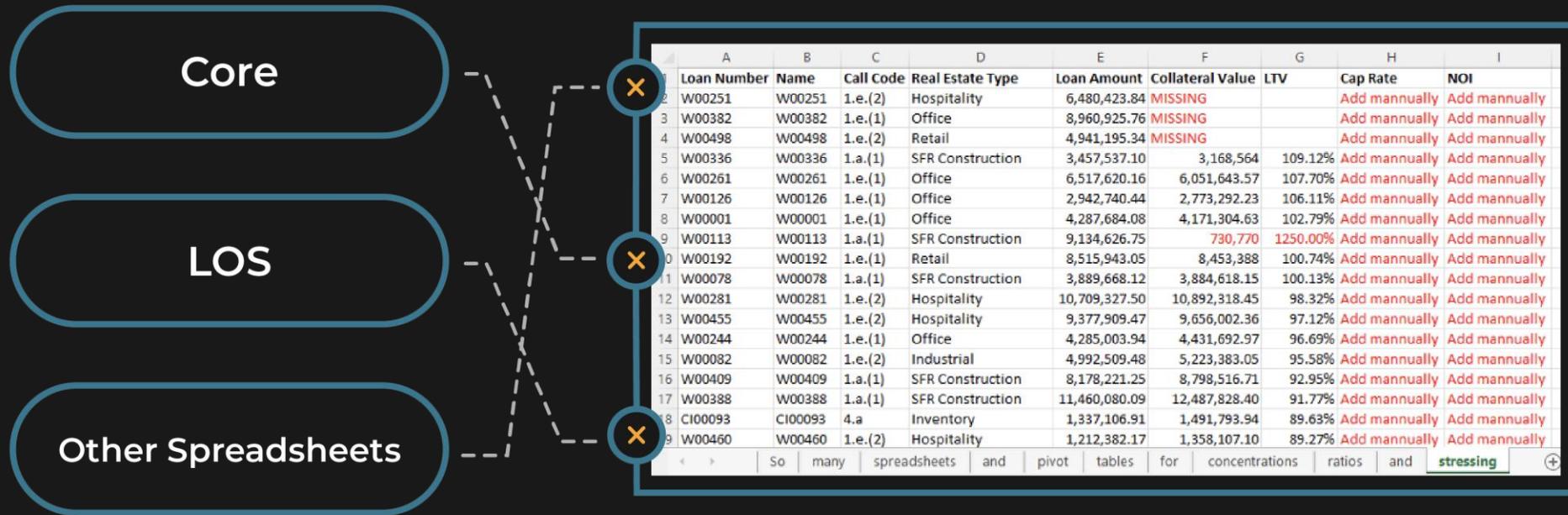- Validation of guarantor strength

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Why analysis is hard: Incomplete data

- Data is missing
- Data isn't stored (e.g. NOI and collateral detail)
- Data is inaccurate
- Data isn't consolidated

Your Loan Review Provider Is Already Addressing These issues.

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Why analysis is hard: data storage

Core

LOS

Other Spreadsheets

	A	B	C	D	E	F	G	H	I
	Loan Number	Name	Call Code	Real Estate Type	Loan Amount	Collateral Value	LTV	Cap Rate	NOI
2	W00251	W00251	1.e.(2)	Hospitality	6,480,423.84	MISSING		Add mannually	Add mannually
3	W00382	W00382	1.e.(1)	Office	8,960,925.76	MISSING		Add mannually	Add mannually
4	W00498	W00498	1.e.(2)	Retail	4,941,195.34	MISSING		Add mannually	Add mannually
5	W00336	W00336	1.a.(1)	SFR Construction	3,457,537.10	3,168,564	109.12%	Add mannually	Add mannually
6	W00261	W00261	1.e.(1)	Office	6,517,620.16	6,051,643.57	107.70%	Add mannually	Add mannually
7	W00126	W00126	1.e.(1)	Office	2,942,740.44	2,773,292.23	106.11%	Add mannually	Add mannually
8	W00001	W00001	1.e.(1)	Office	4,287,684.08	4,171,304.63	102.79%	Add mannually	Add mannually
9	W00113	W00113	1.a.(1)	SFR Construction	9,134,626.75	730,770	1250.00%	Add mannually	Add mannually
10	W00192	W00192	1.e.(1)	Retail	8,515,943.05	8,453,388	100.74%	Add mannually	Add mannually
11	W00078	W00078	1.a.(1)	SFR Construction	3,889,668.12	3,884,618.15	100.13%	Add mannually	Add mannually
12	W00281	W00281	1.e.(2)	Hospitality	10,709,327.50	10,892,318.45	98.32%	Add mannually	Add mannually
13	W00455	W00455	1.e.(2)	Hospitality	9,377,909.47	9,656,002.36	97.12%	Add mannually	Add mannually
14	W00244	W00244	1.e.(1)	Office	4,285,003.94	4,431,692.97	96.69%	Add mannually	Add mannually
15	W00082	W00082	1.e.(2)	Industrial	4,992,509.48	5,223,383.05	95.58%	Add mannually	Add mannually
16	W00409	W00409	1.a.(1)	SFR Construction	8,178,221.25	8,798,516.71	92.95%	Add mannually	Add mannually
17	W00388	W00388	1.a.(1)	SFR Construction	11,460,080.09	12,487,828.40	91.77%	Add mannually	Add mannually
18	CI00093	CI00093	4.a	Inventory	1,337,106.91	1,491,793.94	89.63%	Add mannually	Add mannually
19	W00460	W00460	1.e.(2)	Hospitality	1,212,382.17	1,358,107.10	89.27%	Add mannually	Add mannually

So   many   spreadsheets   and   pivot   tables   for   concentrations   ratios   and   **stressing**

More time spent
compiling than analyzing

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Storing NOI

Where do I store it?

- Establish a home for the data

- Collect it from your loan review provider

- Establish a scalable operations process to keep it up to date

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INTERMISSION – Your AI Break

Create a three-panel cartoon about a banker trying to gather loan data from lots of different systems and trying to figure out which system has which data and then in the end realizing that a lot of the data isn't accurate.

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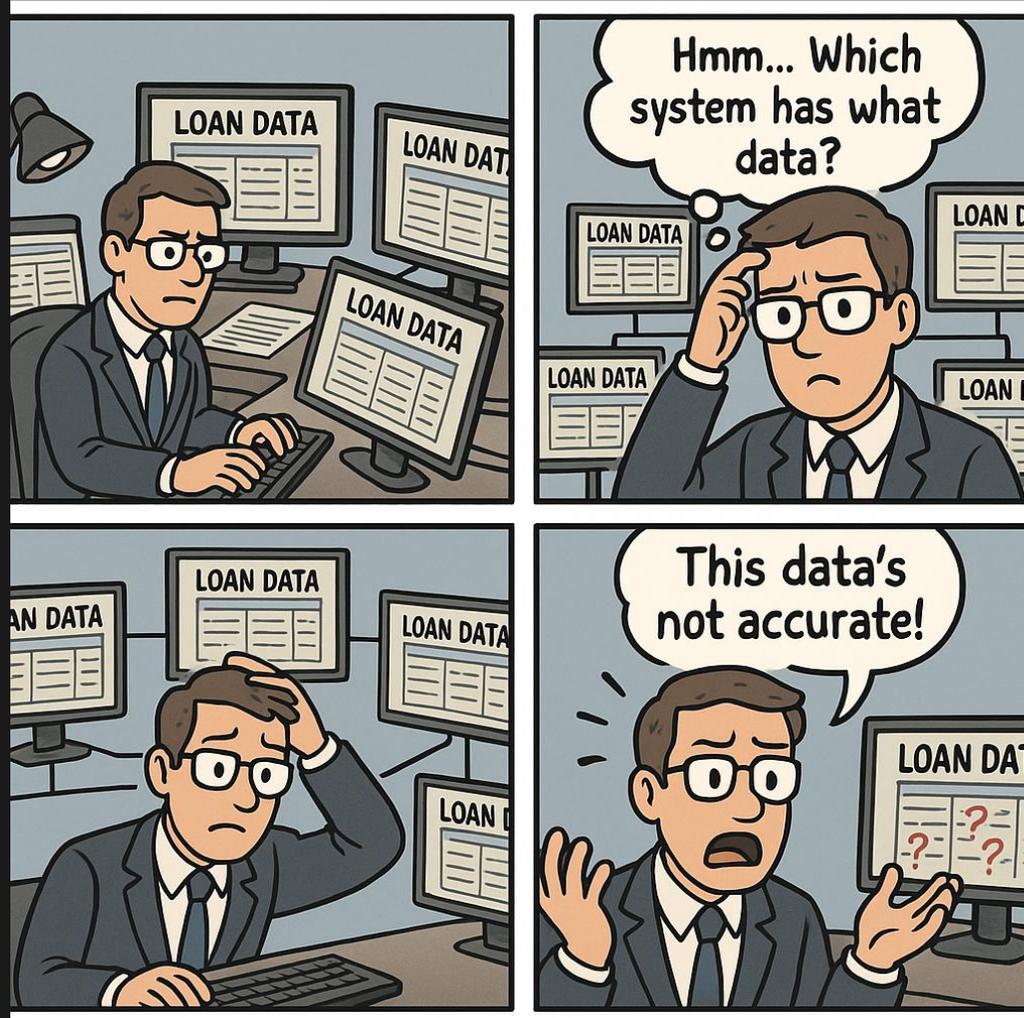
Gather Data

- Loan Data

- Payment Data

- Collateral Data

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Gather Data

Loan Data

- Call Code
- Vintage
- Loan Amount
- Interest Rate
- Amortization
- Origination Date
- Fixed/Variable
- Rate Ceiling
- Branch
- Loan Officer

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Gather Data

Payment Data

- UPB
- Interest Rate
- Risk Grade

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Gather Data

Collateral

- Collateral Type
- Geography
- Collateral Value
- NOI
- Cap Rate
- NAICS

Tips

- Consider Multiple Collateral
- Consider Participations

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INTERMISSION – AI's Version of Visualization

Create an image representing visualization and interactive analysis of bank data

1 Year Ago:

Today:

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Visualization & Analysis

Platforms

DOMO

Looker

Power BI

Tableau

Excel

Curated for Banking

Abrigo

CoStar

Moody's

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Mindset for Success
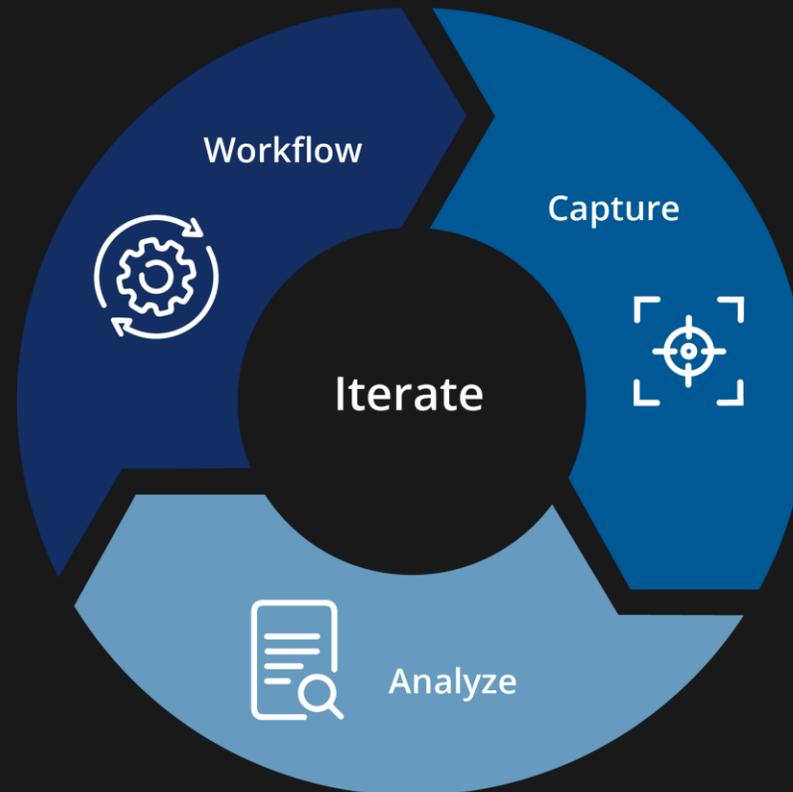
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Thank you!

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