

Name:		Loan Amount:	
		Loan Balance:	
Loan #		\$ Appraisal:	
Property Address:		\$ Other Loans:	
		Loan to Value	
		D/S ratios	
		Next due date	

Real estate market: Conditions in the residential real estate markets in lending area: Current and projected vacancy, construction, rental rates, operating expenses for residential income property.										
Loan Documents	<table border="1"> <tr> <td><input type="checkbox"/> Mortgage</td> <td><input type="checkbox"/> Title Insurance</td> <td><input type="checkbox"/> Insurance (property, liability, flood)</td> </tr> <tr> <td><input type="checkbox"/> Note</td> <td><input type="checkbox"/> Financial information</td> <td><input type="checkbox"/> Commitment letter (final version)</td> </tr> <tr> <td><input type="checkbox"/> Rent rolls on income producing properties</td> <td colspan="2"><input type="checkbox"/> Post-closing review</td> </tr> </table>	<input type="checkbox"/> Mortgage	<input type="checkbox"/> Title Insurance	<input type="checkbox"/> Insurance (property, liability, flood)	<input type="checkbox"/> Note	<input type="checkbox"/> Financial information	<input type="checkbox"/> Commitment letter (final version)	<input type="checkbox"/> Rent rolls on income producing properties	<input type="checkbox"/> Post-closing review	
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Appraisal: Is collateral value inflated? Real estate values may be driven up by rapid turnover of ownership without any corresponding improvements to the property or supportable income projections to justify the increased values (discussion of the property's recent sales history on the appraisal).										
Sources of repayment: The primary basis for the review and classification of the loan should be the original source of repayment. Document credit analysis.										
Classification: Loans past due 90 days or more with total LTV greater than 60% should be classified Substandard. 120 days past due for closed-end or 180 days past due for open-end, a current assessment of value should be made and any outstanding loan balance in excess of the fair value, less cost to sell, should be classified loss. If it can clearly be documented that the delinquent loan is well secured and that a collection effort or legal action is proceeding and is reasonably expected to result in recovery of the loan balance or its restoration to a current status, within 90 days, the loan need not be classified. Accounts in bankruptcy should be classified substandard until the borrower reestablishes the ability and willingness to repay (with demonstrated payment performance for six months at a minimum) or there is a receipt of proceeds from liquidation of collateral. If adversely classified loan, describe clearly the reasons why the loan is listed.										
Date: _____ Prepared by: _____ Next review date: _____										
<p>Substandard - Substandard loans are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the bank will sustain some loss if the deficiencies are not corrected.</p> <p>Doubtful - Loans classified Doubtful have all the weaknesses inherent in those classified Substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable.</p> <p>Loss - Loans classified Loss are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. This classification does not mean that the loan has absolutely no recovery or salvage value but rather it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be effected in the future. There is a close relationship between classifications, and no classification category should be viewed as more important than the other. The uncollectibility aspect of Doubtful and Loss classifications makes their segregation of obvious importance. The function of the Substandard classification is to indicate those loans which are unduly risky and may be a future hazard to the bank's solvency.</p> <p>Special Mention - The Special Mention category is not to be used as a means of avoiding a clear decision to classify a loan or pass it without criticism. Neither should it include loans listed merely "for the record" when uncertainties and complexities, perhaps coupled with large size, create some reservations about the loan. If weaknesses or evidence of imprudent handling cannot be identified, inclusion of such loans in Special Mention is not justified. Ordinarily, Special Mention credits have characteristics which corrective management action would remedy. Often the bank's weak origination and/or servicing policies are the cause for the Special Mention designation.</p>										