RLR
MANAGEMENT CONSULTING, INC.

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Lending and Loan Related Services

- Loan Compliance Audit
- Loan Review Audit/ALLL Analysis
- Loan Servicing Audit
- Loan Workouts
- Credit Shocking/Stress Testing
- IRR Review (interest rate risk)
- Loan Pricing Models
- Liquidity Reviews
- Senior Management/Board Education (asset/liability management concepts)
- Credit Administration Department Review

Loan Compliance Audit

RLR offers in-house compliance reviews and training programs. Our compliance reviews consist of examining and reviewing notices/forms, checking financial calculations, reviewing or writing compliance policies and procedures, training client personnel and if requested, assisting with resolution of regulatory enforcement actions.

Loan Review and Servicing Audit

RLR loan reviews are conducted by experienced senior lenders who have regional and community banking senior/executive credit level experience. RLR's loan review programs are customized to the client's needs. The reviews can be conducted at specified intervals or single engagements. Our samplings include all risk based asset types including criticized and classified loans.

Loan Workouts

RLR's experienced workout consultants can assist with complicated and time consuming criticized/classified and charged off loans. We can work directly with your borrower to determine the operational and collateral deficiencies (FAS 114) and make recommendations for a turnaround. Our team is versed in all types of workout credit functions CRE, Construction, C&I, SBA, Bankruptcies, Foreclosures and more.

Credit Shocking/Stress Testing

Stress testing is a risk management concept that RLR can assist the Bank with. Stress testing examines the impact of an event (or combination of events) on loan revenue streams and loan portfolio value. The stress testing process significantly increases awareness of loan risk and the need for risk management principles. Stress testing can be applied to all types of diversified loan portfolios. Banks can employ a form of stress testing by subjecting risk based assets (and liabilities) to hypothetical "rate shock" scenarios to determine their exposure to changes in interest rates. Bankers are encouraged to talk with RLR professionals in designing a stress/shocking model to identify the potential future problems.

IRR Review (Interest Rate Risk)

IRR is the exposure of a bank's current or future earnings and capital to interest rate changes. Interest rate fluctuations affect earnings by changing net interest income and other interest-sensitive income and expense levels. Interest rate changes affect capital by altering a banks' economic value of equity (EVE). IRR has many components, including re-pricing risk, basis risk, yield curve risk, option risk, and price risk. RLR focuses on identifying, reviewing and auditing these risks.

Loan Pricing Models

RLR loan pricing model enables banks to improve risk-adjusted ROE. For community bankers Loan Pricing Models offer a consistent methodology to calculate risk-adjusted ROE and provides sophisticated lending analytics currently utilized by the larger Banks. The benefit to a higher loan pricing level is simple; an increase to net income, overall profitability and more informed decision making.

Liquidity Reviews

Given the current economic environment, Banks should consider some type of stress testing and scenario analysis of their liquidity needs, develop contingency funding plans for dealing with possible liquidity crises and document their liquidity risk-management policy. Stress tests should be varied and tailored to the institution and its current and anticipated circumstances. Significant stress events may include deterioration of access to liability-based liquidity; a reduction in deposits (i.e., a "run" on the bank or loss of a large customer); negative press coverage; reduction of the bank's CAMELS or investment rating; a severe decline in asset quality; or other events that may lead to an institution's inability to meet its funding obligations. RLR provides this service to identify risk and deficiencies with the Banks liquidity. The main benefit is reducing the risk of a bank becoming unable to meet liabilities during periods of firm specific or market-wide liquidity stress and reducing the need for intervention by the regulatory authorities.

Credit Administration Department Review

RLR provides reviews of the standards and practices followed in extending, servicing, and collecting loans. Credit administration can have a significant impact on the quality of the loan portfolio. Effective credit administration can mitigate certain credit risks, while deficient credit administration can increase credit risk and is often a forerunner of deterioration in the loan portfolio. As such, credit administration periodic reviews should ensure all loans are administered in a safe and sound manner and in compliance with Regulations.