

# CREDIT: PANDEMIC RISK MANAGEMENT STRATEGY

Role	Top Risk Factors	Recommended Actions	How SRA Can Help
Chief Credit Officer	NPL's increase	Take early corrective action by restructuring loan(s), getting more collateral, possibly more GTRs, loan paydown and shorter amortization.	Extensive experience with Loan Workouts. Update Credit Stress Test and Reverse Stress Test with Pandemic Scenario
	30-89 days past due increase	Bank get more aggressive managing lenders to manage their past dues. Lenders contact borrowers to uncover red flags and other negative issues. Sound out solutions.	Extensive experience in Credit Risk Management.
	LTVs increase	Obtain paydowns or more collateral	Extensive experience in Credit Risk Management.
	CRE exposure as a percent of risk-based capital increases	Obtain paydowns or more collateral or raise capital. Conduct or update capital stress test.	Extensive experience in Credit Risk Management. Dynamic capital stress tests accepted by all regulators
	Credit administration issues – past due financial statements, increasing number of matured loans, condition of loan documentation and UCCs	Be aggressive in addressing issues. Review all documentation of loans rated weak pass or less	Extensive experience in Credit Risk Management.
	Risk rating deterioration	Conduct capital stress test and loan review to identify weak borrowers. Work out weak borrowers and/or strengthen credits with more collateral and GTRs.	Extensive experience in Credit Risk Management. Identify sectors and geographies that may be impacted adversely across geographies
	Allowance levels decline	Complete ALLL audit to determine approval ALLL level	Extensive experience with managing ALLLs
	Credit culture not reacting or not adequate. Staffing is inadequate	Conduct assessment of credit risk management processes to include staffing levels and core competencies.	Extensive experience in credit risk management