

SERVICE OFFERING

ALLL Validation



Enlighten Financial provides a **brighter approach** to financial analysis, risk management, and loan review.

Our Process

- *Documentation of the ALLL methodology and compliance with Policy Statement**
 - *ALLL policy and reporting*
 - *Environmental factors*
- *Directional consistency with other credit indicators*
- *Reconciliation and re-computation of the ALLL*
- *Documentation*
- *Review of historical charge-off rates*
- *Reconcile impairment reserves*
- *Projected credit losses to actual losses*
- *Reporting of the allowance*

*2006 Interagency Policy Statement on the Allowance for Loan and Lease Losses

Benefits

- *Meets regulatory expectations*
- *High value proposition*
- *Avoids errors in the process*
- *Experienced professionals*



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ALLL validation

Our validation process helps to ensure institutions maintain compliance with the Allowance for Loan and Lease Losses (ALLL) 2006 Interagency Guidance and relevant Financial Accounting Standards Board standards, including Accounting Standards Codification.

We take a comprehensive approach to review the loan loss reserve methodology for both quantitative and qualitative factors. Our procedures incorporate everything from the risk rating process through the effectiveness of internal controls to the reporting to the board of directors. Also included is a review for conformance to regulatory guidelines, a review of loss history, accuracy of the methodology, and reasonableness of reserves. Ultimately, based on the nature and content of the loan portfolio, the work performed will lead to a determination regarding the soundness of the ALLL methodology employed.

strength of the team

Enlighten's credit professionals each bring almost 20 years of commercial banking, credit and credit administration experience to your institution. Each has exposure to hundreds of credit relationships annually to provide breadth and depth to our work. We work as your partner for effective credit underwriting.