Lending

Our Lending reviews can consist of the following areas:

<u>Note Department</u>

Our comprehensive Note Department review consists of the following sections:

- Note Verification and Callback
- Collateral and Secured Loan Analysis and Callback
- Reports Review & Certifications
- Tracking (Insurance, Flood, and Financial Statements) System Review
- Training for Risk, Compliance and Processes for all personnel
- Balloon Payment Notices & Procedures
- Verification of Security Procedure for Collateral and Negotiable Instruments
- Loan Participations
- Letters of Credit
- Credit Card Programs, if applicable
- Procedures for overpayment of Loan Payoffs
- Review of Mortgage Servicing, if applicable
- Reconveyances
- Other Real Estate Owned & Management Process

<u>Small Business Administration (SBA) Operations</u>:

Our SBA examinations follow the SBA Audit Program (SBA 90 10 5) to determine the Bank's compliance with the regulation and internal controls to ensure the program is effective. We review the following for the SBA to determine if the participants:

- Do the files present financial information accurately and properly?
- Review all SBA loan programs offered by the Bank to ensure compliance.
- Review the SBA applications and submission to ensure accuracy.
- Interview loan officers on types of programs offered and procedures.
- Ensure the Bank follows all applicable laws, regulations, and requirements.
- Maintain an adequate internal control structure and monitoring efforts.
- Review for the security of assets,
- Overall Review of the SBA program for oversight and structure