



ANNUAL LOAN REVIEWS: KEY TO YEAREND REPORTING – AND STRATEGIC PLANNING. DON'T PUT 'EM IN THE BOTTOM DRAWER!

All of us at JRB extend our heartfelt thoughts and prayers to everyone affected by the devastation wreaked by Hurricane Harvey and Hurricane Irma, looming fresh on Harvey's heels."

About now your bank is engaged in strategic planning to set your organizational priorities for the next fiscal year. At the same time, you should be scheduling internal loan reviews in preparation for yearend reporting because it's important for your board of directors and executive management to know the quality of your loan portfolio.

Yet in working with clients across the country, we've found that loan reviews sometimes get stuck in the bottom drawer while other priorities pile on top. Until it's almost too late. Before you know it, you have stacks of pending reviews and little time to meet your yearend goals and complete your reviews.

Hey, loan reviews are a big job. Yet they're critical. Here's why: All SBA loans and commercial term loans secured by real estate require an annual review to make sure all necessary information is obtained and reviewed to provide timely identification of problem assets and to establish adequate Allowance for Loan and Lease Losses. Required information includes updated financials, personal and business tax returns, rents rolls, collateral evaluations, insurance and site visits.

Now is the time to dig out those loans and conduct your reviews. With OIG's increased monitoring of SBA's repurchases of guarantees, the last thing you want is to have examiners come in and find a concern that should have been addressed during your annual loan review. An annual review of your portfolio will give you added peace of mind. Among other benefits, you'll be better able to:

- maintain a handle on your policies and procedures to ensure they comply with the latest SBA requirements;
- identify weaknesses in your processes and procedures that may require additional training;
- gain time to correct deficiencies instead of finding out at repurchase that you have deficiencies that can lead to repair or denial of the guarantee.

Chances are your bank's assigned loan reviewers are busy handling other priorities including new loan proposals. We can take a huge load off your mind - and your resources. Our JRB Team of SBA experts have helped hundreds of institutions plow through loan reviews. We'll conduct a thorough loan portfolio review, check your tickler reports to ensure accuracy, and in some cases perform site visits.

So don't let those loans pile up until they spill over. [Contact JRB.](#)

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