

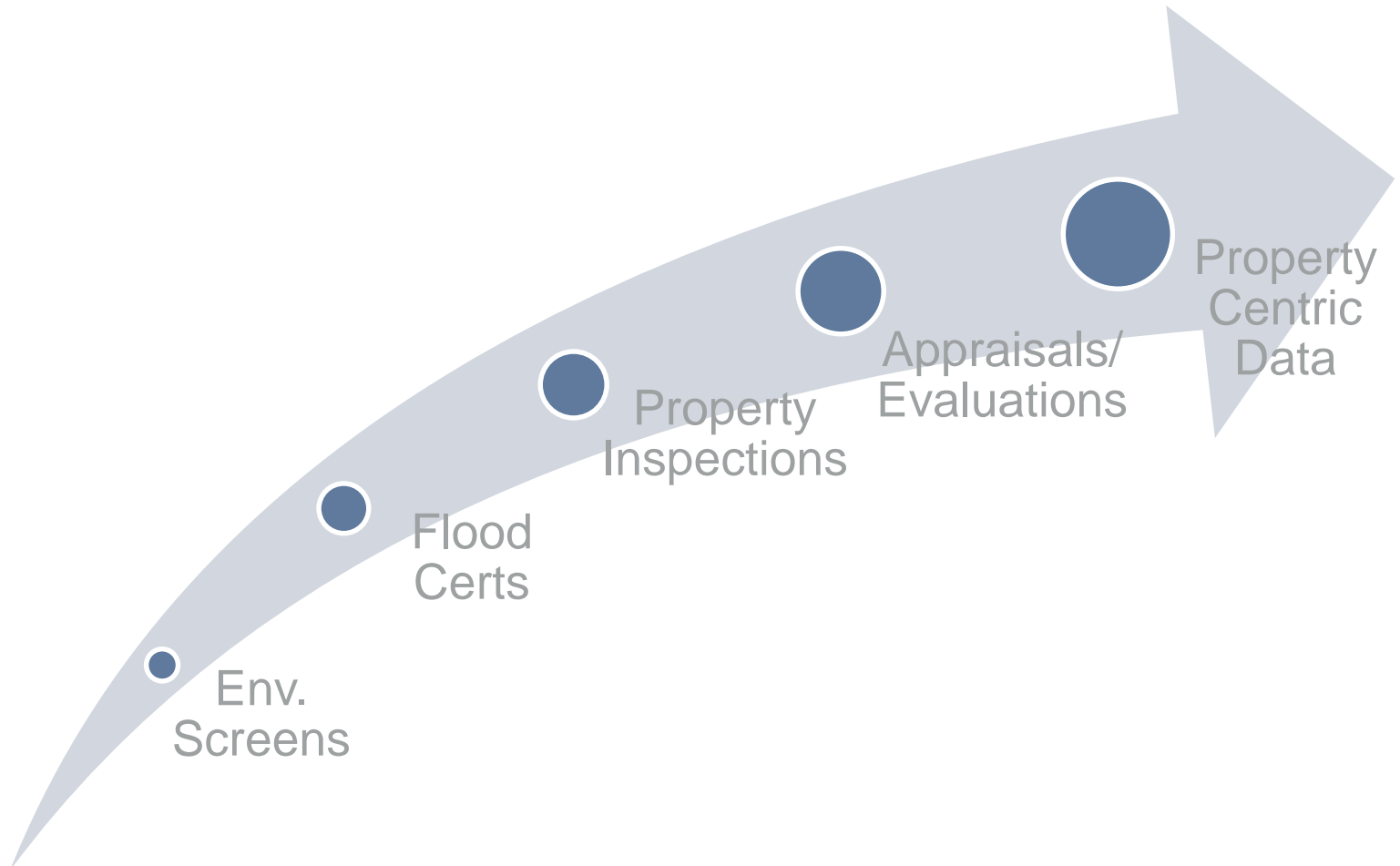
Monitoring Collateral Over Life of Loan

Presentation to the
California Chief Appraisers' Forum

October 28, 2015



FROM PORTAL TO PLATFORM



INTRODUCING COLLATERAL360

COLLATERAL360

REAL ESTATE FROM EVERY ANGLE

SIGN IN | SIGN UP

Real Estate from Every Angle

COLLATERAL360

Announcement area for system upgrades and enhancements.

- Workflow**
Realize operational efficiencies by connecting the core systems, processes and people associated with your property due diligence.
[LEARN MORE >](#)
- Compliance**
Simplify compliance with regulators and bank policy through Collateral360's *Policy Infused Technology™*.
[LEARN MORE >](#)
- Risk Management**
Easily identify and manage property risk, as well as protect your institution from risk of non-compliance.
[LEARN MORE >](#)
- Smart Data**
Expand your business intelligence by unlocking the power of your data to support sound lending and business decisions.
[LEARN MORE >](#)

COLLATERAL360 PLATFORM

- One system to deploy, administer and manage for all your collateral due diligence
- Largest CRE platform in the industry
 - 1,500+ lending institutions using EDR
 - 12,000+ unique users
- Fast growing CRE platform
 - 1,000+ loan files added each day



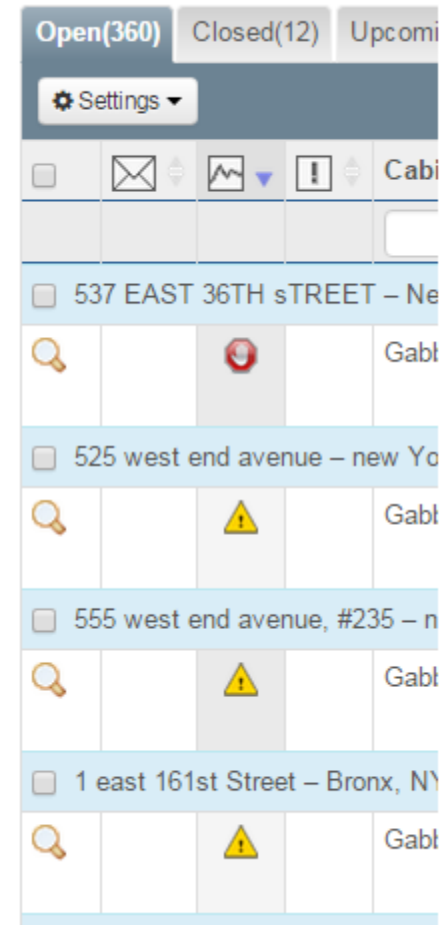
TODAY'S TOPIC: MONITORING

IMPORTANCE OF MONITORING

- Monitor: observe and check the progress or quality over a period of time; keep under systematic review.
- From Project to Process
 - Environmental
 - Flood Status
 - Asset Condition
 - Valuation
 - Vendors

ENVIRONMENTAL MONITORING

- Proactive approach
- 500,000 properties monitored quarterly
- 14% of results indicated a change in environmental conditions
- Full review of government records for all loan files
- Demonstrate compliance (FDIC, OCC, FFIAC)



The screenshot displays a dashboard for environmental monitoring. At the top, there are three tabs: 'Open(360)', 'Closed(12)', and 'Upcomi'. Below the tabs is a 'Settings' dropdown menu. The main area shows a list of properties with columns for search, status, and details. The properties listed are:

Search	Status	Details
<input type="checkbox"/>		Cabi
<input type="checkbox"/>		
<input type="checkbox"/>		537 EAST 36TH sTREET - Ne
<input type="checkbox"/>		525 west end avenue - new Yo
<input type="checkbox"/>		555 west end avenue, #235 - n
<input type="checkbox"/>		1 east 161st Street - Bronx, NY

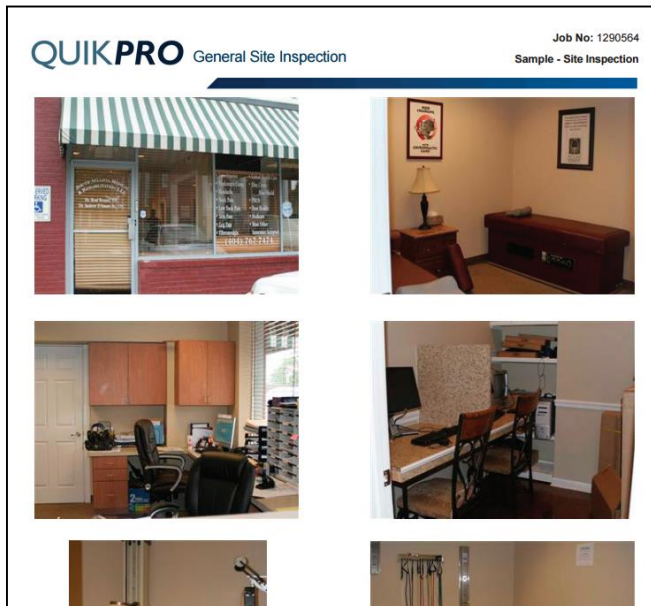
FLOOD MONITORING

- Comply with flood regulations
- Timely notifications of changes in flood zone status
- Safeguard your portfolio over long term
- Eliminates potential liability
- Collateral360 uses the most current, accurate FEMA flood data



ASSET CONDITION MONITORING

- Site inspections, interior/exterior photos, commentary on site condition, current tenants/use, etc.
- Nationwide coverage, turnaround times as fast as 1 business day
- Pricing from \$100



EVALUATIONS FOR MONITORING

WHEN CAN THE LENDER USE AN EVALUATION?*

An evaluation would be a viable alternative to an appraisal in the following situations:

- The transaction value (loan amount) is equal to or less than \$250,000
- A business loan with a transaction value (loan amount) that is equal to or less than the business loan threshold of \$1MM and is not dependent on the sale of or rental income in order to repay the loan
- For an extension of an existing line of credit provided that;
 - There has been no material change in the subjects market area or the physical aspect of the property
 - OR -
 - There is no advancement of new monies

EVALUATIONS FOR MONITORING

- From a client survey with over 500 respondents, we gathered the following insights into the use of evaluations throughout the lending process:

“To save higher appraisal fees, we survey 10% of our portfolio on an annual basis with evaluations.”

- Average Cost of Appraisal: \$3,254
- Average cost of Evaluation: \$754

“While we know that evaluations aren't meant for every property or every situation, getting them from a 3rd party pleases the regulators and gives us insight into where our portfolio stands.”

EVALUATIONS AVAILABLE IN COLLATERAL360

FIRST AMERICAN



- Longest active provider
- Limited to only sales comparison approach






CLEAR CAPITAL



- Largest network of vendors
- Include both sales and income approaches

VENDORS MANAGEMENT AND MONITORING

- Focus on 3rd party vendors
- Validate credentials
 - At time of engagement
 - At time of annual review
- On-going performance monitoring
- Documentation and time-stamping

Name: 
 Title: 
 Direct or Cell: 
 Email: 
 Average Rating: 

The quality of the report provided: ★★★★★
 The service provided: ★★★★★
 The performance of the vendor: ★★★★★

License Information

License State	License Number	Expiration Date	License Type	Appraisal License	ASC Status	Validate
Alaska	1341234213			View		Validate
New York	45000039647	06/10/2017	Certified Residential	View	Active	Validate
Texas	987654123			View		Validate
New York	45000039647	06/10/2015	Certified Residential		Active	Validate

A faint, light green version of the CDR logo is positioned within a solid green rectangular area on the left side of the slide.

THANK YOU



CONTACT INFORMATION

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Regional Manager

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