

# Loan Monitoring Matrix

Loan  
Size

## Credit Grade

Unless Credit Committee or Risk Management requires more frequent monitoring

|                  |                     | 4  | 5   | 6  | 7   |
|------------------|---------------------|--|---|--|---|
| < \$50m          | F/S requirements*   | Borrower submits semi annual or quarterly financials | Copy of Income Taxes, business and personal, within 180 days of FYE | Copy of Income Taxes, business and personal, within 180 days of FYE                | Copy of Income Taxes, business and personal, within 180 days of FYE |
|                  | Lender Review       | Review Annually- Notes on F/S                        | Lender reviews tax returns, Notes on returns                        | Monthly update in PQR and Special Assets Committee                                 | Monthly update in PQR and Special Assets Committee                  |
|                  | Risk Manager Review | Annual Risk Rating Review                            | Rating based solely upon receipt of tax returns and payment history | Monthly update in PQR and Special Assets Committee                                 | Monthly update in PQR and Special Assets Committee                  |
|                  | Additional          |  |   | Upgrade, Work Out or Payoff Plan   | Work Out, Payoff or Liquidation plan                                |
|                  | Site Visits         | none required  | none required   | As Directed by Special Assets Committee  | As Directed by Special Assets Committee                             |
|                  | Customer Contact    | Annually   | Semi-annually   | Based upon Upgrade, Work Out or Payoff plan  | Based upon Work Out, Payoff or Liquidation plan                     |
|                  | Other               |  |   | Upon downgrade pull new Credit Report, lien search, double check closing documents |   |
| \$50m < > \$250m | F/S requirements*   | F/S Semi annual or quarterly                         | F/S Quarterly   | F/S Quarterly or monthly   | F/S Quarterly or monthly  |
|                  | Lender Review       | Review Annually - Notes on F/S                       | Review Quarterly - Short Form                                       | Based upon Upgrade, Work Out or Payoff Plan  | Based upon Work Out, Payoff or Liquidation plan                     |
|                  | Risk Manager Review | Semi - Annual Risk Rating Review                     | Semi - Annual Risk Rating Review                                    | Monthly update in PQR and Special Assets Committee                                 | Monthly update in PQR and Special Assets Committee                  |
|                  | Additional          |  |   | Upgrade, Work Out or Payoff Plan   | Work Out, Payoff or Liquidation plan                                |
|                  | Site Visits         | none required  | Annually  | As Directed by Special Assets Committee  | As Directed by Special Assets Committee                             |
|                  | Customer Contact    | Annually   | Semi-annually   | Based upon Upgrade, Work Out or Payoff plan  | Based upon Work Out, Payoff or Liquidation plan                     |
|                  | Other               |  |   | Upon downgrade pull new Credit Report, lien search, double check closing documents | Negotiate Forbearance Agreement if any change in terms necessary    |
| > \$250m         | F/S requirements*   | F/S Semi annual or quarterly                         | F/S Quarterly or monthly  | F/S Quarterly or monthly   | F/S Quarterly or monthly  |
|                  | Lender Review       | Review Quarterly or Semi-annually - Notes on F/S     | Review - <b>Annual Review</b> and Quarterly - Short Form            | Based upon Upgrade, Work Out or Payoff plan  | Based upon Work Out, Payoff or Liquidation plan                     |
|                  | Risk Manager Review | Annual Risk Rating Review                            | Quarterly Risk Rating Review  | Monthly update in PQR and Special Assets Committee                                 | Monthly update in PQR and Special Assets Committee                  |
|                  | Additional          |  |   | Upgrade, Work Out or Payoff Plan   | Work Out, Payoff or Liquidation plan                                |
|                  | Site Visits         | none required  | Annually  | As Directed by Special Assets Committee  | As Directed by Special Assets Committee                             |
|                  | Customer Contact    | Annually   | Semi-annually   | Based upon Upgrade, Work Out or Payoff plan  | Based upon Work Out, Payoff or Liquidation plan                     |
|                  | Other               |  |   | Pull new Credit Report, lien search, double check closing documents                | Negotiate Forbearance Agreement if any change in terms necessary    |

\* Loans where NPLI is financing current assets, the borrower should submit monthly statements along with monthly A/R and A/P agings and inventory reports (where appropriate). Start ups should submit monthly statements for at least the first year of the loan.

In all cases, annual tax returns on the business and guarantors are required.

When a loan is downgraded to the Problem list collateral adequacy will be reviewed regularly, and at least annually, credit checks, tax lien and judgment searches will be conducted.

Notes on financials: calculate DSCR, Debt:Worth, Working Capital and Current Ratio; briefly mention trends or explain unusual items.