

How Can Our Special Assets Team Go to Work For You?

Comprehensive Approach

After working through portfolio challenges, many banks have been able to reduce their special assets programs, but still have troublesome loans remaining. Other bankers who have delayed aggressively addressing problem assets find that special assets solutions often involve interrelated issues, such as:

1. Assets with reduced value in an uncertain economy
2. Attraction of capital to offset resulting deficiencies
3. Expending resources on costly resolution strategies with uncertain results
4. Locating those qualified to handle delicate workout issues with customers in your community

Our Special Assets teams put decades of risk management and workout expertise at your disposal, and they are not locked into restrictive 'job description' mindsets. Eager to assist institutions to minimize dilution of ownership, they are prepared to comprehensively analyze your bank's entire financial picture. Only then can we provide an objective perspective for an asset retention/ liquidation strategy.

Assets Analysis

We begin with an insightful, asset-by-asset loan review:

- Valuation and marketability—appraisals valid and current (real estate, aircraft, rolling stock, equipment, SBA required valuations)
- Determine property condition, status of taxes and insurance
- Identify your in-house workout resources
- Risk and regulator analysis
- Help tell your story with investors and regulators

Then we follow with an implementation plan. It includes identifying options for you that include use of your existing resources as well as ways we could assist, and the terms of our engagement.



Workout Assistance Role

In-house workout handled by originating loan officers often brings marginal results, since a lender's first priority is to seek new business or expand existing relationships. Workout negotiations take time and attention! So, outsourcing this function to an experienced CBSS team may be your best solution. We can roll up our sleeves and help with detail-oriented problem loan management, hands-on workout negotiations, and liquidation—from a lender's perspective:

- Approaching problem loans objectively to seek out the best options
- Negotiating modification or payment restructuring when possible
- Treating your customers with the care you would want

Many of our associates have experience working for acquiring institutions and assisting with Loss Share Agreements. Compliance with these agreements requires coordination throughout lending, credit, and accounting areas of the bank. We have developed checklists and forms to assure compliance with FDIC requirements to receive reimbursement for losses and expenses in a timely manner. These include:

- Tracking impaired assets, including latest appraisal information, previous charge-off, payment status, exception status, etc
- Documentation of charge-offs, including justification and detailed information desired by FDIC
- Computation and documentation of least cost approach to resolution of impaired assets, including loan settlements and OREO sale decisions

Regardless of the qualifications of outsiders, their value is limited if they don't work compatibly with your bank's team or take into consideration customer relationships. We realize that whether an asset is currently performing or not, it represents a borrower living in the community you will continue to serve. Our Special Assets team members are chosen and trained to set egos aside to put the interests of your institution first.

Liquidation

Once a decision is made to liquidate certain assets, ComBanc's liquidation specialists can be called on. Included are loan trading professionals, as well as specialists in real estate, rolling stock, equipment, and aircraft. When time constraints allow, we access professionals and investors from within your own community to maximize your proceeds. Besides access to investors, our associates also have the expertise to discreetly negotiate, structure, and close what are often complex transactions. Our no-stone-turned efforts to deliver solutions include:

- Loan trading desk
- Direct relationships with investors
- Specialists in real estate, auto, credit, and SBA portfolios
- On-line loan trading platform
- In some cases we may be able to introduce you to sources of additional capitalization

The Winning Combination

From the above menu, you have control of which of our services to select. We understand the budget constraints that community bankers face, and that you don't want surprises. So we employ a proven cost estimation process to help take the guesswork out of your budgeting. Whether it's by lowering your costs or risk, or increasing your return, we look for ways to add far more than our fees to your bottom-line. Give us an opportunity to discuss creating a winning scenario for you.

