



ACL VALIDATION



We view our role as an extension of your risk management team to provide you an independent assessment of the Allowance for Credit Losses (ACL) process.

The recent implementation of the Current Expected Credit Loss methodology has required financial institutions to create a new and adjusted approach to the allowance process. This change has created a level of uncertainty regarding the various approaches to estimate life of loan losses. We will work with you to review and test the ACL methodology to provide a greater assurance for the reserve amount.

The ACL is one of the largest estimated items on the balance sheet. Implications for overfunding or underfunding the allowance can either impact shareholder value, expose the institution to additional risk, or bring about additional regulatory scrutiny.

Arriving at an appropriate ACL requires significant management judgment to meet the current and anticipated risk of loss in the loan portfolio. This process should include sound documentation of both internal and external issues that may impact losses in the loan portfolio.

BENEFITS OF WORKING WITH INTEGRITY LOAN REVIEW



- *Efficient process to save you time and money*
- *Engagements designed to your specific requirements*
- *Easy to read summary reporting*
- *Competitively priced to provide you value*



ADVANTAGES OF WORKING WITH INTEGRITY LOAN REVIEW

- *Recognized industry experience*
- *Consistent with Accounting Standards Update No. 2016-13, Topic 326, Financial Instruments*
- *Direct involvement of senior management*
- *Depth of experience and breadth of knowledge*
- *Work as an extension of your risk management team*



CONTACT



920-857-6225



kevin@integrityloanreview.com



P.O. Box 8902
Green Bay, WI 54308