



## Portfolio Risk Manager

### Automated Monitoring For Your Business Loan Portfolio

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*“I’ve done my risk monitoring...the loan is current and they have never missed a payment”*

But what if all their other creditors are delinquent?

What if the payment and financial trends are getting worse??

**How do you find out about problems before they become YOUR problems???**

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CU Business Group’s *Portfolio Risk Manager* is the answer. As your portfolio grows, risk monitoring becomes labor-intensive and costly. The *Portfolio Risk Manager* is an automated system that provides a risk monitoring snapshot of every loan in your portfolio. This tool allows you to:

- ◆ Identify negative payment and financial trends in your MBL portfolio
- ◆ See how your business members are paying other creditors
- ◆ Categorize your MBL portfolio into risk categories – highest risk to lowest
- ◆ Monitor your business members’ credit and financial performance quickly and efficiently

### The Process

The *Portfolio Risk Manager* is a batch process that can accommodate any portfolio size. It applies a statistical risk score to each business loan in your portfolio and returns credit, public record and demographic attributes. Here is the simple process:

- ◆ Reporting can be run quarterly, semi-annually, or annually, so you decide the frequency.
- ◆ You choose which loans to run, then send CUBG the data in a preformatted file.
- ◆ CUBG then runs the loans through the Portfolio Risk Manager software and recaps the results
- ◆ The credit information is sent back to your credit union. This consists of a portfolio recap and an individual reporting sheet for each loan. Processing time is 10-15 business days.
- ◆ Portfolio Risk Manager reports show financial trends and credit records for all your borrowers. You can easily spot areas of concern and follow up quickly with your borrowers.

### Maximize Performance and Profitability

The *Portfolio Risk Manager* efficiently highlights the few borrowers that pose high credit risk. You can then focus on those members and perform your normal risk monitoring on the rest of the portfolio. You will also be able to see trends in your portfolio that may drive changes to your credit policy and practices.

### Timing and Pricing

- Reports are run at the end of each calendar quarter.
- Price: \$10.00 per individual loan with a \$50.00 minimum per quarterly run.

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For more information on the Portfolio Risk Manager, contact CU Business Group

[info@cubg.org](mailto:info@cubg.org) Toll free (866) 484-2876 [www.cubg.org](http://www.cubg.org)



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## Portfolio Risk Manager Summary

### \_\_\_\_\_ Credit Union

The following report is a summary of your loans as reviewed through CU Business Group's Portfolio Risk Manager.

Date Reviewed:	April 2, 2009
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Total Loans Processed:	16
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**Total Number of Loans With:**

Increased Credit Scores (+10 pts):	4
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Decreased Credit Scores (-10 pts):	2
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Legal Balances:	1
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Public Liens:	0
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Judgments:	1
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Collections:	2
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Bankruptcies:	0
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Detailed information follows for each of the loans evaluated. Please feel free to contact CU Business Group with any questions regarding this report.



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**Portfolio Risk Manager Detailed Loan Report**  
**Credit Union**

Date Reviewed: **April 2, 2009**

Loan Name: **SAMPLE BORROWER #1**

Legal Items: 1  
Legal Balances: \$1,238  
Liens Reported: 0  
Judgments Reported: 1  
Collections Reported: 0  
Bankruptcy Indicated: No  
Inquires Reported: 6

Business Credit Score: 85.93  
Change in Credit Score From Last Evaluation: +1.23

Avg. Trade Accounts Payable Days Beyond Term: 0 Days  
Change in Days Beyond Term: 0  
Total Trade Accounts Payable Balance: \$248,900  
Recent High Credit: \$118,100  
Reported Trade Lines: 59

**Notes/Comments:**

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**Credit Union Reviewer:** \_\_\_\_\_



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**Portfolio Risk Manager Detailed Loan Report**  
**Credit Union**

Date Reviewed: **April 2, 2009**

Loan Name: **SAMPLE BUSINESS #2**

Legal Items: 1  
Legal Balances: \$4,500  
Liens Reported: 0  
Judgments Reported: 1  
Collections Reported: 2  
Bankruptcy Indicated: No  
Inquires Reported: 2

Business Credit Score: 33.70  
Change in Credit Score From Last Evaluation: -15.63

Avg. Trade Accounts Payable Days Beyond Term: 7 Days  
Change in Days Beyond Term: 2  
Total Trade Accounts Payable Balance: \$12,600  
Recent High Credit: \$7,000  
Reported Trade Lines: 12

**Notes/Comments:**

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**Credit Union Reviewer:** \_\_\_\_\_