



ERMA

THE PATH TO GETTING A HANDLE ON YOUR ENTERPRISE RISK MANAGEMENT EFFORTS

Managing enterprise risk can seem impossibly complex. Let AffirmX's **Enterprise Risk Management Assessment (ERMA)** solution help you get a handle on where your institution is on an enterprise-wide level and where to focus your efforts going forward. ERMA evaluates and scores an institution's efforts to implement and maintain an ERM program. Through a series of questionnaires, interviews of key staff members, and a review of strategic documents, AffirmX will assess the institution's efforts in the following seven key categories:

- Credit
- Interest Rate
- Liquidity
- Transaction
- Compliance
- Strategic
- Reputation

AffirmX will assign risk ratings for the institution's management in each of these categories. AffirmX will prepare a detailed assessment report along with an executive summary for the institution's board of directors and senior management.



Enterprise Risk Management Assessment

The assessment will consider such documents and materials as:

- Risk assessments the institution has conducted within each of the seven risk categories.
- Assessment of the institution's opportunities and risks, such as Key Performance Indicators (KPIs) and/or Key Risk Indicators (KRIs).
- Documentation of risk directives and controls in all seven categories of risk, including use of policies and procedures as well as initiatives/goals/objectives of the institution.
- Documentation related to risk monitoring in all seven categories of risk including.
- Loan portfolio reports by product type with underwriting enhancements, such as LTV, CLTV, FICO, etc.
- Delinquency reports by lending portfolio and/or loan loss reserve analysis reports (ALLL).
- Internal classification and watch list reports.
- Charge-off reports.
- Strategic documents related to borrower factors, including Board of Director reports on loan portfolios, business plan reports, credit committee reports, etc.
- Loan portfolio reports by product.
- Loan concentration reports.
- Lending policy or related documents that reflect concentration limits and/or penalties and, if applicable, divesting requirements for level overages.
- Divesting strategy documents as applicable.
- Loan portfolio reports, including pricing reports and use of prepayment penalties, etc.
- Payoff reports, including maturity reports and early payoff prior period reports.
- Loan portfolio reports that reflect counter-party relationships, such as use of PMI insurance or other guaranties from entities, including government entities (SBA, Freddie Mac, etc.).
- And 40+ additional key documents (see AffirmX.com for complete list)

The Report

Upon completion of our Enterprise Risk Management Assessment, we will create a risk rating using the ERMA tool in the AffirmX Risk Intel Center platform indicating our findings in the seven key areas as well as a cumulative Enterprise Risk Management score.

We also provide a full, written report and along with an executive summary. The report will include findings and recommendations for addressing any noted deficiencies.

AffirmX's Enterprise Risk Management Assessment services will not only help you address regulatory expectations, they will also better position your institution to present established controls effectively as well as to modify controls/artifacts as necessary to improve internal monitoring efforts.

Contact us to learn more or to receive a no-obligation proposal for AffirmX's Enterprise Risk Management Assessment services.

For more information, credit unions should contact their league or AffirmX directly at 888.972.3624.