

Ensure Compliance and Gain a Competitive Edge with Loanpath

Get the industry leading unified ECM platform for commercial lending and leasing from Third Pillar

Financial services organizations need to keep in compliance with numerous and ever-evolving industry regulations. That's why you want to partner with us: We know your business, as well as we know our technology.

LoanPath's service oriented architecture gives you the scalability and flexibility to adapt to today's ever-evolving regulatory environment—allowing you the freedom to alter rules, not codes, when business needs change.

From Basel II and Sarbanes-Oxley requirements to the best-in-class processes of Six Sigma, LoanPath is the solution to whatever issues impact your business

Basel II Capital Requirements

The purpose of Basel II, which was initially published in June 2004, is to create an international standard that banking regulators can use when creating regulations about how much capital banks need to put aside to guard against the types of financial and operational risks banks face.

The LoanPath Solution: LoanPath helps you meet Basel II Capital Requirements by offering built-in capabilities that require credit information to support the various Basel calculations—from the less data-intensive Basel approaches to the Advanced Internal Ratings Based approach.

LoanPath provides two options for handling credit scoring requirements:

- Use scoring model within our rules engine
- Interface the required data and interfacing with a 3rd party engine via a secure data connection.

With either option, Third Pillar uses the credit scoring decisions to drive transactions to separate workflows that correspond with a client's credit policy.

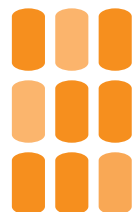
Operating Risk and Reduce Capital Allocation

Operational Risk (OR) is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events. It's a new metric used in the calculation of economic capital under the new Basel capital accord. Under the Internal Ratings Based (IRB) approach to measuring Operating Risk, all processes must be tracked any break down in process must be recorded in a loss database with its severity and frequency.

The LoanPath Solution: LoanPath's validation, workflow, versioning and audit trail features eliminate the errors inherent in a manual system. Together, these features create an end-to-end electronic process integrated with a loss event database and a process management module.

LoanPath also supports operational risk monitoring in your lending process, and can feed that information in to a loss event database. Plus, defining a loss event within LoanPath is as easy

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as dragging a monitor point into the process designer. Any break in the process is automatically recorded, and optionally forwarded to the risk group.

In addition, you can simplify enterprise asset valuation and Loss Given Default (LGD) calculations with EAVE-- Our Enterprise Asset Value Evaluation product. EAVE collects detailed information on the assets that are the collateral/residuals for your commercial leases and loans, providing the data necessary for Loss Given Default calculations at any time during the loan/lease lifecycle.

EAVE gathers asset data - including unlimited, dynamically defined attribute data. EAVE also supports the creation of formulas for valuating the assets, or asset classes, based on user-defined criteria. These criteria could include: ballpark quotes, booking quotes, or revaluation of the assets in question based on market conditions. This level of detail and flexibility in associating formulas with assets and attributes makes it easy to reevaluate a set of collateral for a portfolio of loans – essentially doing a mark-to-market based on market conditions.

If a manufacturer comes out with a new model in an asset class, like a server or copier, a new formula to reflect that influence on expected values for existing collateral is easy to create within our web-based interface. The resulting data can then be fed to meet the Expected Loss calculations required in the Basel Capital guidelines.

Six Sigma Requirements

Six Sigma seeks to improve the quality of process outputs by identifying and removing the causes of errors and variation in manufacturing and business processes. This requirement uses a set of quality management methods, including statistical methods, and creates a special infrastructure of experts with an organization. Each Six Sigma project carried out within an organization follows a defined sequence of steps and has quantified financial targets. (ex: cost reduction or profit increase)

The LoanPath Solution: From dashboards to span monitoring, LoanPath further enables any Six Sigma environment. Third Pillar embeds Six Sigma methods into our product lines and our service offerings. The process management underpinnings found in LoanPath ensure consistency across the enterprise - feeding executive dashboards and monitoring span across not only a transaction, but also an entire portfolio.

As the average commercial lending transaction involves over twenty-five documents, many with multiple iterations, combined with dozens of participants in various locations, the opportunity for defects and bottlenecks -is evident.

Our customers report that one of the most important drivers of their customers' satisfaction is meeting expected dates for loan and lease transactions. LoanPath can help you:

- Measure and manage performance
- Set realistic expectations for turnaround time with your clients
- Refine and improve your process over time

Our built-in workflow allows measurement of cycle times across the entire process (wingspan) or between specific tasks or workflow statuses. Furthermore, these measurements can be easily changed overtime as workflows change and/or your origination process evolves.

SOX Requirements

The Sarbanes-Oxley Act of 2002 created a new, quasi-public agency, the Public Company Accounting Oversight Board, or PCAOB, charged with overseeing, regulating, inspecting and disciplining accounting firms in their roles as auditors of public companies. The act also covers issues such as auditor independence, corporate governance, internal control assessment, and enhanced financial disclosure.

The LoanPath Solution: LoanPath enables internal controls and regulatory support because of its well-defined credit process and through logging all transactions within the system. Any exceptions to the defined credit process can be measured and understood by corporate management and regulators.

All the transactional information in LoanPath is retained in an Oracle database that provides information for credit and auditor analyses. Furthermore, the LoanPath audit feature can look at specific transactions AND the workflows for said transactions to verify that credit policies were adhered to. An audit of a portfolio can be enabled through access to the system and the proper entitlements—this allows so audits to be ongoing and even be outsourced to other locations.

