

Newmark V&A CaseBook

Loan Portfolio Solutions

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Loan Portfolio Solutions

Newmark Valuation & Advisory (V&A) Loan Portfolio Solutions practice provides portfolio stress testing and risk reviews for some of the world's largest banks.

With more than a century of combined experience, the Loan Portfolio Solutions leadership team has managed some of the most complex assignments within the bank regulatory environment.

The Loan Portfolio Solutions team's expertise spans the many aspects of banking, credit, and regulatory compliance. Guiding banks through mergers and acquisitions, consumer and commercial loan due diligence, they have assisted their clients in addressing MRAs, MRIAs, C&Ds, Consent Orders, as well as numerous other compliance and risk challenges.

Over 100 experienced commercial credit professionals working on-site or remotely to provide:

Risk Reviews for CRE and C&I Portfolios

Annual loan review and re-underwriting; update of risk ratings; portfolio stress testing

Residential & Commercial Loan Due Diligence

Offering loan portfolio diligence pre and post loan sale, as well as HMDA compliance and other pre audit services

Flood Compliance

Portfolio or loan level review of flood compliance; review and remediation of current flood compliance processes

Data Migration & Automated Validation

Efficient and accurate transfer of data and post-transfer validation. Additionally, AI-driven capture and validation of pre-closing loan data across all documents.

GHG Emissions Data & Environmental Peril Modeling for CRE Portfolios

Determine GHG emissions and/or Environmental Peril on an asset-by-asset as well as a portfolio basis

Bank Regulatory Advisory

Review, development and implementation of protocols to address current and potential regulatory issues

The group has successfully completed many of their clients' most challenging data remediation projects, leveraging its deep understanding of regulatory compliance and lending.

What We Provide Our Clients:

READY RESOURCES

Fully Trained Teams
Avg. 20+ Years of Experience
Immediate Availability

PROFESSIONAL EXECUTION

Daily Progress Reporting
Quality Control
On Time and On Budget

VALUE ADDED BENEFITS

Peace of Mind
Immediate ROI
Active & Open Communication



ABOUT NEWMARK

We transform untapped potential into limitless opportunity.

At Newmark, we don't just adapt to what our partners need—we adapt to what the future demands. Our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies. We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

CONTACT

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Risk Reviews for Residential, CRE and C&I Portfolios

Our teams have participated in numerous loan review projects. They have spanned multiple loan types, as well as a vast variety of portfolio size and levels of complexity, based on M&A, loan sale, regulatory compliance, or annual review activities within the financial sector.



CRE Annual Review

Super-regional bank required an annual review of credit profile for their largest commercial loans. We assigned a team of senior underwriters that completed the task on time and on budget.

Residential Loan Compliance

Regional bank required a pre-reporting audit of their HMDA LAR reports. Our resources completed the review in record time, identified errors, noted procedural concerns and delivered a highly detailed audit to the bank.

CRE ASR Project

Hired by a GSE to perform pre-sale due-diligence on a large portfolio of multifamily loans. Our team reviewed the credits, created pre-sale ASR's in both short-form and long-form format to be used during the sale. In addition, we guided the agency team through the transaction process. The portfolio sold for record price.

CRE On-Going Review

A large bank client required a quarterly review of their Commercial Real Estate and Commercial & Industrial loan portfolios. Working with our client, we structured an on-going program to select a sample of larger loans from each portfolio on a quarterly basis. Our team of experienced commercial credit professionals was assigned to review a sample of 40 to 60 large loans each quarter.

The review consists of a full re-underwriting of the reviewed loans, identifying key risks and updating probability of default, probability of loss and loss-given-default for each loan. In addition, we update the debt service coverage ratio, the loan-to-value, the debt yield and the risk rating for each reviewed loan.

All work is 100% quality-control reviewed by our team lead prior to submission to the client, who also reviews our work and stands ready to provide a strong recommendation of our capabilities.

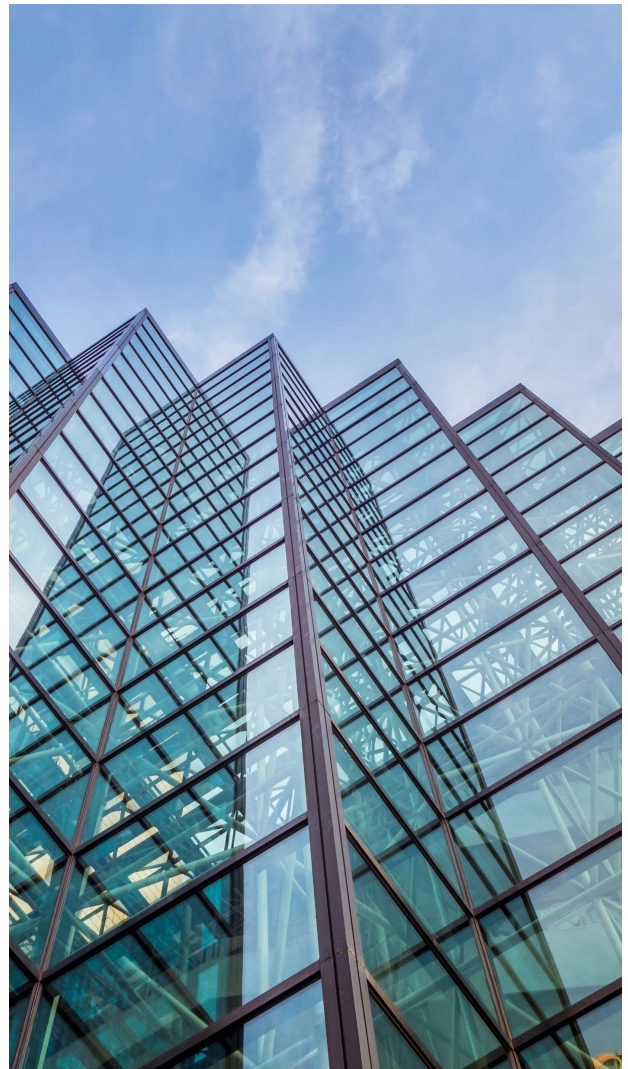
ESG & Environmental Peril Modeling for CRE Portfolios

We are working with strategic partners to assist our bank clients in gathering the necessary data for financed emissions to measure the transition risk and the physical risk within a bank client's C&I and CRE portfolios.

To measure transition risk, we can assist our bank clients in collecting GHG emissions data from their borrowers, including emissions data from a borrower's owned or leased CRE. Working with our strategic partners, we can, with just a property address, provide detailed data elements regarding a collateral property and then use that data, along with eGRID and local weather information, to estimate power usage and GHG emissions. With meter information provided by a borrower, we can provide actual power usage and GHG emissions.

This data will allow our bank clients to identify CRE collateral assets within their portfolio that may be at risk of not attaining the necessary reduction in GHG emissions to meet our bank client's commitment to reduce financed emissions. Additionally, we can provide grid and retrofit information that can assist bank client borrowers in decreasing GHG emissions.

In terms of physical risk, working with strategic partners, with just a residential or commercial property address, we can provide detailed collateral asset information as well as the environmental perils that a collateral asset may face based on various climate warming scenarios. This will assist our bank clients in identifying potential insurance gaps within a portfolio of collateral assets and provide the opportunity for our bank client to take steps to reduce the risk of loss from potentially under-insured collateral properties.

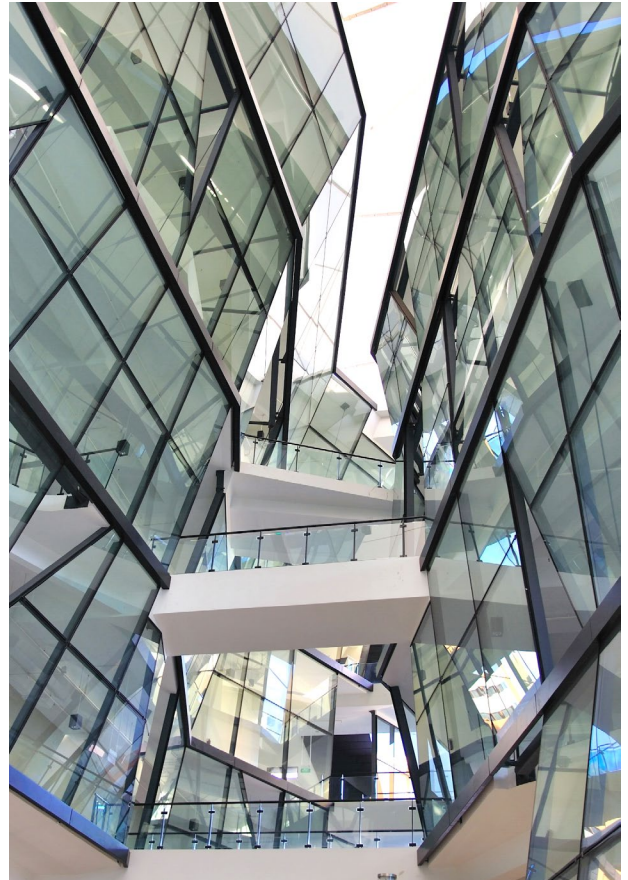


Flood Compliance

Our bank client required a full review of 2,200 flood-positive loans within its commercial portfolio to resolve a regulatory consent order.

Our solution entailed 45 of our commercial credit-trained flood specialists working six days per week, ten hours per day to complete a full review of the 2,200 loan files.

- We verified that each file contained appropriate flood notices provided to borrowers within the required timeframes during the loan origination process;
- We identified all collateral securing each individual loan and cross-collateralized obligations, at origination and tracking added and released collateral through the life of the loan.
- We Identified all insurable structures within a flood-positive zone of an individual loan and completed the required flood calculation to determine the appropriate flood insurance for each flood-positive insurable structure;
- We reviewed all flood insurance policies for flood-positive insurable structures to ensure appropriate flood insurance at origination and reviewed the loans for any gaps in coverage during the life of the loan;
- In the instance of no flood insurance or under insurance, we reviewed the loans for appropriate notices provided to borrowers within the required timeframes and that lender-placed insurance (LPI) in the appropriate amount had been placed by the lender within the required timeframe; and
- Reviewed LPI cancelled policies to confirm that refunded amounts due and paid to borrowers were correct.



- Completed necessary remediation activities for each individual loan file as part of the review process.
- Completed full review and required remediation activities in fifteen months, while training staff to complete future similar reviews and necessary remediation activities as required.
- Provided summary report of all review and remediation activities to senior management for review and inclusion in their regulatory submission. The open Consent Order was successfully closed with the pending fine reduced to 15% of the anticipated amount.

Data Migration to New Servicing System and Data Platforms

Our teams have completed several data capture, validation, system transition, data migration and technology transformation projects. Each one with a varied level of complexity and scope of work.

CCAR Project

A large international bank faced regulatory pressure surrounding their M & Q data availability and accuracy. Our teams captured and validated the data sets in question, as well as remediated erroneous findings. The project was staffed with 150+ of our team members and the project concluded successfully after nine months of work.

Loan IQ Transition

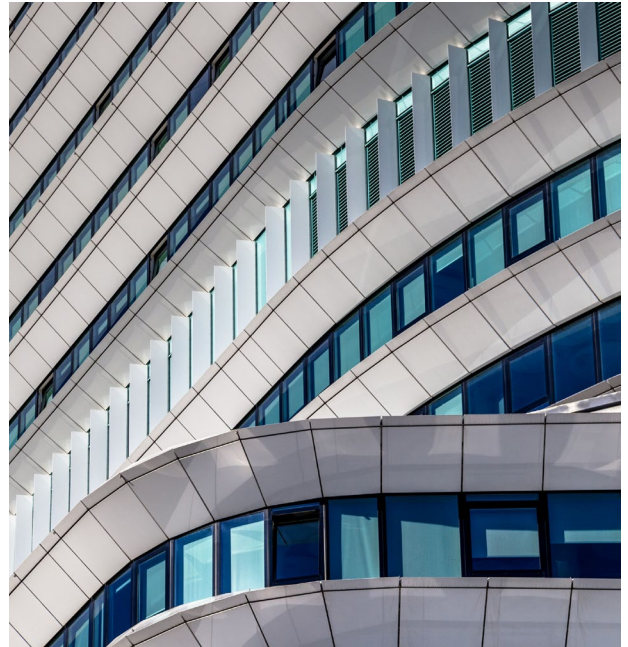
An enterprise level bank had just completed a transition of their servicing system to Loan IQ and realized that the new platform was not correctly handling their syndicated loan and trading desk transactions. Our team was brought in to manually correct the issues created by the transition and correct daily trades before they posted. We also assisted the software vendor in improving the business process flow to correct the issue.

Late Fee Correction

A regional bank was transitioning their residential loan portfolio from a legacy system to a new platform and realized that in the transition, monthly payment late fees had been incorrectly assessed and allocated in four states. We deployed a small remote team that quickly validated and corrected the loan files in question.

nCino Transition

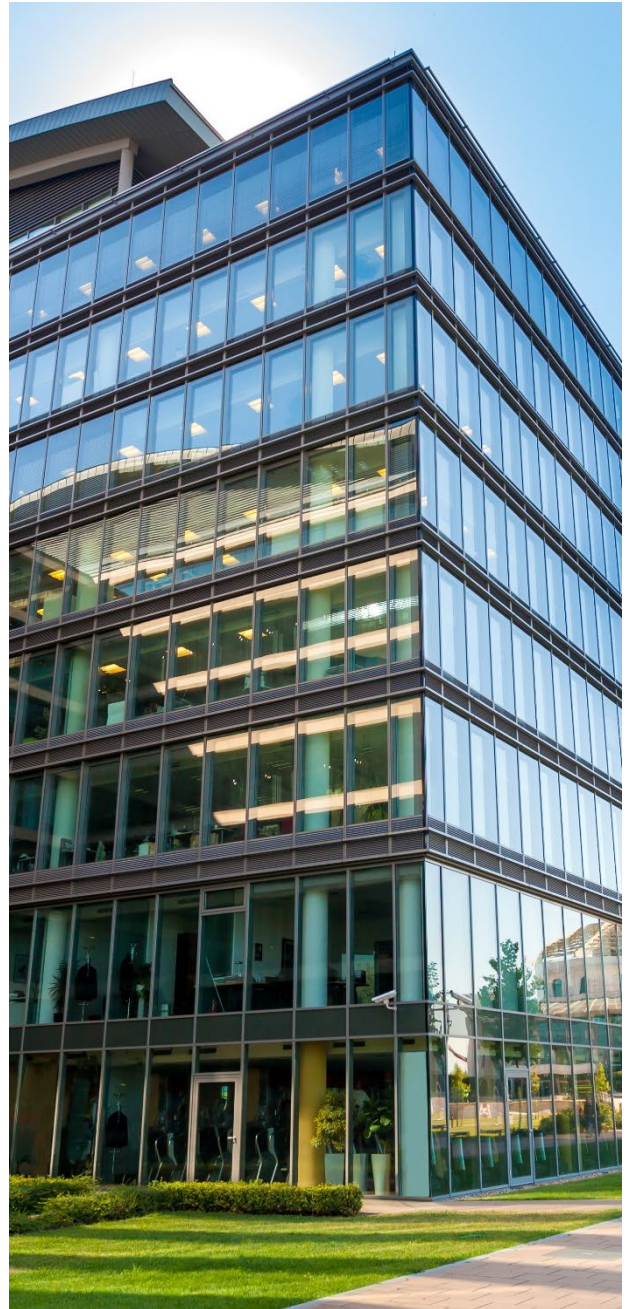
An enterprise level bank had transitioned their commercial loan portfolios to the new application and realized that there were changes necessary to successfully upload commercial loans. Our team was brought in to test the applicable components of the software, participate in workflow and software design changes that were implemented by the vendor's development team. Our team participated in writing process stories in the agile software environment. The application's module function successfully evolved as a direct result of our participation.



Automated Validation and Data Capture at Loan Origination

Our major insurance company client required a detailed, high-speed review and validation of 25 key data elements at pre-closing for their commercial real estate loans. The requirement was to validate that each of the key data elements matched exactly within the credit agreement, the final credit approval document and the servicing and data reporting tape.

With our strategic partner providing high-speed OCR and machine learning capabilities, we structured a solution that allowed our client to identify key data elements within the client's credit agreement and credit approval documents and highlight any inconsistencies across those documents and the servicing and data reporting tape. This ensured that all data inconsistencies were resolved prior to loan closing and that the client would have servicing and reporting data of absolute integrity at closing.

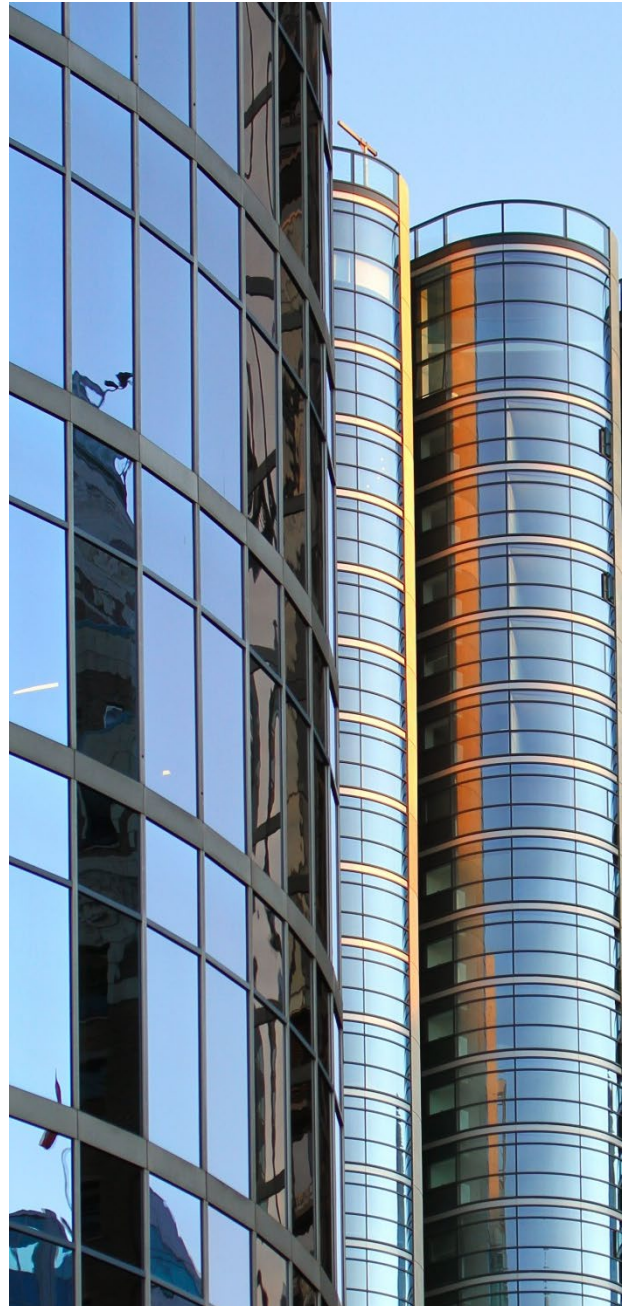


Bank Regulatory Compliance

Our large bank client required a ten-year lookback by quarter for a portfolio of 3,500 commercial loans to capture and validate 55 specific data points. In total, we captured and validated 7.7 million data points. The assignment had to be completed within a tight time frame to satisfy a regulatory consent order.

Our solution entailed 60 of our commercial credit-trained team members working six days per week, ten hours per day, successfully delivering the completed assignment two weeks prior to the project deadline.

The data we provided was reviewed in detail by our bank client's regulator and was deemed acceptable with no further comment.





David Risdon

*Executive Vice President
Specialty Practice Leader –
Loan Portfolio Solutions*

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YEARS OF EXPERIENCE

40+

AREAS OF SPECIALTY

Valuation & Advisory

Loan Portfolio Stress Testing and
Risk Review

Flood Compliance

ESG and Environmental Peril
Modeling

Data Migration

Automated Data Validation

Automated Data Capture

David Risdon joined Newmark Valuation & Advisory as an Executive Vice President and the Loan Portfolio Solutions Specialty Practice Leader. A commercial banking veteran with more than 40 years of experience, Dave has in-depth experience with many aspects of banking, credit and regulatory compliance.

Based in Tampa, Florida, Dave has led 100+ professional teams involved in bank consolidations and mergers and acquisitions, specializing in various services for CRE and C&I portfolios. He has overseen risk reviews, ESG and environmental peril modeling as well as flood compliance reviews. His capabilities also include migrating data to new servicing systems and data platforms, along with automated data validation and data capture at loan origination.

Prior to Newmark, Dave served as Senior Managing Director and Practice Lead for Banking & Regulatory Solutions for Cushman & Wakefield, where he oversaw large teams in their completion of loan portfolio underwriting, CCAR and DFAST stress testing advisory and cash flow modeling. Previously, he served as a Director at Situs, overseeing teams of up to one hundred twenty professionals for time-sensitive CCAR data aggregation projects as well as underwriting and valuation of ADC, CRE and C&I loans. Dave's professional career began in 1974 and has previously held many senior positions at a number of banking and financial institutions.

Education

Dave graduated from Drake University where he earned a Bachelor of Liberal Arts and a Masters of Business Administration with an emphasis in finance. He also completed the Harvard Business School's Negotiating for Success program.



Joe Posavec

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YEARS OF EXPERIENCE

30+

AREAS OF SPECIALTY

Valuation & Advisory
Loan Portfolio Stress Testing and
Risk Review
Flood Compliance
Data Migration
Automated Data Validation
Automated Data Capture

Joe Posavec joined Newmark Valuation & Advisory as an Executive Vice President in the Loan Portfolio Solutions Specialty Practice. He has in-depth expertise with many aspects of banking, credit and regulatory compliance.

Based in Irvine, California, he brings 30 years of experience in real estate, capital markets, banking and technology to the practice. Joe specializes in addressing compliance and risk challenges for some of the world's largest banks and is known for identifying opportunities to revitalize banking technology with cutting-edge solutions. He is experienced with flood insurance compliance, as well as ESG and CCAR compliance. His work has also encompassed bank M&A, private and government secondary loan markets, CMBS and MBS.

Prior to Newmark, Joe served as a Managing Director in Cushman & Wakefield's Banking & Regulatory Solutions group, where he managed nationwide, regulatory bank projects. Previously, he worked as a consultant creating stress test models that could be applied to regional and community banks, as well as audits for the FDIC and M&A activity.

Professional Affiliations

- Mortgage Bankers Association (MBA) member, 2003-Present
- Risk Management Association (RMA) member, 2018-Present
- Board Member, CefPro (fintech advisory board), 2018-Present
- Institute of International Bankers (IIB) member, 2021-Present
- American Bankers Assoc. ABA – Flood Working Group, 2019-Present

Education

Joe attended Sheridan College of Applied Arts and Technology in Oakville, Ontario, Canada. Subsequently, he transitioned to economics at the University of Toronto in Mississauga, Ontario, followed by pursuit of a Masters in Business Management at the University of Essex in Colchester, England.



David A. Wolter

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YEARS OF EXPERIENCE

40+

AREAS OF SPECIALTY

Valuation & Advisory
Loan Portfolio Stress Testing and
Risk Review
Flood Compliance
Data Migration
Automated Data Validation
Automated Data Capture

David A. Wolter joined Newmark Valuation & Advisory as an Executive Vice President in the Loan Portfolio Solutions Specialty Practice. A commercial banking veteran with more than 40 years of experience, David has in-depth experience with many aspects of banking, credit and regulatory compliance.

Based in Tampa, Florida, David specializes in loan file review, portfolio due diligence, underwriting, and data validation to facilitate remediation activities. He manages the most complex assignments in the regulatory environment leveraging his familiarity with bank operating systems and data repositories to successfully facilitate clients' compliance remediation. He has extensive experience in resolving issues related to commercial and residential portfolios involving AML, ESG, Flood, CCAR, HMDA, and other regulatory-driven remediation.

Prior to Newmark, David served as a Managing Director in Cushman & Wakefield's Banking & Regulatory Solutions group, where he led bank advisory assignments for compliance remediation, prudential regulatory compliance, loan portfolio data aggregation and lease abstraction, system data migration/remediation, and due diligence for M&A transactions.

Education

David graduated from the University of Florida with a Bachelor of Science in business administration with emphasis in real estate and urban analysis.