

Concentration of Credit Monthly Report - Report Automation Development

The Concentration of Credit practice was designed to evaluate and track BCSB credit exposure along their commercial relationships. Having this kind of assessments can assure that BCSB can watch closely their biggest relationships in the lending activities, be prepared for regulator audits and plan their business upfront.

This practice has three sections, and all of them will be automated and further evaluated to identify opportunities for improvement:

- CON1: Concentration of Credit report
- CON2: Status report form
- CON3: Annual review

CON1: Concentration of Credit report

Use Case Context

BCSB analyzes the Concentration of Credit report to understand how much credit is being provided for a single commercial relationship. To achieve this perspective, a lot of research is necessary because a commercial client can have subsidiary firms, the company owner can have participation in other companies and so on, all this data is considered as an input for the portfolio identification. This research involves some easy procedures like comparing company names and looking at documents provided during the loan contract, but also complex research work is needed, which is made by BCSB employees and third-party credit analysts.

When this hard work of assembling “commercial portfolios” is done, this information is blended with monthly new loans business data to get a picture of how much credit is being provided to each Obligor’s portfolio, and finally, after analyzing the portfolio’s credit activity, BCSB will be aware of significant relationships that need to be tracked and managed.

The Concentration of Credit report provides a list of commercial relationships and their affiliates, along with:

- Loan Officer
- Product name
- Borrower name and accounts
- Loan metrics for each portfolio and their affiliates
- Industry type
- Loan dates

The process of assembling the Relationship360 model was once a very manual one, but a lot of improvements were made by the Data Analytics Team, who automated it by providing relationship identifiers in a report.

The Relationship360 process, and consequently, the Concentration of Credit report will benefit from the Relationship360 project. Despite these improvements the steps of collecting and blending loan information still need to be automated to increase business efficiency and reduce errors.

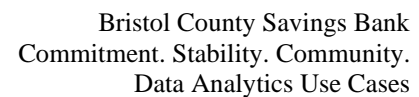
Benefits and Potential Gains

Overall, benefits and potential gain from this use case include:

- Save costs by automating manual labor to build reports
- Mitigate the risk and liability of human errors due to manual data gathering over COCC
- Faster data availability to review Concentration of Credit

Use Case Details and Process Flow

CON1: Concentration of Credit report	
Objective	Streamline Concentration of Credit report generation using data pipelines to blend the information in an automated way
Primary Actors	<ul style="list-style-type: none"> • BCSB loan business line • BCSB Data Analytics team
Pre-Conditions	<ul style="list-style-type: none"> • Relationship360 commercial portfolio information available • Loan information available and mapped from COCC
Trigger Events	<ul style="list-style-type: none"> • Monthly report generation • Quarterly review by business line
BI User Story	<ol style="list-style-type: none"> 1. Relationship360 provides the commercial portfolio information 2. System triggers a data pipeline that blends household and loan data 3. Business team uses a reporting tool to consume and analyze the resulting Concentration of Credit report <ol style="list-style-type: none"> a. Business team provide feedback if relationship exceptions are found b. Business team approve report for usage 4. Business team use report data to track and manage relevant relationships 5. Business users access backup versions of the report if needed
Post Conditions	<ul style="list-style-type: none"> • Concentration of Credit report, household summary • Concentration of Credit report, detailed by account • Concentration of Credit report, top 10 relationships
Data Required	<ul style="list-style-type: none"> • Relationship360 <ul style="list-style-type: none"> ○ Name ○ Household Number ○ Portfolio Number ○ Consumer Type ○ Commercial Owner Name ○ Tax ID ○ Risk Rating ○ NAICS Code ○ Address • COCC <ul style="list-style-type: none"> ○ Account ○ Product Name ○ Loan Balance ○ Mortgage Balance ○ Loan due date ○ Credit limits ○ Loan Officer information ○ Contract date ○ Mortgage property



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graph TD
    subgraph System
        Start([start]) --> Trigger[Trigger Event: Monthly cadence]
        Trigger --> Ingest[Ingest loan data from source systems]
        Trigger --> Fetch[Fetch relationship data from Relationship360]
        Ingest --> Build[Build Concentration of Credit report]
        Fetch --> Build
    end

    subgraph DataStewards
        Update[Update Relationship360 information] --> Fetch
    end

    subgraph BusinessUsers
        Build --> Exceptions{Do relationships have exceptions?}
        Exceptions -- yes --> Report[Report exceptions to Relationship360 feedback loop]
        Report --> Corrections{Do corrections need to be reflected on current report?}
        Corrections -- yes --> Update
        Exceptions -- no --> PostCond[Post Condition: Concentration of Credit reports are available to business users]
        Corrections --> PostCond
        PostCond --> Export[Export and backup report for historical purposes]
        Export --> End([end])
    end
  
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COC_September Report_20211106.xlsx

Bristol County Savings Bank Concentration of Credit (+\$750,000) 30/09/2021												
Last Internal Review	Last External Review	Loan Officer	Product Name	Borrower Name	Account Number	Used Credit	Unused Credit	Potential Exposure Credit Commitment	Total Borrowing Base Credit Limit	Next Due Date	Risk Rating	Collateral / Address
18/06/2019	10/31/2020			Claremont Bridgewater Inn LLC	P138898	\$26,840,016	\$2,750,826	\$29,590,842	\$17,925,000			
		Michael P. Patacao	Commercial Swap Mortgage	Bridgewater Viva, LLC	150365560	\$14,778,719	\$-174,174	\$14,604,545	\$15,000,000	15/10/2021	3M - Acceptable Risk	Two Lakeshore Center, Bridgewater, MA 02324
		Michael P. Patacao	Commercial Mortgages	Claremont Bridgewater Inn	6251361	\$12,061,297		\$12,061,297	3M - Acceptable Risk	23/10/2021	3M - Acceptable Risk	1 LAKESHORE CENTER, BRIDGEWATER, MA 02324 COUNTY: PLYMOUTH
		Michael P. Patacao	SWAP Exposure Loans	Bridgewater Viva, LLC	150380279	\$0	\$2,925,000	\$2,925,000	3M - Acceptable Risk			
30/08/2021	10/31/2020			Hutchens Holding II LLC	P123915	\$24,685,338	\$4,562,091	\$29,247,429	\$4,813,295			
		Michael P. Patacao	Commercial Swap Mortgage	Hutchens Holding II LLC	6252261	\$15,496,454		\$15,496,454	15/10/2021	3M - Acceptable Risk	421 CURRIANT ROAD, FALL RIVER, MA 02720	
		David C. Tipping	25 Year Fixed Rate	Hutchens, Scott G.	150485095	\$2,745,138		\$2,745,138	01/10/2021	3M - Acceptable Risk	3 Fitty Lane, Nantucket, MA 02554	
		Michael P. Patacao	SWAP Exposure Loans	Hutchens Holding II LLC	150476333	\$0	\$2,486,695	\$2,486,695	16/10/2021	3M - Acceptable Risk		
		David C. Tipping	25 Year Fixed Rate	Hutchens, Scott G.	150634033	\$2,334,753		\$2,334,753	01/10/2021	3M - Acceptable Risk	151 Ferry Road, Bristol, RI 02809	
		Michael P. Patacao	Demand Loans	Hutchens Holding III, LLC	150444352	\$1,817,500		\$1,817,500	13/10/2021	3M - Acceptable Risk	Lot 1 of the Fall River Life Science and Technology Park (24.7) acres of	
		Nelson J. Braga	15 Year Fixed Rate	Hutchens, Jason K.	150398967	\$1,346,045		\$1,346,045	01/10/2021	3M - Acceptable Risk	19 Five Oaks Road, Dartmouth, MA 01928Hwy 1P Dartmouth, MA 01928 New Park, Dartmouth, MA	
		Bernadette S. Santos Special HELOC		Hutchens, Scott G.	150534420	\$226,204	\$713,796	\$940,000	25/10/2021	3M - Acceptable Risk	3 Fitty Lane, Nantucket, MA 02554	
		Bernadette S. Santos Special HELOC		Hutchens, Jason K.	150620120	\$0	\$786,600	\$786,600			12 Westernock Way, Nantucket, MA 02554	
		Dawn A. Young	10 Year Fixed Rate	Hutchens, Scott G.	150537068	\$565,000		\$565,000	01/10/2021	3M - Acceptable Risk	211 Middleboro Road, Freetown, MA 02717	
		Michael P. Patacao	Term Loans	Ice Cube Maritime, LLC	150656307	\$0	\$300,000	\$300,000	\$300,000	24/10/2021	3M - Acceptable Risk	
		Michael P. Patacao	Line of Credit	Ice Cube Maritime, LLC	150656290	\$125,000		\$150,000	\$150,000	24/10/2021	3M - Acceptable Risk	
Michael P. Patacao	Line of Credit	Ice Cube LLC	500276881814	\$0	\$150,000	\$150,000	\$150,000	28/10/2021	3M - Acceptable Risk			
Michael P. Patacao	Term Loans	Ice Cube LLC	500276881907	\$0	\$109,244	\$109,244				ALL REPORTED EQUIPMENT - LINE USE PEARL MARINE ASSOCIATED WITH CONDOREACH OF MASSACHUSETTS		
04/09/2019	10/31/2020			Fortune Hospitality LLC	P144032	\$24,744,991	\$1,937,500	\$26,682,491	\$12,812,500			
		Roger A. Cabral	Commercial Mortgages	Fortune Hospitality LLC	6251401	\$6,747,169		\$6,747,169	15/10/2021	3M - Acceptable Risk	151 MTG SO FORTUNE BLVD MILFORD MA & 2ND MTG 950 STATE RD	
			Waterforce Hospitality LLC		\$6,855,501		\$6,855,501				181ST MOSTTOWN RD, BRISTOL, MA 01520 115 MARSH AVE, BRISTOL, MA 01520	

COC_Extract_20211025_HHNMB Review_20211102.xlsx

	A	B	C	D	E	F	G	H	I	J	K	L	M	
	ACCTNBR	HOUSEHOLDNBR	PORTFOLIO NUMBER	PORTFOLIO GROUP TITLE	ORGNBR	PERSNBR	Type Consumer	ACCTNBR	HOUSEHOLDNBR	OWNERNAME	OWNERSORTNAME	TAXIDNBR	CURRMACCTTPCD	PRODUCT
1	6248041	116738 P100013	Demers Bros Trucking Inc	1001913	0	Business	6248041	116738	Dodge Mill Realty LLC	Dodge Mill Realty LLC		924727	CM40	Commercial
2	150361865	116738 P100013	Demers Bros Trucking Inc	1001913	0	Business	150361865	116738	Dodge Mill Realty LLC	Dodge Mill Realty LLC		924727	CM40	Commercial
3	600242781460	116738 P100013	Demers Bros Trucking Inc	1001913	0	Business	6,00243E+11	116738	Dodge Mill Realty LLC	Dodge Mill Realty LLC		924727	CM30	Line of Credit
4	600242783941	116738 P100013	Demers Bros Trucking Inc	1001913	0	Business	6,00243E+11	116738	Dodge Mill Realty LLC	Dodge Mill Realty LLC		924727	CM05	Term Loan
5	14023301	116738 P100013	Demers Bros Trucking Inc	0	1027274	Business	14023301	116738	Gary M. Demers	Demers, Gary M.		32542947	CM42	CM, Secured
6	970226521	116738 P100013	Demers Bros Trucking Inc	0	1027274	Business	970226521	116738	Gary M. Demers	Demers, Gary M.		32542947	MG52	Special HELOC
7	150546326	116738 P100013	Demers Bros Trucking Inc	1001910	0	Business	150546326	116738	Demers Bros Trucking Inc	Demers Bros Trucking Inc		42448147	CM05	Term Loan
8	150580829	116738 P100013	Demers Bros Trucking Inc	1001910	0	Business	150580829	116738	Demers Bros Trucking Inc	Demers Bros Trucking Inc		42448147	CM59	SBA PPP
9	600241281444	116738 P100013	Demers Bros Trucking Inc	1001910	0	Business	6,00241E+11	116738	Demers Bros Trucking Inc	Demers Bros Trucking Inc		42448147	CM30	Line of Credit
10	6245851	183439 P100017	CSEF LLC	1002139	0	Business	6245851	183439	CSEF LLC	CSEF LLC		264603926	CM40	Commercial
11	6252281	183439 P100017	CSEF LLC	1002139	0	Business	6252281	183439	CSEF LLC	CSEF LLC		264603926	CM40	Commercial
12	150603895	183439 P100017	CSEF LLC	1002139	0	Business	150603895	183439	CSEF LLC	CSEF LLC		264603926	CM40	Commercial
13	150293878	183439 P100017	CSEF LLC	1003176	0	Business	150293878	183439	FCP Diamonds LLC	FCP Diamonds LLC		464711951	CM30	Line of Credit
14	400279681810	183439 P100017	CSEF LLC	1001580	0	Business	4,00277E+11	183439	Frizzo Cars LLC	Frizzo Cars LLC		815310351	CM30	Line of Credit
15	13315561	184985 P100030	Farland Corporation Inc	1001119	0	Business	13315561	184985	Farland Corporation Inc	Farland Corporation Inc		1086118	IL 12	Used Indiv
16	150239872	184985 P100030	Farland Corporation Inc	1001701	0	Business	150239872	184985	Farland Corporation Inc	Farland Corporation Inc		460798640	CM05	Term Loan
17	150327916	184985 P100030	Farland Corporation Inc	1001701	0	Business	150327916	184985	Farland Corporation Inc	Farland Corporation Inc		460798640	CM30	Line of Credit
18	150327966	184985 P100030	Farland Corporation Inc	1001701	0	Business	150327966	184985	Farland Corporation Inc	Farland Corporation Inc		460798640	CM05	Term Loan
19	150558389	184985 P100030	Farland Corporation Inc	1001701	0	Business	150558389	184985	Farland Corporation Inc	Farland Corporation Inc		460798640	CM59	SBA PPP
20	50026581749	184985 P100030	Farland Corporation Inc	1001701	0	Business	5,00261E+11	184985	Farland Corporation Inc	Farland Corporation Inc		460798640	CM11	Equipment
21	50026583860	184985 P100030	Farland Corporation Inc	1001701	0	Business	5,00261E+11	184985	Farland Corporation Inc	Farland Corporation Inc		460798640	CM05	Term Loan
22	150511519	184985 P100030	Farland Corporation Inc	1009277	0	Business	150511519	184985	Farland Estates II, LLC	Farland Estates II, LLC		851491715	CM08	CML ARM