

CECL PREP WORKSHOPS

The proposed CECL accounting standards come into effect soon and require financial institutions (FIs) to review not only their current allowance processes, but also the operations that contribute to it.

FRG has put together a series of Workshops to assist FIs at all levels of CECL preparedness: CECL 101, Data Preparedness, and Methodology Overview. These Workshops will ensure you meet compliance deadlines while at the same time creating additional value for your organization, particularly in the areas of data management, loss methodologies and model validation and calibration.

CECL 101

This Workshop provides an introduction to CECL, including an overview of some of its key aspects. **Participants will come away with the ability to create a CECL Preparation Roadmap.** The Workshop includes:

- An overview of the CECL standard, including key dates and requirements
- A high-level comparison of the current incurred loss approaches to the proposed CECL methodology
- Key paragraphs from the CECL guidance that will assist you during design and implementation
- Identifying (and eliminating) gaps in your CECL Prep (people, processes and technology)
- How to build an effective CECL team that includes representatives from across the organization

An effective CECL strategy can improve data quality which in turn will benefit your C-Suite, Board, Credit Risk Managers, and Loans Officers.

Call 919.439.3819 or email us at info@frgrisk.com to register.

Data Preparedness

Much of preparing for CECL is knowing your data and its limitations. What external data is needed? What loss methodologies can be used? What information should be collected for the future?

This Workshop covers best practices for ensuring that complete, clean, consistent, and accurate data is provided for CECL methodology development and execution.

Participants will learn:

- Key data elements included in the CECL standard, as well as those suggested in other regulatory resources, and data FRG has found to be beneficial
- How to overcome common data roadblocks, including lack of history, low loss portfolios, and missing values
- A summary of common CECL methodologies and the data needed to implement them

Methodology Overview

There are many loss methodologies available, ranging from simple to complex, for quantifying the current expected credit loss of an account. **Participants will come away understanding the most common loss methodologies and which will best meet their FI's needs.** This Workshop includes:

- A discussion of considerations you should take when segmenting portfolios
- A review of nine of the most common methodologies, including the pros and cons of each:
 - Historical loss rate
 - Discounted cash flow (DCF)
 - Weighted-average remaining maturity (WARM)
 - Snapshot/Open Pool
 - Roll Rate
 - Aging Schedule
 - Vintage Analysis
 - Vintage Loss Model
 - Loss Component (i.e., PD, LGD, EAD)

Participants are provided Excel workbooks to illustrate examples and how changes in inputs could impact loss estimates.

Additional topics covered include:

- Use of adjustments
- The reasonable and supportable forecast period
- The reversion to historical loss process

FRG has a variety of materials to help with your CECL preparation. Download white papers and more at www.frgrisk.com/Resources

Pricing*

Session	Length	Cost
CECL 101	2 hours	\$1,500
Data Preparedness	4 hours	\$2,000
Methodology Review	4 hours	\$2,500

**Offering does not include accounting guidance or advice.*

Contact us for information about:

- Multi-registrant discounts
- Custom workshops conducted at your location