



OCC 1994-33

Subject: National Linesheets
Date: May 21, 1994

**To: Chief Executives Officers, Department and
Division Heads and all Examining Personnel**

Description: Linesheets and Guidance

Any attachments to this document are rescinded only as they relate to national banks and federal savings associations.

replaces EB 92-8 dated December 17, 1992.

Background

Since December 17, 1992, examiners have used revised asset quality linesheets, form CC-1600-AX, and real estate linesheets, forms CC-1604-OX and CC-1604-01. The Office of the Chief National Bank Examiner monitored their effectiveness by soliciting comments from field personnel. Simple revisions to the asset quality and real estate linesheets were made considering these comments.

Summary

This issuance provides the new asset quality linesheets and guidance on how to complete them. The only addition to the supplemental real estate worksheet was a section to record the balances at subsequent examinations.

Other linesheets still in effect are:

- Comment Sheet, form CC-1607-OX
- Fiscal/Interim Statement, form CC-1602-AX. This form is used only when bank-prepared financial spread sheets are not available.
- Personal, Farm, or Ranch Statement, form CC-1601-OX. This form is used only when bank-prepared financial spread sheets are not available.
- Real Estate Project Overview, form CC-1604-01.

Diskettes containing these forms will be distributed with the August, 1994 distribution.

Responsible Office

Office of the Chief National Bank Examiner, Comptroller of the Currency, Washington, DC 20219. Phone (202) 874-5170.

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Related Links

- [Asset Quality Review Sheet](#)
- [Asset Quality Review Sheet - Data Requirements/Definitions](#)
- [Supplemental Real Estate Worksheet](#)
- [Comment Sheet](#)
- [Personal, Farm, or Ranch Statement](#)

ASSET QUALITY REVIEW SHEET

CC-1600-AX (3/94)

Bor/Rel 1
 Location 3
 BIZ 5
 Gtr/JM/End 7
 Rel Bor/Debt 9

Bank 2
 Exam Date 4
 Examiner 6
 Reviewer 8
 Officer 10
 INSIDER? Y N 11 Reason Worked 12

BALANCE	AVAILABILITY	DATES(Orig&Mat)/ORIG AMT/TERMS/RENEWAL/PD/NA/ISF	PURPOSE
13	14	15	16
17		TOTALS	

SOURCE OF REPAYMENT - Primary

Secondary

18

Collateral	Lien Status	Appraisal: Source, Date	Value	LTV
19	20	21	22	23

SUMMARY OF CONCLUSIONS: (detail reasons for OCC rating)

24 Management Agree: Y or N

Classification of Loans	PASS	SPECIAL MENTION	SUBSTANDARD	DOUBTFUL	LOSS	Bank ALLL allocation:
Bank (_ / _ / _) 25	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 28 _____
OCC - O/S 26	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	OCC ALLL allocation:
OCC - CONT 27	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 29 _____

F/S, COLLATERAL EXC., ADM. WEAKNESSES	COMMENTS TO SUPPORT CLASSIFICATIONS:
30	31

FINANCIAL ANALYSIS:

33

CONTINUATION/COMMENT/QUESTIONS

34

FOLLOWUP

Exam Date Balance Availability Status (Classifications, updated info since last exam, etc.)

35

Asset Quality Review Sheet - Data Requirements/Definitions

COMPLETE ONLY THE MINIMUM AMOUNT OF INFORMATION ON THIS SHEET TO SUPPORT THE CONCLUSION. IT IS NOT INTENDED THAT ALL DATA ELEMENTS BE COMPLETED.

Data Elements by Block

1. Borrower/Relationship - Include the complete name of the borrower indicating the nature (corporation, partnership, sole proprietorship) of any entity. Use the same borrower's name as on the trial balance.
2. Bank - Name of bank. Charter number should be recorded on first linesheet.
3. Location - Location of the borrower - city/state.
4. Exam Date - Record the "as-of" date of the examination.
5. Line of Business - Specify the nature of business of the borrower.
6. Examiner - Name of examiner performing line review.
7. Guarantor/Co-Signer/Endorser - List applicable guarantors, co-signers, endorsers indicating any limit of support (i.e., End: John Q. Brown - Unlimited
Gty: Dan Q. Richards - \$250M)
8. Reviewer - Name of OCC reviewing examiner, if any.
9. Related Borrower/Debt - Indicate the name of related borrowers or any related entity. If inadequate space is available, continue in Continuation/Comments/Questions section on page 2. Record the total dollar amount of all debt to this borrower and related borrowers.
10. Officer - Indicate the bank officer assigned the credit.
11. Insider: Y N Indicate if this relationship is to a bank insider.
12. Reason worked: Indicate why the loan is being reviewed (Examples include: sample, past due, insider.)
13. Balance - Indicate amount outstanding.
14. Availability - Complete only when borrowing is under a commitment (i.e., working capital line, real estate commitment, etc.) Enter total amount committed as of the review date.
15. Outline, in brief, the origination and maturity dates, original amount, basic terms of each credit, current status and extent of any participations sold. Each credit should be numbered to tie it to other sections of the review sheet. The status includes past due (PD), nonaccrual (NA), or in-substance foreclosure (ISF).

Example:

OA \$90M, < 1-3-94 > , Due < 3-31-96 > , R: \$10,000/quarterly + interest, Loan Current

Asset Quality Review Sheet - Data Requirements/Definitions continued

16. Purpose - Identify purpose of loan (e.g., purchase equipment).
17. Totals - Aggregate dollar amount of outstanding loans and available commitments.
18. Source of Repayment (Primary and Secondary) - Indicate how loans are to be repaid (cash flow, current earnings, liquidation of collateral, inventory).
19. Collateral - Identity type of collateral, if any e.g., real estate (RE), stocks, accounts receivable (AR), inventory (inv), furniture and fixtures (F&F), machinery and equipment (M/E), etc.
20. Lien Status - Record status of lien.
21. Appraisal - Identify date of appraisal and source.
22. Value - Indicate collateral value. Indicate the aggregate value for each collateral item. If multiple valuations are provided (liquidation, bank valuation, appraised value) indicate each, showing the type.
23. LTV - Indicate the loan to value ratio, that is the amount of the credit outstanding as a percent of the applicable collateral value. Complete this block using the total amount of the relationship when collateral is crosspledged to the various notes.
24. Management Agree: Y or N - Indicate whether or not bank management agreed with OCC rating.
25. Ratings: Bank - Indicate the bank's rating date and rating of the credit (i.e., pass, special mention, substandard, and doubtful).
26. Ratings: OCC O/S - Indicate OCC rating of the credit using pass, special mention, substandard, doubtful, and loss.
27. Ratings: OCC - CONT - Indicate OCC rating of outstanding contingencies using pass, special mention, substandard, doubtful, and loss.
28. Bank ALLL Allocation - Indicate the aggregate dollar amount of the allowance for loan and lease losses (ALLL) the bank has allocated to cover this relationship.
29. OCC ALLL Allocation - Indicate any dollar amount of the allowance for loan and lease loss the OCC finds necessary to cover this relationship. If more space is needed, use the Continuation/Comments/Questions space on page 2.
30. F/S, Collateral Exceptions, Adm. Weaknesses - Describe any financial statement, or collateral exceptions, or loan administration weaknesses.
31. Comments to Support Classifications - Provide support for OCC decisions on the credit and relationship. If the credit/relationship is rated pass, briefly support the basis for that rating.

Asset Quality Review Sheet - Data Requirements/Definitions continued

32. Borrower/Relationship - Enter the same information as in block 1, but names may be shortened.
33. Financial Analysis - Describe the results of the financial analysis of the borrower/relationship and any guarantor. This should include **analysis** of the financials, and should not repeat the financial statement sheets.
34. Continuation/Comments/Questions - Space is provided to include any additional comments, questions for loan discussion, documentation of the allowance, other documentation.
35. Followup - This space is provided for updating the loan at a subsequent examination.

SUPPLEMENTAL REAL ESTATE WORKSHEET

Borrower _____

Project Name _____ Location _____

Project Description _____

Appraiser _____ Date _____ Value _____

Reviewer _____ Date _____ Value _____

Bank Assigned Value _____ OCC Adjusted Value _____
(if appropriate under EC-234)

Prior Liens _____

Payment History:

EXAM DATE	AMOUNT	COMMENTS

Analysis of Appraisal Assumptions/Adjustments:

OCC Adjustments to Valuation:

Violations of Law:
(refer to Handbook, detail specific reason(s))

Supplemental Real Estate Worksheet - page 2

Borrower/Project: _____

Original Underwriting:

(original loan terms, financial ratios used, feasibility study, reliance on guarantors, etc.)

Current Status of Project:

(leasing, sales, operating results, concessions, actual vs. projections, problems, etc.)

Current market Conditions:

(vacancy rates, rent concessions, space under construction, etc.)

Other Comments:

Borrower/Project: _____

Project Overview

Completion Status (%)	Date Completed or Projected	Overruns (\$ (%)	Funding Status (%)

Construction Overruns/Delays:
(if applicable)

Date:	Original Underwriting / /	Latest Valuation / /	Current Status ¹ / /
Loan to Value			
Loan to Cost			
Stabilized Occupancy			
Stabilized Rent (psf)			
Stabilized Expenses (psf)			
Stabilized NOI			
Stabilization year			
Discount Rate			
Capitalization Rate			
Debt Service Coverage			
Interest Reserve (mos)			

¹ Use "actual" figures instead of "stabilized" figures. For example, input the current rental rates instead of stabilized rental rates

COMMENT SHEET

CC-1607-OX

[illegible]

Personal, Farm or Ranch Statement

Name _____ Business or Occupation _____

	A Q U	A Q U	A Q U		A Q U	A Q U	A Q U
Date				Date			
Cash				N/P Banks			
Stocks and Bonds							
Accounts Receivable				N/P Others			
Notes Receivable				A/P			
Livestock							
				Taxes			
				Current Mats.			
Current Assets				Current Liabilities			
Machinery and Equipment				R.E.M.			
Real Estate							
Investment (Ownbiz)				Total Debt (TD)			
				Net Worth			
Total				Total			
Depreciation				Income			
				Age			
				Number of Dependents			
				Acres Leased			

Fiscal/Interim Statement

Form CC-1602-AX Rev. 9/92

Name _____ **Business or Occupation** _____

	A Q U	A Q U	A Q U		A Q U	A Q U	A Q U
Date				Date			
				N/P Banks			
Cash				N/P Others			
Net A/R				A/P			
Marketable Securities				Taxes			
Quick Assets				Accruals			
Inventory				Current Mats.			
Current Assets				Current Liabilities			
				Deferred Taxes			
Net Fixed Assets				R.E.M.			
				Term			
				Subordinated Debt			
				Total Debt (TD)			
				(Treasury Stock)			
				Capital & Surplus			
				Retained Earnings			
				Net Worth (NW)			
Total				Total			
SIC #	RMA	RMA	RMA				
Current Ratio				Intangibles			
Days AR				Reserve for Bad Debts			
Days Inventory				Reserve for Depreciation			
Days AP				TD/NW			

Name _____

Dates				Operating Results/Source and Application of Funds			
Real Estate and Equipment							
Description	Stmt. Value	Stmt. Value	Stmt. Value	Months			
				Dates			
				Sales			
				Cost of Sales			
				Gross Profit			
				Interest Expense			
				Officer's Salary			
				Net from Operations			
Other Assets or Liabilities	Stmt. Value	Stmt. Value	Stmt. Value	Net Before Taxes			
				Taxes			
				Net Profit			
				Depn. & Amort (+)			
				Cash Flow (=)			
				CF X C/M Term			
Trade Cycle Analysis	Days Sales	Days Sales	Days Sales	Inves. in Fixed Assets (-)			
				Sale of Fixed Assets (+)			
				Deferred Taxes (+)			
Accounts Payable				Dividends (-)			
Working Capital				Sale of Stock (+)			
				Purch. Treas. Stock (-)			
Subtotal				Other (+)			
Accounts Receivable				Other (-)			
Inventory				Net Internal Funds			
				Net Term Borrowings			
Trade Cycle				Net Funds			
Net Days							
\$ Sales per Day				Working Capital			
				(CF + Int.)/Int.			
\$ SPD X Net Days				EBIT/Interest			