

Application

LENDER'S LIABILITY QUESTIONNAIRE

FL- 034 LEND LIAB Q



1. LOAN PORTFOLIO AS OF _____ AMOUNTS \$ _____ .
PLEASE PROVIDE TWO YEARS BREAKDOWN OF LOAN PORTFOLIO BY CATEGORY:

	YTD	%TL	YTD	%TL
CONSUMER LOANS				
AUTO LOANS / LEASES				
EQUIPMENT LOAN / LEASES				
SMALL COMMERCIAL				
BRANCHES COMMERCIAL				
COMMERCIAL LOANS				
CONSTRUCTION LOANS				
NON ACCRUAL LOANS				
RESTRUCTURED LOANS				
LOANS PAST DUE OVER 30 DAYS				

2. WHAT IS THE BANK'S CREDIT QUALITY POLICY? _____

3. PLEASE PROVIDE DETAILS OF THE CREDIT APPROVAL PROCESS FOR THE DIFFERENT TYPES OF LOANS (INCLUDE COPIES OF THE CREDIT POLICY FOR THE REFERRED SECTIONS), CREDIT COMMITTEE STRUCTURE, LIMITS AND FREQUENCY OF MEETINGS.

4. PLEASE PROVIDE A COPY OF THE APPROVED LENDING LIMITS BY OFFICERS / COMMITTEE CURRENTLY IN PLACE.

5. PLEASE PROVIDE INFORMATION ON THE POLICIES AND PROCEDURE FOR HANDLING NON-PERFORMING LOANS, LOANS RESERVES, RECOVERIES, CHARGE-OFFS, OTHER REPOSSESSED ASSETS AND LOAN COLLATERAL MANAGEMENT.

6. HOW IS THE RISK ASSESSED BY TYPE OF LOAN? (RISK RATING ANALYSIS / CREDIT SCORING) _____

7. ARE THE LOANS RESERVES DETERMINED BY THE LEVEL OF RISK? _____

8. DO YOU HAVE A LOAN / CREDIT REVIEW FUNCTION? WHAT PERCENTAGE OF THE PORTFOLIO IS RECEIVED PER YEAR? HOW ARE FINDINGS HANDLED?

9. IS THERE A SPECIFIC LOAN REVIEW PROCESS FOR LOANS GRANTED AT THE BRANCHES LEVEL?

HOW DO YOU MONITOR THE QUALITY OF THESE LOANS? _____

10. DO YOU USE A CREDIT SCORING SYSTEM? FOR WHICH LOAN SEGMENTS? _____

11. DO YOU HAVE ANY LOAN PARTICIPATIONS? PLEASE INDICATE IF YOU ARE THE LEAD BANK IN ANY OF THE LOANS AND PROVIDE PERCENTAGE OF PARTICIPATION IN EACH LOAN AND RISK RATING. _____

12. PLEASE PROVIDE AN INDUSTRY CONCENTRATION COMPOSITION OF YOUR COMMERCIAL LOAN PORTFOLIO. IF ANY SEGMENT IS 20% OR MORE OF TOTAL COMMERCIAL LOANS PLEASE EXPLAIN. _____

13. PLEASE PROVIDE A LIST OF LOANS OR GROUPS OF LOANS OF RELATED PARTIES OF \$1,000,000 OR OVER (BASED IN THE TOTAL ONE OBLIGOR CONCEPT). _____

14. DO YOU HAVE LOANS TO ENTITIES OPERATING OUTSIDE OF PUERTO RICO? (If you answer yes please provide details)

15. DO YOU UTILIZE CREDIT RISK TRANSFER STRATEGIES? If yes, please provide details.

16. WAS YOUR LOAN PORTFOLIO REVIEWED BY STATE / FEDERAL AUDITORS REVIEWERS OR REGULATORS? PLEASE STATE THE DATE OF THE LAST REVIEW. STATE IF YOUR BANK HAS UNDERGONE OF IS UNDERGOING ANY ENFORCEMENT ACTION BY ANY STATE / FEDERAL REGULATOR. If necessary provide details. _____

NOTICE: ANY PERSON WHO KNOWINGLY AND WITH THE INTENT TO FRAUD PROVIDES FALSE INFORMATION IN AN INSURANCE APPLICATION, OR PRESENTS, ASSISTS, OR MAKES A FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS OR OTHER BENEFIT, OR PRESENTS MORE THAN ONE CLAIM FOR THE SAME INCIDENT OF DAMAGE OR LOSS, WILL COMMIT A FELONY AND IF CONVICTED WILL BE SENTENCED FOR EACH VIOLATION WITH A FINE OF NO LESS THAN FIVE THOUSAND (\$5,000) DOLLARS AND NOT EXCEEDING TEN THOUSAND (\$10,000) DOLLARS, OR BE SENTENCED TO IMPRISONMENT FOR A THREE (3) YEAR TERM, OR BOTH PENALTIES. IN THE EVENT OF AGGRAVATING CIRCUMSTANCES, THE TERM COULD BE INCREASED TO A MAXIMUM OF FIVE (5) YEARS; IN THE EVENT OF INTERVENING EXTENUATING CIRCUMSTANCES IT COULD BE REDUCED UP TO A MINIMUM OF TWO (2) YEARS.

SIGNING THIS PROPOSAL FORM DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE.

DATED THIS _____ DAY OF _____

FOR AND ON BEHALF OF _____
(insert name of firm)

SIGNED _____ TITLE OF OFFICER _____

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