

RELEASE NOTES

SHARED NATIONAL CREDIT PROGRAM

REPORTING INSTRUCTIONS

September 2022

SNC Business Office

SUMMARY OF UPDATES

9/20/2022

Lowest Rated Pass (LRP)

The internal rating bucket(s) one or more notches above the Special Mention equivalent. Consider at least one notch above the Special Mention equivalent for risk rating systems with less than 10 internal Pass buckets. Consider at least two notches above the Special Mention equivalent for risk rating systems with 10 or more internal Pass buckets.

Basic Reporter vs Expanded Reporter

The majority of institutions are considered Basic Reporters. All institutions should follow these Basic Reporter instructions unless they have an agreement with their primary federal regulator to provide additional information on credits they not only agent but also participate in. Those particular institutions should follow the Expanded Reporter instructions.

Cumulative Charge Offs

The instructions as they read now state the following:

2. Loan charge-offs between SNC reviews

The Utilized Exposure Global should be reported net of all SNC review mandated charge-offs. Subsequent charge-offs recognized by the reporting bank between SNC reviews should not be netted from the utilized exposures. Subsequent charge-offs recognized by the reporting bank should be reflected in the internal credit risk ratings submitted by the bank.

For example:

Legal commitment and utilized exposure - \$1,000,000,000

Previous SNC mandated charge-offs - \$200,000,000

Subsequent reporting bank charge-offs (global amount) – 200,000,000

Reportable Utilized Exposure Global \$ 800,000,000

(\$1billion minus \$200 million mandated charge-offs)

Credit Exposure Internal Risk Rating and Regulatory Credit Risk Rating would be 75% substandard and 25% loss (\$600 million and \$200 million)

Note that the Cumulative Charge-offs is the share of charge-offs, SNC mandated and non-mandated, recognized by the reporting bank over the life of the credit.

Cumulative Charge-offs assuming a 10% hold by the reporting bank (mandated \$200 million charge-off plus the subsequent \$200 million charge-off times 10%) - \$40,000,000

9/10/2021

New Credit Type:

Value: 21

Code: RC-RBL

Name: REVOLVING CREDIT – RESERVE BASED

8/26/2020

Updated contact information

6/16/2020

Added following clarification for the **Rated Flag** field and the associated **Ratings Matrix**:

56. Rated Flag: Does the reporting entity rate this credit internally (Y or N). Report Y if the Reporting Institution has either an internal credit rating or internal obligor rating. Report N if the Reporting Institution does not internally rate the credit or the obligor. If the Reporting Institution does not rate the credit or obligor internally but applies a rating from another source, such as a public rating agency or exam results, please report N.

The chart below provides a diagram of the rating options:

Credit Exposure Internal Risk Rating	Obligor Internal Risk Rating	Concordance Rating	Rated Flag
Internal Rating Exists	Internal Rating Exists	Use Credit Exposure Internal Risk Rating	Y
Internal Rating Exists	No Internal Rating Exists	Use Credit Exposure Internal Risk Rating	Y
No Internal Rating Exists (HFS, TA, SA, NH or NR)	Internal Rating Exists	Use Obligor Internal Risk Rating	Y
No Internal Rating Exists	No Internal Rating Exists	Input 100 percent Lowest Rated Pass	N

Applied to Basic / Expanded Reporter Instructions

5/19/2020

Added following clarification for the **Obligor Name** field:

14. Name: Full legal name of the obligor. An exception to this is for mutual fund obligors where the structure permits access to the facility by individual mutual funds under a mutual fund company umbrella. In this case, report the name as a family of funds (for example, ABC Investments Family of Funds).

- *Applied to Basic / Expanded Reporter Instructions*