



A software solution designed by accountants, for accountants, to identify and manage large volumes of loan modifications and account for Troubled Debt Restructurings (TDR) in accordance with ASC 310-40 guidance.

Business closures over the past several months caused cracks in borrowers' ability to pay their loans. The CARES Act¹ helped to patch some of the cracks with stimulus and accounting relief from TDR to temporary forestall business disruptions and reduce the impact on banks, credit unions, businesses, and the economy. Future loan modifications and concessions are not covered by the CARES Act and could potentially cause the cracks to turn into a crevasse when stimulus funding runs out and accounting relief expires.

Can your financial and regulatory compliance systems outrun the avalanche of loan modifications and TDRs?

Are your systems capable of accurately identifying TDRs, managing the monthly close process, and reporting once the CARES act relief expires?

Today, financial institutions' portfolios are heavily scrutinized by regulators and auditors to obtain an accurate picture of their accounting. Determining whether a loan renewal, extension, workout, or other modification constitutes a TDR is challenging, especially during times of economic stress. Impairment calculation methodology depends on the specific circumstances of each TDR loan, and regularly calculating impairment correctly within aggressive close timelines can be complicated.

Deloitte built Solvas | TDR to comply with the guidance issued by FASB ASC310-40. The software allows financial lending agencies to rehabilitate troubled loans by granting concessions while helping capture management judgments and decisions and perform TDR assessment, measure impairment, and generate reports to meet financial reporting, accounting, audit, and regulatory needs.

About Solvas | TDR

Solvast | TDR is a Deloitte-developed software solution that assists companies with the accounting process for loans under the TDR accounting standard (FASB ASC 310-40). The software is designed to help users efficiently track loans, identify modifications, assess modifications against user-definable TDR policy criteria, calculate allowances, and generate related reporting, such as TDR footnote disclosure details.

Benefits

Solvast | TDR can help reduce the workload required to identify, track, and report on TDRs, while also improving related controls, accuracy, transparency, and auditability.

Value

Solvast | TDR is a centralized, outcome-based solution to help organizations decrease time, complexity, risk, and costs (or at a minimum make them more predictable and controllable) associated with the TDR loan accounting.

¹Coronavirus Aid, Relief, and Economic Security Act signed into law on March 27, 2020

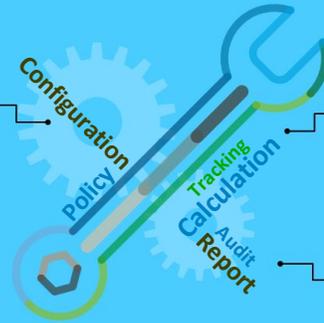
The Deloitte difference

Designed by accountants, for accountants, Solvas|TDR is backed by Deloitte's accounting experience. We designed the software based on the hands-on experience we've gained helping organizations across the country meet their compliance demands outlined in regulations and standards. Built-in, automated controls and audit support functionality will help to ease end-to-end compliance with ASC 310-40 standard.

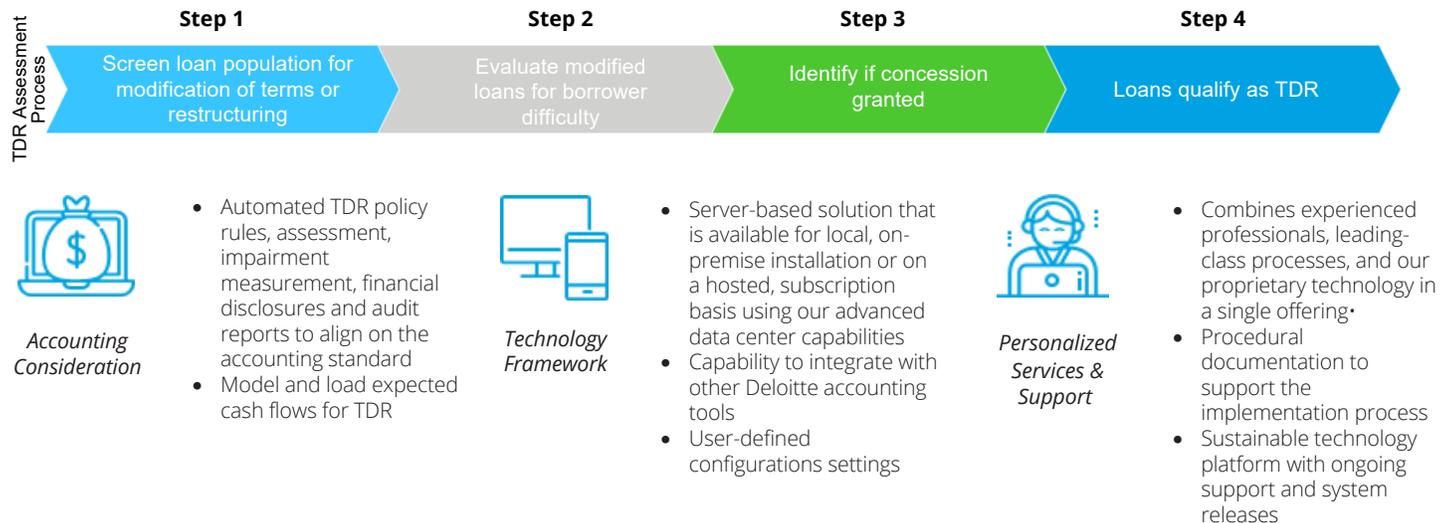
Solvas|TDR offers a single vendor TDR loan accounting managed service solution that addresses multiple loan types (Credit Card, Mortgage, Home Equity, Consumer, Student) at scale with flexible delivery options (both hosted and on premises) will manage data to comply with ASC 310-40 and FAS 114 accounting standards.

Functionalities include

- Configurable TDR policy elections
- Meaningful dashboards to display specific metrics about the TDR portfolio
- Rule-based TDR assessments



- TDR impairment measurement calculations and cash flows
- TDR tracking for the remaining term of the loan
- Broad library of reports to help satisfy financial, audit, and regulatory reporting needs
- Drill-down capability to illustrate details that support TDR assessment results



Is your organization ready?

For more information about this product, or to arrange for a demonstration, please visit www.deloitte.com/us/solvastdr. To arrange for a demonstration, please contact:

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