Deloitte.

Solvas|TDR™

What is Solvas|TDR?

Solvas|TDR is a Deloitte-developed software solution that assists companies with the accounting process for loans under the troubled debt restructuring (TDR) accounting guidance (FASB ASC 310-40). The software is designed to help users efficiently track loans, identify modifications, assess modifications against user-definable TDR criteria, calculate allowances, and generate related reporting, such as TDR footnote disclosure details.
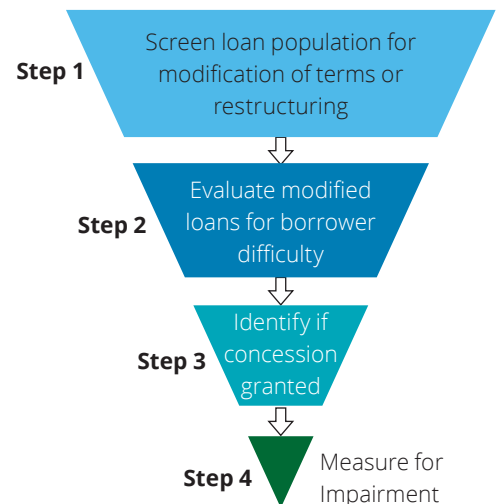
What are the benefits of using Solvas|TDR?

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

Functional highlights of Solvas|TDR

- 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

How does Solvas|TDR work?

Deloitte has developed an easy four-step workflow process and supportable methodology to help financial institutions systematically manage their TDR accounting activities.

Step 1 — Screen loan population for modification of terms or restructuring

Step 2 — Evaluate modified loans for borrower difficulty

Step 3 — Identify if concession granted

Step 4 — Measure for Impairment

What insight does Solvas|TDR provide?

Dashboards that display important information about your TDR portfolio:

Dashboard

TDR Balance Sheet

Period	Count	Bank Book Balance	Recorded Investment	Valuation Amount	Impairment
Initial	0				
Jan-2013	3	640,000.00	662,000.00	870.00	661,130.00
Feb-2013	23	2,482,309.84	2,523,309.84	428,521.87	2,094,787.97

TDR Impairment Roll Forward

Product Category	Beginning TDR Allowance	Valuation Amount	Recorded Investment	Ending TDR Allowance	Current Impairment
Consumer	0.00	188,291.98	772,304.56	584,012.58	584,012.58
Credit Card	661,130.00	580.00	604,000.00	603,420.00	-57,710.00
Real Estate	0.00	239,649.88	1,147,005.28	907,355.40	907,355.40
Total:	**661,130.00**	**428,521.87**	**2,523,309.84**	**2,094,787.97**	**1,433,657.97**

TDR Activity

Section	Category	Loan Count	Bank Book Balance	Impairment
Beginning of Period		**3**	**640,000.00**	**661,130.00**
TDR Activity				
	Incremental Impairment	0	0.00	-3,000.00
Net TDR Activity		**0**	**0.00**	**-3,000.00**
Entry Events				
	New TDRs	20	1,892,309.84	1,491,367.97
	Transfer In	0		
	OTHER	0		
Net Entry Activity		**20**	**1,892,309.84**	**1,491,367.97**
Exit Events				
	Charge-offs	1	50,000.00	54,710.00
	Foreclosures	0		
	Loan Sales	0		
	Payoffs	0		
	OTHER	0		
Net Exit Activity		**1**	**50,000.00**	**54,710.00**
End of Period		**23**	**2,482,309.84**	**2,094,787.97**

TDR Assessment

Section	Loan Count	Bank Book Balance
Modified Loan Population	**22**	**2,042,309.84**
Modification of Terms	20	1,892,309.84
Other Loan Restructurings	2	150,000.00
Borrower Difficulty (Yes)	**18**	**1,764,844.61**
Modification Reason Code	18	1,764,844.61
Evaluated Borrower Difficulty Criteria	0	
Concession Granted (Yes)	**18**	**1,764,844.61**
Modification Reason Code	18	1,764,844.61
Concession Test Criteria	0	
Concession Type		
Accrued Interest Forgiveness	0	
Court Imposed TDR	0	
Exclude from TDR Testing	0	
Force TDR Testing	0	
Inadequate Compensation from Change in Collateral and/or Guarantor	0	
Interest Rate Reduction	18	1,764,844.61
Partial Satisfaction from Receipt of Assets	0	
Principal Forgiveness	0	
Significant Payment Delay	18	1,764,844.61
Term Extension and Interest Rate Below Market Rate	18	1,764,844.61

Details to support TDR assessment results:

- Assessment Summary
- Modification of Terms
- Restructuring Tests
- Borrower Difficulty
- Concession Tests
- Assessment Override
- Documentation
- Loan Properties

Modification Of Terms

Property Name	Test Result	Initial Test Value	Current Period Test Value
Amortization End Date	✓		12/31/2043
Interest Rate	✓	0.159	0.02
Maturity Date	✓	11/19/2013	06/01/2018
Payment Amount	✓		1432.25
Credit Line Status	⊖		
Interest Rate Reset Schedule	⊖		
Interest Rate Type	⊖	Fixed	Fixed
Interest-Only End Date	⊖		
Legal Status	⊖	N	N
Loan Amortization Type	⊖	AMORT	AMORT
Payment Frequency	⊖	D008	D008
Settlement Type	⊖	ADC_FULL	ADC_FULL

How is Solvas|TDR delivered?

Solvas|TDR is a server-based solution that is available for local, on-premise installation or on a hosted, subscription basis using our advanced data center capabilities.

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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