



WEBINAR SERIES

How to use the Trigger Management Module for loan covenants

Meet the team.



Anthony Villa
Moderator
*Director of
Marketing & Sales*



Nick McCracken
Lead Developer

Today you will learn:

- **What is the Trigger Management Module?**
- **What are the benefits of using it?**
- **Available features**

Our agenda.

- ✓ Overview of the Trigger Management Module
- ✓ Process & Triggers
- ✓ Trigger Queue Widgets
- ✓ Trigger Abstract/Escalation
- ✓ “Should I be using Trigger Management?”

Overview

- The **Trigger Management Module** is a powerful and effective feature to help Servicers automate loan covenant management
- Reduce your organization's exposure to risk in order to remain in compliance
- Improve efficiencies and reduce time spent managing covenants

Using Process for Triggers

- Using Process and Rules most Triggers can be easily tracked
 - Read Loan Docs for Covenants (Store a copy in Notes)
 - Use Rules to add Trigger events (e.g Lease Expiring, Pending Maturity)
 - Create Process to monitor Trigger event and remediate if necessary
 - 1) Review Rent Roll
 - 2) Resolve Tenant Expiration Differences
 - 3) Escalate non-renewal
 - ...
- So why use Trigger Management?

Trigger Management



























- Regimented workflow/queues for each level of review
 - Manager Queue (Population)
 - Analyst Queue (Review)
 - Monitoring Queue
 - Escalation Queue
- Abstract provides enhanced functionality
 - Store complete Trigger verbiage from Loan Docs
 - Create Trigger Events by Category
 - Interim/Finalized
- Escalation
 - Event Escalation Worksheet
 - Approvals & Audit

Trigger Management (cont.)

- 3 Process/Task Queues
 - Trigger Manager
 - Trigger Analyst
 - Trigger Monitoring
- Trigger Abstract & Escalation widgets
- Hardcoded Job Functions for each Queue
- 48+ Events with defined Process Templates













Trigger Manager Widget

- New Loan Added Rule –or- Manual Start
 - Process – “Portal Trigger Abstract”
 - Assigned to TIG Manager 1
 - Can complete the Abstract, or reassign to Analyst

TIG Manager Detail  							
 Create New  Start  Complete  Waived  Update Product ID  Update ID Group  Inactive  Reassign To							
Status	Notes	Process Name	Active Task(s)	Start	Due	Related To	
  		PORTAL TRIGGER ABSTRACT	PREPARE ABSTRACT	02/09/2017	04/10/2017	 LOAN 15	
  		PORTAL TRIGGER ABSTRACT	PREPARE ABSTRACT	02/03/2016	04/03/2016	 LOAN 109534	
  		PORTAL TRIGGER ABSTRACT	PREPARE ABSTRACT	02/03/2016	04/03/2016	 LOAN 109546	
  		PORTAL TRIGGER ABSTRACT	PREPARE ABSTRACT	02/03/2016	04/03/2016	 LOAN 109581	

Trigger Analyst Widget

- If reassigned by TIG Manager
 - TIG Analyst group can complete Abstract






















TIG Analyst Detail												
Status		Notes	Process Name	Active Task(s)	Start	Due						
			PORTAL TRIGGER ABSTRACT	PREPARE ABSTRACT	02/09/2017	04/10/2017						
			PORTAL TRIGGER ABSTRACT	PREPARE ABSTRACT	02/03/2016	04/03/2016						
			PORTAL TRIGGER ABSTRACT	PREPARE ABSTRACT	02/03/2016	04/03/2016						
			PORTAL TRIGGER ABSTRACT	PREPARE ABSTRACT	02/03/2016	04/03/2016						

Abstract

- User defined Trigger Events can be added with Processes
- Events are Categorized
 - Borrower/Property Performance, Tenant Related, Property Improvements or Reserve Requirements
- Frequency
 - Manual Start or regular Frequency
- Cash Management Waterfall
- Document Checklist

Trigger Monitoring

- Once Abstract is Finalized, Monitoring Process is started
 - Assigned by TMG WorkFlow TL1 – or – by Loan Set
- Started by one of 3 ways
 - Rules – data condition starts Process
 - Date Driven – Frequency from the Trigger Event screen
 - Manual Start

Trigger Monitoring Detail   							
 Create New  Start  Complete  Waived  Inactive  Reassign Job Function  Reassign Role  Notes							
Status	Notes	Process Name	Task Description	Start	Due	Related To	
 	 	TENANT DOES NOT RENEW (DATE)	DETERMINE NOTICE RENEWAL DATE	10/20/2015	11/19/2015	 LOAN 109534	
 	 	TENANT DOES NOT RENEW (DATE)	UPDATE NOTES WITH FINDINGS & ROLL TRIGGER TO NEXT REVIEW DATE	11/20/2015	12/19/2015	 LOAN 109534	

Example of Events & Processes

Event	Rule Name	Rule Action	Process Template	Date Driven/Manual Start
Borrower/Guarantor Files Bankruptcy			Borrower/Guarantor Files Bankruptcy	Date Driven
Credit Rating Below Target (BWR/GTR)			Credit Rating Below Target (BWR/GTR)	Date Driven
Debt Yield Falls Below Threshold	DEBT YIELD Falls Below Target	Start a Process	Debt Yield Falls Below Threshold	
Decline in Credit Rating of Swap Counterparty			Decline in Credit Rating of Swap Counterparty	Date Driven
DSCR Falls Below Threshold	DSCR Falls Below Target	Start a Process	DSCR Falls Below Threshold	
Event of Default (BWR Reps)			Event of Default (BWR Reps)	Manual Start
Event of Default (Generic)			Event of Default (Generic)	Manual Start
Loan not Paid Off at Maturity/ARD	Loan not Paid Off at Maturity/ARD Date	Start a Process	Generic Catch-all	
Loan Requirement Not Met			Loan not Paid Off at Maturity/ ARD	Date Driven
LTV Falls Below Threshold			Loan Requirement Not Met	Date Driven
Management Agreement Default			LTV Falls Below Threshold	Manual Start
Manager Files Bankruptcy			Management Agreement Default	Date Driven
Net Worth & Liquidity Below Threshold			Manager Files Bankruptcy	Date Driven
NOI Falls Below Threshold			Net Worth & Liquidity Below Threshold	Date Driven
Occupancy Rate Below Threshold	Occupancy Rate Below Target	Start a Process	NOI Falls Below Threshold	
Poor Inspection Rating	Poor Inspection Rating	Start a Process	Occupancy Rate Below Threshold	
Post Closing Obligation Not Met			Poor Inspection Rating	Date Driven

Escalating a Trigger Event

- Add Tasks to existing Monitoring Process (as needed)
 - PREPARE AN ACTION FORM
 - SUBMIT ACTION FORM AFTER APPROVAL
 - PREPARE ESCALATION
- Escalation Widget
 - Monitoring Analyst completes Escalation Worksheet
 - Asset Manager approves and Finalizes
 - Summary is provided

Reports

- Trigger Level Reports
 - Aging
 - Assignment
 - Escalation
 - End of Month
 - Production
- Both Abstract and Escalation widgets can be exported to Excel

Rule Events

- These Event Types are tied to Rules & Will start Automatically
 - Debt Yield Falls Below Threshold
 - DSCR Falls Below Threshold
 - Loan Not Paid Off At Maturity/ARD
 - Occupancy Rate Below Threshold
 - Poor Inspection Rating
 - Tenant Terminates Lease/Receives Payment
- Threshold Values defined on Trigger Actions screen

“Should I be using the Trigger Management Module?”

- ☐ I have loan covenants – simple or complex
- ☐ I have standard or a variation of loan covenants
- ☐ I have a low or high volume of loan covenants
- ☐ I need to improve management of compliance with ratings agencies and auditors

Next Steps

- This presentation and a recording will be available at www.mccrackenfs.com in the SUPPORT CENTER under WEBINAR PRESENTATIONS
- If you are interested in implementing or learning more about the **Trigger Management Module** please reach out to the McCracken Support Center at:

SupportCenter@McCrackenFS.com



Thank you for attending our webinar. Don't forget to:



**Share the webinar
recording with
your colleagues.**



**Attend our
monthly webinars.**



**Contact McCracken if
you'd like to learn more.**

