* Quick background on our current practices in looking at the risk in our portfolio.
* We run monthly concentrations that look at different potential risk factors, they include things like the type of loan such as
	+ Acquisition, Bridge or gap loans, construction/ rehab and pre-development
	+ We also look at lien position, what type of takeout, such as LIHTC or do we not have a take out identified, does a loan have a policy exception, is the loan unsecured, is it a land loan is it a single asset entity with no guarantee.
	+ We keep percentages on all of these different factors and make sure that we are not too overly concentrated in one area.
* OK now on to our current analysis
* Dividing the portfolio first by operating loans vs non-operating loans
	+ - Operating- we classified each of the loans into one of three buckets- Immediate follow up (high risk), follow up ASAP (medium risk), follow up as needed, (low risk)
			* Factors we are considering to classify loans (these are in no particular order and we are still working out the priority level for each of them- changes as we get more info)
				+ What is the maturity date- what is the expected pay off date?
				+ What type of property, family, special needs, senior, etc. (where is the tenant income coming from?)- Mobile Home Parks….
				+ Location- what are the specific state rules that may increase the possibility of tenants not being able to pay?
				+ What’s the LTV?
				+ What type of collateral do you have and what is the position for your collateral?
				+ Do you have the loan pledged as security to a lender?
				+ What type of rent restrictions do you have at the property?
				+ If you have a HAP contract what is the portion of HAP revenue?
				+ Do you have a sec 8 overhang?
				+ What are market rents compared to affordable rents?
				+ What is the current DCR, what does the DCR look like when you hit the revenue with a 10-20-50% economic vacancy- at what percentage does the DCR drop below 1.0? What expenses are going to increase?
				+ What reserves does the property have, replacement reserves, operating, escrow- can you consider using these for ongoing payments?
				+ Is there commercial income that supports the debt service?
		- Non- operating
			* Some of the same factors and
				+ Is there an interest reserve- how long will it last?
				+ What is the strength of the sponsor, cash flow, REO global DCR (stress testing the REO)?
				+ What are the sponsors contingent liabilities?
				+ Secured- unsecured- LTV?
				+ Location/rural/coastal cities/how hard hit
				+ Where in the development cycle- active construction- location- construction halted?
				+ What are the take out sources, are they still viable?
				+ What approvals from city, state, counties, HFA’s are needed- are they putting tech in place to handle these approvals?
				+ Are their inspections that won’t be able to take place- fire, electrical, HVAC, etc.?
				+ What gaps will be created from delays in construction, additional interest, construction cost increases (supplies, materials, Labor)?
				+ New construction/rehab- in place rehab potential delays?
				+ How will potential changes in property value effect the development plan?