

Loan Portfolio Diversification Questionnaire

	Yes	No		Yes	No	
General Questionnaire			<ul style="list-style-type: none"> • What efforts have been taken to reduce risky concentrations and/or minimize the risk they present? _____ 			
1. Has the institution established written goals and objectives for diversifying the loan portfolio?				6. What areas of the loan portfolio mix does the institution anticipate changing in the next 12 to 24 months? State in dollar and percentages. _____		
2. Has a strategy for diversifying loans been written?						
3. What management reports are used to monitor various concentrations of credit? List reports. _____ _____ _____				7. Does management anticipate introducing a new loan product within the next 12 to 24 months?		
4. Are these same reports given to the board of directors?						
5. If the institution does not have a written policy on loan portfolio diversification, ask management to elaborate upon the following: <ul style="list-style-type: none"> • The percentage of loans to assets that the institution strives to maintain. • The composition of the loan portfolio. • The geographic areas in which loans are originated or purchased. • The various concentrations that have been identified. • Do these concentrations expose the institution to more than acceptable risk? (with explanation) _____ _____				8. Does management anticipate originating or purchasing loans from any new geographic locations?		
				9. What means does the institution use to monitor the economic conditions of territories outside their lending area? _____ _____ _____		
				10. List the sources from which loans are purchased. _____ _____ _____		
			11. Describe any risk reduction efforts and factors besides diversification that the institution has implemented to limit risk from concentrations. _____ _____ _____			

Exam Date: _____
 Prepared By: _____
 Reviewed By: _____
 Docket #: _____

