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- a. Short-term (0-2 years) and long-term (2-5 years) financial and operational goals;
- b. Quarterly performance benchmarks, including return on average assets, operating expenses, delinquency, charge offs, liquidity and interest rate risk, net worth, and other key operating ratios to assess the progress and effectiveness of management’s actions;
- c. Timeframes and person(s) responsible for ensuring goals are met or explanation of why they were not met; and
- d. Provisions for exit strategies or contingency plans for any new programs or business strategies, such as:
 - i. Trigger point for identifying merger partners, and
 - ii. Trigger point for implementing merger.

3. Within sixty (60) days of the date of this Order, Respondent shall establish and provide to the Board a monthly credit risk monitoring report including, but not limited to, the following items:

- a. Current loan balances for all loans and Board approved risk tolerance limits based on net worth by products and risk tiers using updated credit scores;
- b. All loans granted with exception to policy;
- c. Summary of actions proposed by management to address elevated risk trends, such as increased delinquencies and charge-offs.

4. Within sixty (60) days of the date of this Order, Respondent shall conduct an analysis to determine the feasibility of continuing subprime lending. The analysis should include reasonable parameters to address the probability of increased delinquencies and charge-offs and the effect on Respondent’s operations.

5. Within sixty (60) days of the date of this Order, Respondent’s Board shall review, revise, and approve policies that reflect Respondent’s complete loan policy. The policy shall include, but is not limited to, the following items:

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- a. Credit risk-based lending guidelines such as credit score, debt to income, income verification and consistently apply these to all loans;
 - b. Concentration limits based on net worth by products and risk tiers for each segment of the loan portfolio;
 - c. Designate person(s) authorized to grant exception to policy;
 - d. A uniform process for determining a vehicle’s value. If multiple sources are available for use by staff, the policy must include a uniform process for a staff member to select a vehicle valuation from one of the sources and documentation requirements, therein;
 - e. Requirement that the Board approve changes to the loan program prior to implementation; and
 - f. Requirement that the loan policy be reviewed at least annually and revised as needed.
6. a. Respondent shall immediately document and maintain a fully funded Allowance for Credit Loss (“ACL”) account, the adequacy of which shall be evaluated by Respondent’s Board at least monthly, with necessary reserves calculated in accordance with Generally Accepted Accounting Principles (“GAAP”).
- b. Within sixty (60) days of the date of this Order, Respondent shall develop written policies and procedures to maintain an appropriate, systematic, and consistent process for determining the ACL account in accordance with GAAP. The policies and procedures shall address, at a minimum, the following:
- i. Responsible parties;
 - ii. Processes – methodology for determining the ACL account, secondary review requirement, approval requirement, and funding requirement;
 - iii. Timeframes for determining the ACL account, data validation, and policy review;

- 1 iv. Documentation requirements to support measurement and funding;
- 2 and
- 3 v. Accounting standards and regulatory compliance.

4 7. Within thirty (30) days of the date of this Order, Respondent shall conduct an analysis
5 of its liquidity position and take immediate action to ensure it maintains sufficient liquidity to meet
6 its financial obligations.

7 8. Within thirty (30) days of the date of this Order, Respondent shall develop a written
8 liquidity policy that addresses the following core elements:

- 9 a. Purpose and goals of liquidity management;
- 10 b. Limits for liquidity measures and reporting requirements;
- 11 c. Primary and secondary sources of liquidity;
- 12 d. Tools for liquidity risk management; and
- 13 e. Periodic review and revisions as needed.

14 9. Within sixty (60) days of the date of this Order, Respondent shall develop a liquidity
15 management plan to address the weaknesses noted in the Report of Examination, dated December
16 31, 2022. The plan shall include, at a minimum:

- 17 a. Evaluating the reporting mechanisms in place to monitor and control risk;
- 18 b. Actions taken when risk exposure approaches or exceeds Respondent’s risk
19 limits; and
- 20 c. The prescribed corrective action to be taken when necessary.

21 10. Within ninety (90) days of the date of this Order, Respondent shall revise the Asset-
22 Liability Management (“ALM”) policy to reflect Board-approved practices and establish acceptable
23 risk limits.

24 11. Within ninety (90) days of the date of this Order, Respondent shall develop a de-
25 risking plan to address elevated interest rate risk exposure. Respondent shall update vendor
26 assumptions and run analysis based on Respondent’s current direction and strategy. Respondent
27 shall run different scenarios based on the de-risking plan to better illustrate the changes in interest
28 rate risk exposure.

