

I. Instructions for Completing the FDIC Adjustment File

i. Background

FDIC adjustments relate to activity reported in previous reporting periods that requires restatement. Such adjustments may result from onsite compliance reviews, FDIC review of processed certificate submissions, or AI review of processed certificate submissions. The FDIC Adjustment File must be used to report asset level detail associated with the following FDIC Adjustment amounts reported in the NSF or SFR Certificates:

NSF

File Name: 12345-NSF-fdicadjustment-yyyymmdd.xls

Certificate Section 2 Part B Line 14 - Total Covered Loss (Gain) Amount (FDIC Adjustment column).

SFR

File Name: 12345-SFR-fdicadjustment-yyyymmdd.xls

Certificate Section 2 Part C Line17b - FDIC Adjustment - All Other'

ii. Reporting Frequency

The FDIC adjustment file should be transmitted with each Certificate where Adjustment amounts are reported.

iii. General Instructions

General reporting requirements which apply to all Loan Level Files also apply to the Adjustment File and are included in the Appendix. The completion of the Adjustment Template varies based on the entity which discovers the Adjustment Amount, as discussed below.

1) FDIC or Compliance Monitoring Contractor: Amounts discovered by an FDIC RSAM Specialist or FDIC Contractor are communicated to the AI and must be agreed upon prior to Certificate reporting. Additionally, only one 'Compliance Issue' code may be reported for each asset. The transmission of such findings will include the following information also noted in the Adjustments Template:

- Shared-Loss Period, Loan Number, FDIC Asset ID, Original Shared Loss Period, FDIC Adjustment Amount, Compliance Issue, Certificate Adjustment Date, Adjustment Requested By, Comments, and Balance Adjustment.

Prior to Certificate reporting, the FDIC Loss Share Specialist and the AI will agree on:

- AI Adjustment Amount and Certificate Adjustment Date.

Once this information is agreed upon, the Certificate Submission associated with the Certificate Adjustment Date will not be processed if the appropriate amounts are not adjusted and validated via Certificate and Loan Level reporting.

During post audit due diligence, the AI may expand the review findings to other Shared-Loss assets as appropriate. If additional assets require adjustment, the AI must notify the FDIC RSAM Specialist of the additional findings and remit the FDIC Adjustment workbook template to the RSAM Specialist prior to the Certificate Submission cutoff date. The field, "FDIC Identified Amount", should contain the value zero, the field, "Adjustment Requested By", should contain the value 'PAAI', and the AI should report the adjustment amount in the field, "AI Adjustment Amount". The AI and the FDIC RSAM Specialist will review the additional amounts and agree on the expected Certificate Adjustment Date.

2) AI: Amounts discovered by the AI must be communicated to the FDIC RSAM Specialist prior to Certificate Reporting. The AI must notify the FDIC RSAM Specialist of the source of the finding and transmit the Adjustment file to the FDIC RSAM Specialist with the following fields completed:

- Shared-Loss Period, Loan Number, FDIC Asset ID, Original Shared Loss Period, AI Adjustment Amount, Compliance Issue, Certificate Adjustment Date, Adjustment Request By, Comments, and Balance Adjustment.

The FDIC Loss Share Specialist will review this information with the AI and work with the AI to determine:

- Certificate Adjustment Date

Once this information is agreed upon, the Certificate Submission associated with the Certificate Adjustment Date will not be processed if the appropriate amounts are not adjusted and validated via Certificate and Loan Level reporting.

iv. Compliance Issue Detail

The table below may be used as a reference for the Compliance Issues Codes provided in the FDIC Adjustment Template.

Accrued Interest/ Non-Accrual Status	Erroneous calculation of accrued interest, Incorrect categorization of asset status (i.e. accrual/ non-accrual)
Audit Compliance	Lack of Internal Audit Function, Lack of External Audit
Certificates	Incomplete/Inaccurate Certificates, Untimely certificate submission
Charge-offs	Inadequate/ Incomplete supporting documentation, Inaccurate Financial Information
Delinquency Management	Delinquencies are not monitored / servicer inadequately monitored assets
Liquidation Events	Asset Disposition , Inappropriate method of disposition
Loan Modification/ Loss Mitigation - Documentation	Inappropriate Loan Modification Process, Lack of appropriate documentation, Foreclosure
Notifications	Inadequate Notification, Inadequate Approval
Participation Loans	Incorrect basis for calculating Participation Loans
Permitted Amendments	Unallowable Permitted Amendments, Inaccurate Permitted Advances
Policies and Procedures	Inconsistent / Insufficient Policies and Procedures, Lack of key business processes including loan modification
Record Keeping/ Systems Inadequate	Systems Inadequate/ Inaccessible Loan Documentation, Inadequate systems, Inaccurate Financial Reporting
Recoveries	Inaccurate reporting of recoveries, Erroneous calculation of recoveries
Reimbursable Expenses	Unallowable/ Unreasonable Expenses recorded, Duplicate Reimbursement, Lack of Expense support
Related Loans/ Affiliated Relations	Lack of documentation/ Inconsistent process for Related Loans, Transactions with affiliated relations
REO	Marketing Activities, Property Preservation
Staffing	Lack of skilled personnel, Inadequate Staff Training

The table below provides mapping for FDIC Finding Categories provided in the FDIC compliance review Exhibit 2.

Code	Description	FDIC Finding Category Code	Code	Description	FDIC Finding Category Code
1	Accrued Interest/Non-Accrual Status	S3	10	Permitted Amendments	S6
2	Audit Compliance	A6	11	Policies and Procedures	A1
3	Certificates	R1	12	Record Keeping/ Systems	A4
4	Charge-offs	S2	13	Recoveries	S4
5	Delinquency Management	A3	14	Reimbursable Expenses	S1
6	Liquidation Events – Asset Disposition	S9	15	Related Loans/ Affiliated Relations	A2
7	Loan Modification/ Loss Mitigation – Documentation	S5	16	REO	S10
8	Notifications	R2	17	Staffing	A5
9	Participation Loans	S8	18	Permitted Advances	S7

II. Appendix – General Loan Level Reporting Instructions

i. General Instructions

The Loan Level files must be reported as separate files in Microsoft Excel format. Each row in a file should represent a single asset record. Each column in a file should represent a single data field. The sixth line in each file should contain the names of each data field followed by the asset records. Field names should contain only alphabetic characters and/or numbers, and have no leading spaces or zeroes. Do not include footers under the asset record rows; no data should follow the asset detail rows. Each file submitted should contain the exact order and number of fields listed in the Field Definitions Documents. Fields can be left empty if data are not available and the field is not required, however, the field order, data format, and number of fields must adhere strictly to the Field Definitions Documents.

ii. Field Formatting Requirements

File Type	Field Formatting
A/N Alphanumeric	<p>Alphanumeric fields may include alphabetic, numeric, and special characters except for carriage returns, new line characters, line feeds, tabs, or (pipes).</p> <p>Alphanumeric fields should be without text delimiters. For example:</p> <p>Example: Address Fields</p> <p>Improper: 1234 Anywhere Street 1234 ^1 Anywhere Street</p> <p>Proper: 1234 Anywhere Street</p> <p>Certain alphanumeric fields may be restricted to a specific set of values.</p>
N Numeric	<p>Numeric fields should contain only numbers (no alphabetic characters). Decimal points and leading minus signs are permitted. Balances should contain 2 decimal places, percentages should have five (5.125% should be given as .05125). Balances of zero should be shown as 0 and not a dash (-).</p> <p>Use number formatting (No commas, currency signs, etc.) for numeric fields.</p> <p>Numeric fields, including loss calculations and costs paid by the AI, should generally be positive values; loss calculations which result in a net gain (that is, a payment to the FDIC) should be represented by a negative value.</p>

	<p>Example: Gross balance recoverable by the AI = 100000 Total cash recovery = 110000 Loss Amount = -10000</p>
D Date	<p>Date fields should contain only numbers 0 – 9.</p> <p>Date fields should always contain 8 characters and be in year month day form (YYYYMMDD) with no additional formatting (i.e., no slashes or hyphens). For example, the date July 1, 2001 should appear as: 20010701</p> <p>If you do not have a certain data item, submit a null value in that field.</p>

iii. Field Definition Documents

Field Definitions Documents are individual Excel files that define the requirements for a single Asset Level file and they form an integral part of this data specification. Each Field Definition Document contains three tabs:

- Instructions tab –
- Data Validation tab –
- Template tab –

1. Instructions Tab

The ‘Instructions’ tab includes the following fields that define different attributes of the loan level data provided:

Name	Description
Column	The column position in the Excel spreadsheet the field should appear
Field #	The column number the field should appear
Field	Name of the field
Description	The definition of the field
Type	The type of data that should populate the field (Alphanumeric, Numeric, or Date)
Comments	Additional comments about the field. If applicable, the comment

	field will indicate if field requires a data key
Required Field	Indicates if the field is required and data must be provided. The FDIC assumes where AIs provide no values for non-required fields the AI is indicating the field is not applicable to the specific asset. Any other reason for omitting information is unacceptable. For non-required fields, the AI must submit information per the specified formatting or Allowable Value list, otherwise an Error will be triggered (AIs may also submit a data key template for non-required fields with allowable values).
Allowable Values	Listing of acceptable values for the field
Formatting Req.	Describes how the contents of the field should be displayed
Width	The maximum number of characters in the field

2. Data Validation tab

The 'Data Validation' tab contains the Data Validation Criteria for Payment Approval described in the Executive Summary section of this document. Each validation rule is marked as either Error or Warning.

Error – Fields marked as Errors in the Data Validation tab of the Field Definition Document must conform to the Validation Criteria without exception.

Warning – Fields marked as Warnings are reviewed by the FDIC and exception may be granted for cases where there is a legitimate business reason(s) why a field is not populated.

3. Template tab

The 'Template' tab contains an Excel worksheet that is recommended that the AI use to produce the Loan Level files submitted to the FDIC. Each field in the template is in the exact order and field naming convention outlined in the 'Instructions' tab of each Field Definition Document.

In the 'Template' tab of each individual Field Definition Document there are Excel conditional formatting rules that will cause individual cells to highlight if certain formatting rules are not followed. There are two conditional formatting rules that if violated will cause a certain field to highlight yellow. Rule 1, if a field that has a data type of Date is not formatted YYYYMMDD then the field will highlight. Rule 2, if a field that has a data type of

Numeric is not a number then the field will highlight. An example of this feature is shown below:

(Fund ID) - (Failed Institution)
(YYYYMMDD)
(Record Count)

SHARED_LOSS_MONTH	LOAN_ID	ORIGINAL_LOAN_AMOUNT	INTEREST_RATE_SPREAD
February 2nd 2009		Twenty Five Dollars	
1/1/2010		99.99(-)	0.07500
20100202		99.99	

The following fields in the header section must be filled out for each data submission:

(Fund ID) - (Failed Institution) – Use the five digit Fund ID and Failed Institution name found in Schedule 4.15A/B. Use the following example; “10010 – Main Street Bank”

(YYYYMMDD) – The period-end date of the data submission. Use the following example; 20110101

(Record Count) – Indicates the total number of assets in the loan level file.