

The PPA – The Perfect Tool for Preparing for 2020

Those of you who are already taking advantage of our Mortgage Portfolio Performance Analysis (“PPA”) understand how valuable the tool can be as you are preparing for the New Year. Whether you are fine-tuning your budget or just trying to establish a baseline for the New Year, the PPA is the right tool for the job.

Supplementing Risk Management Practices

The risk management and portfolio solutions listed below are just a few of the areas in which many of our depository customers find the Mortgage PPA to be extremely beneficial. The Mortgage PPA Executive Summary (link provided below to example) also provides you with peer comparisons as well as trend analysis to see how you stack up against your peers and if trends are improving (or not).

- Interest Rate Risk Management
- Liquidity Contingency Planning
- Prepayment Risk Management
- Concentration Management
- Measurement of Risk Layers
- Third-party Confirmation
- Demonstrating Improving Trends

This type of information has been invaluable when preparing for an exam or audit by allowing you to demonstrate to the regulators that you are better than peers in terms of your interest rate risk profile or have sufficient liquidity within the 1-4 portfolio to serve as a back-stop to your liquidity contingency plan.

In many cases, regulators or auditors have already seen our PPA and appreciate the information gleaned from the reports.

Establishing a Baseline for Strategic Planning

The Mortgage PPA, conducted near or at year end, can also be very helpful in allowing institutions to take a deep dive into their portfolio’s characteristics to establish a baseline in terms of how the portfolio looks at the beginning of the year and how they would like the portfolio to look at the end of the year.

By conducting a PPA, if the portfolio’s current status is less than desirable, FHN Financial Capital Assets Corp. (“Capital Assets”) has the tools and experience to help you strategically navigate the portfolio to a more optimum position. We are currently assisting many institutions to achieve their portfolio goals using our Portfolio Engineering (“PE”) analysis or our Supplemental Loan Program that Jerry Hubbard mentioned in his 11.20.19 *Weekly Comments* (link provided below).

Disclaimer is on the last page of this report.

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Summary

As you begin preparing for 2020, now (or as of December 31, 2019) is the perfect time to run an updated PPA or run one for the first time if you have never taken advantage of the PPA. We won't have to convince you to run it a second time...it's that good. Contact your FHN Financial representative or Capital Assets directly at 1.800.456.5460 to get your PPA started!

[Mortgage PPA Executive Summary](#)

[Weekly Comments - 11.20.19](#)

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