

Process Name:	Desktop Process ORE: Booking to General Ledger	Review Date:	[Review Date]
Applies To:	All Special Asset Group Associates, All Finance Associates	Revised Date:	[Review Date]
Owning Department:	Corporate Credit		

Requirement Of:	This process is a requirement of applicable Federal and State Laws and Regulations, generally accepted accounting principles (GAAP), and financial accounting standards (FAS).
------------------------	--

1. Process Purpose/Tasks	
1.1 Purpose	This procedure explains how X Bank ("Bank") books other real estate (ORE) assets to the general ledger (GL) in compliance with all applicable state and federal regulations, and GAAP.
1.2 Systems/Tools/Forms needed to complete the procedure	Addition to ORE Form
1.3 Tasks associated to the process	<p>Immediately following confirmation of the foreclosure sale, the Corporate Credit department e-mails the approved Addition to Other Real Estate (ORE) Worksheet to the Finance department and the Mortgage Operations department (@Mortgage Operations), informing them the property has gone through foreclosure and is now an ORE asset.</p> <p>Process all charge-offs before the Corporate Credit department forwards the ORE Worksheet to the Finance and Mortgage Operations departments.</p> <p>The Mortgage Operations department is responsible for completing the following process if the debt is forgiven:</p> <ul style="list-style-type: none"> • Complete a 677 Special Adjustment to eliminate the interest. • Complete the appropriate credit bureau status change before moving the loan to ORE. • Complete a 659 Transaction for the ORE payoff amount for the charged off loan. • Complete the following GL entries: Debit ORE GL 17520 and Credit Loan Control GL 15900-91000, for the amount moved to ORE. Use the Regional Special Assets Group (SAG) cost center. • Send a breakdown of the fees or balances removed, and a copy of all multi-entry sheets to the Finance department.

	<p>The Mortgage Operations department is responsible for completing the following process if the debt is not forgiven:</p> <ul style="list-style-type: none"> • Complete a 677 Special Adjustment to eliminate the interest. • Complete a 663 Special Payment to remove the portion of the loan still outstanding. • Retain the charge-off in the system. • Ensure that the note is not marked paid. • Complete the following GL entries: Debit ORE GL 17520 and Credit Loan Control GL 15900-91000, for the amount moved to ORE. Use the Regional Special Assets Group (SAG) cost center. • Send a breakdown of the fees or balances removed, and a copy of all multi-entry sheets to the Finance department. <p>Unforgiven ORE loans are not put back on accrual, nor is the credit status changed, since credit bureaus are automatically impacted.</p>
<p>1.4 Control Management (Physical or Timebound)</p>	<p>The Director of Special Assets is responsible for adhering to all ORE policies and procedures.</p>
<p>1.5 Retention Requirements</p>	<p>The Bank retains all documents in accordance with Johnson Financial Group Record Retention Guidelines.</p>

2. Reference Information

<p>2.1 Associated Policies, Procedures, and Processes</p>	<p>Other Real Estate Policy Other Real Estate Procedure ORE Adjustment to Carrying Value Process ORE Expense Bill Payment Process ORE Offer to Purchase Acceptance Process ORE Addition to ORE Process ORE Foreclosure Bid Preparation Process</p>
<p>2.2 Related Documents</p>	<p>Foreclosure Bid Sheet Form</p>