LexisNexis®
RISK SOLUTIONS

Is Your CRE Underwriting Process **Built on Shaky Foundation?**

In your commercial real estate (CRE) underwriting process, you're doing your best to satisfy due diligence. **But there are factors at play that may be missed in your due diligence that could be exposing you to unnecessary risk. Such as...**

Incomplete or inaccurate data **on a borrower's application**

There are a lot of pieces to verify on the submitted application… **not to mentioned what they may have failed to disclose:**

- State civil litigation
- Federal litigation
- State tax liens
- Federal tax liens
- Judgments
- Bankruptcies

Unidentified business associations

Even if you're looking at the most current sources, it's not enough if **you're not identifying and vetting every associated party, including:**

- Business affiliations
- Guarantors
- Other connected individuals or jurisdictions

Waiting to conduct **due diligence**

DO IT EARLY IN YOUR UNDERWRITING PROCESS TO

- Have **visibility into the true scope** of due diligence required
- **Decline applications** upfront that don't meet your risk criteria

OTHERWISE, THIS CAUSES...

- **Wasted time, revenue, and resources**
- Ending a deal halfway through – **which is not uncommon due to discrepancies found during due diligence**

Not going directly to the **source for due diligence data**

YOUR DUE DILIGENCE NEEDS TO COVER ALL GROUNDS, OR ELSE...

RELYING ON SUBSCRIPTION SERVICES COULD =

Outdated information & missing pending public records

REGULATORY RISK INCREASES as regulators notice a loosening of underwriting standards[1]

Strengthen your due diligence and stay competitive with the insights you need to make informed decisions. **Building a solid CRE underwriting process starts now.**

Learn more at lexisnexisrisk.com/BAR

[1]OCC, Semiannual Risk Perspective, 2016