
APPENDIX A

CREDIT CARD PRE-EXAMINATION REQUEST LIST

The request list housed in this appendix is meant to augment the typical examination request list that is sent to the bank (that covers traditional examination review areas such as liquidity, rate sensitivity, capital, budgets, strategic plans, and so forth). This credit card pre-examination request list is for example purposes only. It contains numerous suggested request items, many of which may not be applicable to or necessary to obtain for the specific bank under review. As an example, it contains sections for issuing Rent-a-BINs, merchant programs, and securitizations, which not all banks will have. Examiners should customize the request list for the bank being examined. The example list, which not a required format, can be scaled down, added to, reworded, and so forth. The italicized information within parentheses needs to be input based on the applicable situation (examination date, asset review date, and so forth). It may also be helpful to identify specific reports by name if the examiner preparing the request list is familiar with reports normally prepared by the bank. Management should already be reviewing information similar to many of the requested items and, as such, can be encouraged to submit reports that it uses on a regular basis when such reports are similar to requested items. That can, in turn, not only limit the amount of time management must spend on compiling reports for the examination but will also allow the examiner to get a better feel for the quality of management reports normally used by management. That is not to say that customized reports won't be necessary during the examination, but, rather, that examiners should normally work with management's standard reporting to the extent possible.

Information gathered during the examination is not limited to that identified on the pre-examination request list. Rather, numerous reports and other items of interest are requested during the examination, often to either support, expand upon, or delineate information already provided or to gather information on other areas of potential concern that may have only recently come to the examiner's attention.

CREDIT CARD PRE-EXAMINATION REQUEST LIST

Whenever possible, please provide credit card portfolio data in a format that distinguishes between bank-owned, securitized, and managed portfolios (if applicable) and/or along any other key segmentation lines used by management. For requests regarding statistical information for the credit card portfolios, we ask that management provide the data in (*hard copy (not originals), secure electronic, or both*) format. For reports, identification of the report's preparer would also be helpful, in the event there are questions regarding data sources, calculations used, and so forth. The requested information should be provided as of (*date*) unless otherwise indicated and should be delivered to the (*city, state*) field office by (*date*). If you have any questions regarding any of the requested items, please contact Examiner-in-Charge (EIC) (*name*) at (*phone number*) as soon as possible.

SECTION A - MANAGEMENT

1. The bank's most recent organizational charts for credit card operations, including each major functional area, and a brief description of principal positions.
 - a. Resumes for those individuals new to principal positions since the prior FDIC examination.
2. List of committees that supervise credit card operations, including identification of the schedule and frequency of meetings. Also include committee fee structures, if applicable.
 - a. Minutes from applicable committee meetings since (*date*).
3. Credit card policies/procedures covering, but not necessarily limited to, the following, if changed since the prior FDIC examination:
 - a. Re-aging.
 - b. Workout programs.
 - c. CCCS accounts/programs.
 - d. Charge-offs.
 - e. Over-limits.
 - f. Settlement programs (a.k.a. debt forgiveness programs).
 - g. Bankruptcy.
 - h. Fraud.
 - i. Allowance for Loan Losses (ALLL) and other allowances.
 - j. Credit line assignment strategies (initial line assignments as well as credit line increases and decreases).
 - k. Re-issue/renewal practices.
 - l. Account closures/suspensions.
 - m. Account activation.
 - n. Marketing.
 - o. Underwriting.
 - p. Rent-a-BIN (a.k.a. BIN-sharing).
 - q. Any other material credit card operations.
4. The most recent management monitoring and exception reports used by the Board, senior management, or committees to monitor credit card marketing, underwriting, collections, operations, etc.

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5. List of vendors used, including a description of services rendered. This list should include arrangements with all affiliates and related organizations. Also provide the following:
 - a. Written contracts or agreements governing significant relationships and operations as well as relationships and operations with affiliates and related organizations.
 - b. The most recent audits of those entities (significant relationships, affiliated, or related organizations).
 6. For affiliates and related organizations playing a part in the credit card operations:
 - a. A summary of all payments paid to and received from each applicable affiliate or related organization from *(date)* to *(date)*.
 - b. A summary of any reimbursement paid to an applicable affiliate by the bank or by an affiliate to the bank for any expenditure from *(date)* to *(date)*.
 - c. Committee reviews and meeting minutes regarding affiliated or related organizations for *(date)* to *(date)*. Also provide any comparable transaction reviews completed for the affiliated arrangements during the same period.
 - d. External or internal reviews of affiliate arrangements that were completed since the previous examination.
 - e. Financial statements (balance sheets and income statements) as of *(date)* for the applicable affiliated and related organizations.
 - f. A summary of any instances in which employees of the applicable affiliates, related organizations, or other third parties are providing services to the bank without compensation.
 - g. A summary of any instances in which bank employees are providing services to an applicable affiliate, related organization, or other third party without compensation or reimbursement from the other party.
 7. Visa/MasterCard agreements and correspondence from/to those entities from *(date)* to *(date)*.
 8. Agreements and correspondence with any other applicable networks or systems (Discover, American Express, and so forth) from *(date)* to *(date)*.
 9. If not detailed in the correspondence provided pursuant to items A7 and A8, a description of any restrictions set forth by the networks since the prior examination, any collateral/pledging requirements placed on the bank since the last examination, or any other financial obligations (fines, penalties, and so forth) placed on the bank by the networks.
 10. List of the bank's BINs (Bank Identification Numbers or other similar numbers from other networks), including what each is used for (acquiring, issuing, etc.), whether each is rented out to another entity (known as a BIN-sharing or Rent-a-BIN arrangement), and which entity that is.
 11. Balance sheet and income statement for the credit card department (*timeframe (for example, the most recent five quarters)*).
 12. Chart of accounts, including descriptions thereof, used for credit card activities.
 13. List of models used. Include:
 - a. Identification of whether each model was developed internally or was purchased from a vendor (and if so, which vendor).
 - b. Description of each model's use (and intended use, if different).
 - c. Date of each model's most recent calibration.

- d. Date of each model's most recent validation.
 - e. Description of any models in development (either internally or externally).
14. If not provided for in other requests within this document, provide management's analyses and actions to ensure compliance with the January 8, 2003 Interagency Account Management and Loss Allowance Guidance for Credit Card Lending. Also include the most recent internal audit reviews thereof.
15. A summary of accounting practices used. For example, FAS 91 procedures, including identification of the specific fees and expenses that are deferred and timeframes for deferment, FAS 140 procedures, etc. Also include applicable accountant's opinions.

SECTION B - MARKETING

1. Marketing strategy documents.
2. A description of marketing tests completed since (*date*).
3. Chronological order/summary of marketing/acquisition activities and associated statistics since (*date*). Please make marketing materials (mailed offers, take-one applications, and so forth) available on-site.
4. Customer response rates and underwriting approval rates segmented by vintage and marketing channel. Please provide monthly supporting data from (*date*) to (*date*).
5. List of anticipated new products or solicitations planned for the upcoming (*number*) months.
6. Matrix of all possible combinations of pricing terms for all credit card products.
7. If not included in the pricing information in item B6, please provide information (fee amounts and assessment practices) for all punitive fees (late fees, over-limit fees, and so forth).
8. A copy of a current cardholder agreement for each product offered.
9. A summary of significant changes to cardholder agreements since (*date*). For example, changes in minimum payments, fees, and so forth.
10. Contracts for significant or new (since the prior FDIC examination) affinity programs, private label programs, or other partnerships. Also provide brief summaries regarding these programs, including rebate reserve policies, methodologies, and most recent analyses.
11. Details regarding significant or new rebate/points/gift coupons/discounts/rewards programs, and management reports regarding these programs.
12. Applicant data used prior to application.
13. Vintage delinquency and charge-off performance by product and distribution channel (# and \$) (current, 1-29, 30-59, charge-off, and so forth).
14. Information regarding Internet or on-line banking programs, including the costs to administer these programs. If accounts are being booked via these marketing channels, provide data regarding the monthly volumes of accounts (# and \$) and the performance of these accounts.

SECTION C - UNDERWRITING

1. A summary of the bank's underwriting policies and practices, including a summary of any significant changes that have occurred since (*date (usually the previous examination)*).
2. Documentation for each scorecard used, including (but not limited to) identification of its age, vendor, and use. Please include:
 - a. Odds Tables.
 - b. Override Reports.
 - c. Summary reports detailing accounts segregated by current score ranges as of (*date*). Provide application score reports if periodically updated. Also provide portfolio distribution by other scoring systems used by management (for example, behavior scores).
3. Validations of scoring models, including supporting documentation thereof.
4. Documentation describing frequency and procedures for validating scoring systems (that is, validation policies).
5. Documentation detailing the most recent calibrations of significant scoring systems.
6. Report showing credit limits granted on each portfolio segment. Include maximum, minimum, and average.
7. For pre-approved solicitations, criteria used to generate solicitation lists. Include procedures for eliminating prospects from lists and any post-screening activities.
8. FICO score distribution at origination by portfolio segment.

SECTION D - RISK MANAGEMENT

1. Key reports produced and monitored by risk management on a regular basis. Please provide the most recent reports (through (*date*)) and include any commentary provided by the risk management department regarding the department's analysis of these reports.
2. The most recent (through (*date*)) system reports utilized by management to monitor portfolio performance, if not already provided. Identify the individuals or groups that use the reports.
3. If not already provided, month-end system reports as of (*date*) and (*date*) that, at a minimum, include month-end receivable balances, month-end delinquencies, and monthly principal and interest losses. Also include reconciliations of these system reports to the general ledger for (*date*) and (*date*) and include any reports management uses to reconcile the system reports to the Call Report.
4. If not already provided, a refreshed distribution of FICO scores as of (*date*) for each portfolio segment. Please provide the distribution of credit bureau scores in (*number*) point increments. Also, breakout no-score accounts.
5. If not already provided, roll-rate analysis (or other migration analysis) for the past 13 months through (*date*). If available, please provide the information by \$ and #.
6. If not already provided, monthly amounts of interest and fee losses for the past 13 months through (*date*) and provide the ratio of monthly interest and fee losses in relation to total charge-offs for each month.

7. If applicable, a description of when interest and various fees stop accruing during the delinquency cycles.
8. Monthly recoveries for past 13 months through (*date*).
9. Monthly bankruptcies for past 13 months through (*date*).
10. Monthly fraud reports/losses for past 13 months through (*date*).
11. Monthly volumes of losses (# and \$) due to first payment defaults (accounts in which cardholders never made a payment) for the past 13 months through (*date*). Please separate into “no-use, no-pay” and “use, no pay,” if applicable.
12. A copy of the Allowance for Loan and Lease Losses (ALLL) analysis that is routinely provided to the board of directors. In addition, provide a copy of the ALLL calculation and assumptions for (*dates*). Include a summary of how interest and fee losses are provided for in the ALLL, or in a separate allowance, and supporting calculations and assumptions. If interest and fee losses are reversed or purified against the income statement, provide the General Ledger accounts utilized.
13. A summary of any changes to the ALLL methodology since the previous examination and the corresponding impact on the ALLL balance from those changes.
14. A summary of how credit risk relating to hardship accounts, re-aged accounts, and over-limit accounts are accounted for within the allowance methodologies (if not included in the provided policies).
15. A summary of the 12-month allowance look-back analysis and a reconciliation and explanation of variances between actual and projected losses (that is, the reconciliation between actual losses and projected losses) for (*financial statement date*).
16. A listing of charged-off receivables that have been re-booked, including details as to when and why the receivables were placed back on the books.
17. A summary of any instances in which a cardholder can make a payment less than the minimum due and still remain current (or not roll further delinquent) (if not included in the provided policies).
18. Management’s internal capital adequacy assessment for (*date*). The capital assessment should address the guidelines provided within the Interagency Guidance on Subprime Lending and the Interagency Expanded Guidance for Evaluating Subprime Lending Programs, if applicable. Also provide documentation regarding the method used to complete the capital assessment.
19. The bank’s (*date (or most recent)*) subprime analysis including any supporting documentation.
20. Profitability reports assessing the performance of the loan portfolio and its segments.
21. Monthly reporting of new accounts in each program/segment for (*date*) through (*date*).
22. The monthly number and dollar volume of credit line increases for (*date*) through (*date*).
23. A summary/matrix of criteria used in assessing credit line increase eligibility, size of line increases granted, and frequency accounts are eligible for a line increase (if not included in the provided policies).

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24. Reports/analyses used to monitor the performance of accounts that have been granted credit line increases.
 25. Reports for *(date)* through *(date)* used to monitor the portfolio of over-limits. The information should identify, but is not limited to, count and dollar volume of accounts over-limit, tracking by percentages or utilization bands, performance of over-limit accounts (period of time over-limit, delinquency status, and so forth).
 26. A narrative description of the behavior scoring system or other similar programs/systems that are used to identify credit card loans with higher risk. Please indicate how each system is used, including functions such as account approval, credit line management, collections, etc. Provide summary reports showing the results of the analyses for *(date)* through *(date)*.
 27. Delinquency reports by credit score and/or behavior score.
 28. Monthly attrition rates for each program/segment for *(date)* through *(date)* and other attrition reports utilized by management. Please provide a narrative summary of retention strategies used by the bank (if not already included in the policies provided).
 29. The following credit card information on a monthly basis for *(date)* to *(date)*:
 - a. Count and dollar volume of outstanding active or open card accounts.
 - b. Outstanding receivables.
 - c. Delinquency amount for each bucket. Please provide by channel, portfolio (managed, trust, and bank-owned), segment, etc.
 - d. Roll rate analysis or other migration analysis used. If available, please provide the information by number of accounts and by dollar volume.
 - e. Gross charge-offs broken down by category. For example, fraud, first payment default, bankruptcy, death, settlement, and delinquency.
 - f. Principal losses.
 - g. Interest and fee losses.
 - h. Principal recoveries.
 - i. Fee and finance charge recoveries.
 30. A breakout of portfolio segments by months-on-books as of *(date)*.
 31. For accounts on-book as of *(date)*, a breakout of FICO scores at origination.
 32. Reports used to monitor performance of cardholders with multiple accounts.

SECTION E - ACCOUNT MANAGEMENT

1. Criteria for establishing initial credit limits, renewals, payment deferral programs, and pre-payment programs, if not detailed in other credit card policies already provided.
2. Customer service reports. For example, those showing frequency of contact and percent of calls being handled by voice response units.
3. A summary of the payment processing function, including a flow chart if available.
4. Summary information regarding the count and dollar volume of cardholder payments received monthly from *(date)* through *(date)*.
5. A summary of the daily settlement process, including a flow chart if available.

6. Within the summaries and flow charts for request #3 and request #5, include the names and account numbers of general ledger accounts used.
7. Summaries of procedures/processes for suspense items and for rejected items.
8. For accounts that were over-limit in (*month*), provide an aging of the number of consecutive months the accounts have remained over-limit (if not already provided).
9. Credit card payment application hierarchies.
10. A summary of authorization strategies.
11. A summary of the charge-off policies and procedures for delinquent, bankrupt, deceased, and settlement accounts (if not already included in the provided policies).
12. A description of processes used to ensure the timely resolution of settlement (a.k.a. debt forgiveness) accounts.
13. A summary of bank policies and procedures regarding loan loss recoveries in excess of principal losses recorded to the ALLL. Please provide an example of how these amounts are recorded and the dollar amount for the last 12 months.
14. Management's most recent negative amortization analysis. Also include a description of any changes made to the minimum payment structure(s) since the prior examination.

SECTION F - COLLECTIONS

1. If not provided in the policies requested in other sections of this document, please provide collection policies and procedures/strategies by product and distribution channel including:
 - a. Disputes.
 - b. Penetration rates.
 - c. Litigation.
 - d. Notice of default.
 - e. Account suspensions, closures.
 - f. Discount programs, seasonal programs, promotional programs, gift programs, special awards, or prize programs (customers or employees), etc.
 - g. Outsourced accounts.
 - h. Sold accounts/receivables – pre/post charge-off.
 - i. Fee waiver, concession, or reversal practices.
2. Key management reports used by the collections department to monitor the effectiveness of collection efforts.
3. A description of how accounts are assigned to collectors. Also provide management's analysis of collections staffing requirements/needs.
4. If third-party collectors are used (pre- or post-charge off), performance metrics used to monitor performance of those collectors.
5. Data on closed accounts (voluntary/involuntary).
6. Monthly delinquency and charge-off reports for each internal and external loan workout program (including CCCS) from (*date*) through (*date*).

7. A summary report of re-aged accounts that includes the monthly volumes (count and dollar volume) of accounts re-aged from (*date*) through (*date*).
8. A summary of workout programs that includes the monthly volumes (count and dollar volume) of accounts in such programs from (*date*) through (*date*).
9. The most recent management reports used to monitor the performance of re-aged accounts, workout accounts, and similar accounts. These reports should address, at a minimum, the monitoring requirements set forth within the Interagency Uniform Retail Credit Classification and Account Management Policy and the Interagency Account Management and Loss Allowance Guidance for Credit Card Lending.
10. Settlement (a.k.a. debt forgiveness) guidelines and/or matrices for in-house collectors and managers. Please provide the same for accounts that have been referred to collection agencies, third-party collectors, or attorneys. Also, provide a summary of management's loss recognition practices for settlement accounts.
11. Management reports regarding monthly fee waiver/credit volumes for (*date*) through (*date*).
12. Policies and procedures for pay-ahead, skip payment, and similar programs. Please include the current system settings for those programs as well as a summary of system setting changes for those programs since the previous examination.
13. Information regarding credit card receivable sales to third parties, including affiliates, (pre- or post-charge off).
14. A summary of any significant changes in collections strategies/procedures since the previous (*FDIC, state*) examination.

SECTION G - PORTFOLIO ACQUISITIONS

If one or more portfolios have been purchased since the prior (*FDIC, state*) examination, please provide the following items:

1. Details regarding the number of accounts and dollar volume of receivables, as well as, performance information on the acquired receivables.
2. A description of procedures used to perform due diligence on the portfolio acquisitions.
3. A copy of the bank's original acquisition model detailing purchased credit card relationships (PCCRs).
4. A copy of the most recent quarterly fair market value model for PCCRs.
5. A copy of the documentation detailing amounts of capitalized ALLLs related to PCCRs.
6. Summary of accounting used to book the acquisition.

SECTION H – SECURITIZATIONS

1. A copy of the strategic or business plans for credit card securitization activities.
2. A copy of the primary and contingency liquidity funding plans as they relate to credit card securitization activities.
3. A copy of all written policies and procedures on credit card securitization.

4. A listing and account description of all general ledger accounts associated with the securitization function and corresponding Call Report line items.
5. A copy of the last 12 months of performance reports provided to the trustee (i.e. monthly determination date statements/monthly servicer's certificate statements) for each outstanding securitization facility.
6. A copy of the current organizational chart of the credit card securitization unit, including telephone numbers for each individual.
7. A list and meeting schedule for all board and/or senior management committees that oversee credit card securitization activities. For meetings since the previous FDIC examination, please make meeting minutes and attachments provided to committee members available on-site.
8. Access to the prospectus or series supplement, pooling and servicing agreement, and all other documents for each outstanding securitization transaction. This should include all legal and accounting written opinions received in connection with the transactions.
9. Information detailing the potential contractual or contingent liability from guarantees, underwriting, and servicing of securitized credit card receivables.
10. Documentation concerning the most recent residual valuation model validation.
11. Residual valuation model input and output that supports the values reported in the (*date*) Call Report and the initial value estimate.
12. Supporting documentation for the assumptions used to value the retained interests (discount rate, gross cash yields, default rate, loss severity rate, payment rate, etc.).
13. Management's analysis for any subordinated tranches or classes retained by the bank or its consolidated subsidiaries.
14. Management reports that are used to monitor non-securitized and securitized loan performance (e.g. stratified by credit score, behavior score, and so forth) for the (*date*) Call Report, if not already provided for elsewhere in this request list.
15. Original and refreshed credit score distribution for securitized and non-securitized assets, if not already provided.
16. Securitization summaries, including a description or flow chart of the cash flow priorities (waterfall) for each outstanding transaction.
17. Performance reports by portfolio and specific product type. Performance factors include, but are not limited to, gross cash yield, charge-off rate, delinquency rate, payment rate, and excess spread amount. Please include reports for securitized and non-securitized loans, if not already provided.
18. Vintage analysis for each pool securitized using monthly data.
19. Most recent static pool cash collection analysis.
20. Sensitivity analysis for all major assumptions used in the interest-only (IO) strip valuation model.

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21. Statement of covenant compliance for all relevant deal triggers.
 22. Securitized loans that have been re-aged, modified, or restructured, if not already provided.
 23. A list of any action to support the trust, or improve the overall trust performance, beyond the contractual obligations of the issuing bank. Examples of this include, but are not limited to, repurchasing loans from the master trust at above-market price or selling loans to the master trust at a discount.
 24. A list of any assets repurchased/removed from the master trust.
 25. A description of any agreement subsequent to the original securitization documents amending the terms or structure of the outstanding series.
 26. A description of how the IO strip, servicing asset/liability, and other credit-enhancing assets are reported in the Call Report. Please provide access to supporting workpapers on-site.
 27. A schedule supporting the leverage and risk-based capital calculations for credit card securitization activity.
 28. A copy of the general ledger entries made upon the closing of each securitization issuance (i.e., removing transferred assets from the books and recording retained interests) in accordance with FAS 140.
 29. The most recently completed impairment analysis and initial valuation calculation for excess servicing (IO strip securities/residuals). Please clearly identify how current and future monthly cash flows from securitizations support current asset carrying values.
 30. Access to the actual valuation model (on-site).
 31. The most recently completed impairment analysis and initial valuation calculation for servicing assets. Explain the procedures and methods used.
 32. All general ledger entries illustrating the entries made upon subsequent sales of assets to the master trust that resulted in the recognition of a gain or loss.
 33. The most recent internal and external audit reports (including any SAS 70 reports or agreed upon procedure engagements) addressing credit card securitization and management's response to identified deficiencies. In addition, please provide access to external audit work papers, engagement letters, and all written correspondence with auditors.
 34. A description of the current processes, time frames, and procedures for timely loss recognition and nonaccrual treatment for defaulted loans, if not already provided.
 35. A description of the terms and conditions for re-aging, extension, modification, and loss mitigation activities, if not already provided.
 36. If the bank is also the servicer, a copy of the most recently prepared management report for servicing which outlines operational results. Please include, at a minimum, securitized and non-securitized asset vintage level delinquency rates, roll rates, loss severity factors, and cumulative loss information, if not already provided.
 37. A list of servicing fees received and evidence (internally or externally completed) that the fee represents adequate compensation pursuant to FAS 140.
 38. Identify and explain any recourse provisions in servicing contracts.

39. A listing of all servicer advances on a per transaction basis and whether or not such advances have credit-enhancing features.
40. On-site access to the correspondence file(s) showing requests from, and responses to, rating agencies, investors, etc.
41. All investor, rating agency, or other third-party audits of servicing activities and insurance wrap companies.
42. All policies that describe permissible hedging activities and instruments.
43. A list of all instruments used for hedging purposes including the amount, origination, expiration, terms, and counterparty information.
44. Documentation required in accordance with FAS 133 maintained by the bank to ascertain and monitor hedge effectiveness.

SECTION I - MERCHANT PROGRAMS

1. New merchant report or management summaries for the previous three months.
2. Credit risk management reports for merchant accounts.
3. Top (*number*) merchants by volume.
4. Merchant concentration reports by code and by state or geographic area.
5. Brief explanation of sales/account acquisition channels.
6. A listing of all insider-related merchant customers.
7. Merchant agreements for significant and new relationships.
8. List of all merchant reserves.
9. Profitability report for the merchant department for the most recent year-end as well as year-to-date.
10. Fee schedule.
11. Profitability reports by sales segment.
12. Example of a merchant profitability analysis, if available.
13. Report detailing total number of merchants, annual volume of sales, and number of transactions.
14. Listing of unprofitable merchant accounts.
15. Attrition report for the past year.
16. Brief summary of agent bank programs offered.
17. Name and address of agent banks, and respective merchant volumes per agent bank.

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18. Agent bank agreements for significant and new relationships.
 19. List of third-parties used including name, address, and description of service rendered (if not already provided for elsewhere in this request list).
 20. Most recent bank audit report of Independent Sales Organization (ISO) / Member Service Provider (MSP) activity and ISO/MSP response.
 21. Summary of which ISO/MSPs have access to the acquirer's data processing system and the extent of the access (e.g. set up, charge-backs, or maintenance).
 22. List of all ISO reserves.
 23. A flow chart and brief explanation of the settlement process that illustrates the parties involved and the timing of settlement (if not already provided).
 24. Management summary of underwriting exceptions/overrides.
 25. Daily fraud monitoring reports.
 26. Charge-back aging report, charge-back ratios and trend analysis.
 27. Fraud loss history.
 28. Credit loss history.
 29. Most recent internal/external audit reports and management's responses thereto.
 30. Information on merchant portfolio acquisitions (date acquired, who acquired from, summary of portfolio acquired, etc.).
 31. Due diligence processes used for portfolio acquisitions.
 32. Management reports used to monitor and manage acquired portfolios.
 33. Please make the following available on-site:
 - a. Merchant processing policy and procedure manuals.
 - b. Committee minutes for merchant-related activities.
 - c. Recent reports issued by the Associations.
 - d. Merchant files.
 - e. Inventory logs for credit card equipment maintained for resale or lease to merchants.
 - f. Agent bank files.
 - g. Third-party credit files including current financial statements of ISOs/MSPs.
 - h. Third-party written contracts and agreements, including, but not limited to, contracts between ISOs/MSPs and the bank's data processor (if the bank does not have it own in-house operation).
 - i. All Association/network correspondence, including, but not limited to, quarterly processing statements, pledge agreements, fraud monitoring reports, and charge-back monitoring reports.
 - j. Contingency plans for third-party organizations, and management's review of the plans.
 - k. Audit workpapers.

SECTION J – CREDIT CARD ISSUING RENT-A-BINS

1. Rent-a-BIN policies.
2. On-site access to committee minutes regarding Rent-a-BINs.
3. Current organizational chart for Rent-a-BIN activities, including a phone number for each individual.
4. For each Rent-a-BIN program, a list of the parties involved (receivables holder, servicer, processor, and so forth), including company name, address, primary contact and phone number, and principals, and a description of the product(s) offered.
5. A list of terminated or discontinued Rent-a-BIN arrangements, including a description of the arrangement and the reason terminated or discontinued.
6. A list of prospective Rent-a-BIN programs that management is considering (include name and address of prospective partner as well as a description of the product that may be offered).
7. On-site access to marketing materials for all Rent-a-BIN programs.
8. For arrangements new since the last FDIC examination, a summary of due diligence processes used.
9. BIN rental agreements and any associated receivable purchase/sale agreements for significant Rent-a-BIN programs as well as for Rent-a-BIN programs new since the prior FDIC examination.
10. A summary of any significant changes to any other existing Rent-a-BIN contracts (those not provided in item J5). Examples would include changes in pricing terms, reserves or collateral requirements/calculations, and so forth.
11. Summary of practices that are used to oversee the card portfolios subject to Rent-a-BIN arrangements and that are used for program oversight (monitoring of the partner's performance and financial condition and so forth).
12. Summary data for each Rent-a-BIN program (count and dollar volume of card accounts, open-to-buy amount, delinquency volumes and ratios, charge-off volumes and ratios, re-age volumes, and so forth).
13. Additional card portfolio information for new or significant Rent-a-BIN programs and that is regularly reviewed by management to monitor such programs (examples would include reports that go to the board of directors and significant reports that are monitored by the individual(s) responsible for program oversight).
14. The calculations for settlement reserves (for example, deposits held at the bank or at a third party) for each significant or new relationship as of (*date (usually Call Report date or Asset Review date)*).
15. Data on recent settlement and cardholder purchase/cash advance volumes (for example, daily volumes, averages, trends, and so forth).
16. Documentation that is reviewed by management to confirm whether or not the contracted party is in compliance with contract terms, covenants, and parameters.

17. Documentation of compliance with applicable regulatory guidance, including the January 8, 2003 Account Management and Loan Loss Allowance Guidance for Credit Card Lending.
18. Audits of Rent-a-BIN arrangements and management's responses thereto.
19. A summary of litigation regarding the Rent-a-BIN program, including any card accounts issued thereunder, if not already provided.
20. Profitability reports for overall Rent-a-BIN operations as well as for each significant or new Rent-a-BIN arrangement, if available.
21. The bank's contingency plans for its Rent-a-BIN programs as well as a summary of procedures used to review applicable third-parties' contingency plans for the programs.
22. Summary of instances in which settlement reserve deposits, collateral, or other similar protection devices have been tapped.

Account Query and Sampling Request
(Bank)
(Date) Safety and Soundness Examination

Please provide data queries for the following types of accounts and provide data in electronic format by (*date*). You are encouraged to send the electronic information via FDIC Connect. The queries will be used for account sampling during the examination. In some instances, review of consecutive months of information may be necessary; therefore, we request read-only on-line access, including print capabilities, for the examination. Please contact the EIC by (*date*) to discuss the particulars of on-line access, or, if on-line access cannot be granted, to make other arrangements.

If possible, please retain these data queries in case we determine that further queries on this information are necessary. When possible, please provide the following information/data fields with each query: account number; month and year the account was booked/origination date; credit limit; current balance; interest rate; credit score; behavior or other internal scores; delinquency history; date of last re-age; and date of last payment. Also provide a list and descriptions of all transaction codes, internal and external status codes, reason codes, PCF parameters, and so forth that would assist us in reviewing the account information.

1. Identify all accounts that were both past due as of (*date*) and current as of (*date*).
2. Identify all accounts that were ever ≥ 180 contractual days delinquent since (*date*) and have not been charged-off to date.
3. Accounts with an NSF payment in (*month*).
4. Accounts that had any type of credit, other than a cardholder payment, applied to them in (*month*).
5. Accounts that were re-aged in (*month*).
6. Accounts booked in (*month*).
7. Accounts placed in a workout program in (*month*). If the bank has more than one type of workout program, please provide separate queries for each program.
8. Accounts booked in (*month*) with credit scores and/or application scores below the bank's cutoff scores (i.e. low score overrides).
9. Accounts charged-off in (*month*) as first payment default accounts.
10. Accounts that were charged-off due to delinquency status in (*month*). Please indicate if this query includes first payment defaults that are reported in query 9.
11. Accounts with credit line increases in (*month*) and (*month*). Please include the account balance, delinquency status, credit line limit, and scores (if used to qualify for the line increases) prior to the credit line increase. Also provide the new credit limit as well as the date of most recent previous credit line increase.
12. For the months of (*months*), provide accounts with a minimum payment due of \$0 but for which the account had a balance as of its cycle-end date. For the accounts in this query, please identify and provide in a separate file a summary report of accounts (count and dollar volume) that qualified for any pay ahead, skip payment, or similar feature.

13. Accounts charged-off in (*quarter or year*) and subsequently re-booked. Identify when and why the rebooking occurred.
14. Accounts that cycled in (*month*) where the balance (excluding new purchases and cash advances) increased in the past (*number*) consecutive cycles despite the cardholder making the contractual minimum payments due. For fees, use the assumption of all fees and finance charges included.
15. Accounts over-limit as of their (*month*) cycle that have been over-limit (*number*) consecutive months as of that cycle.
16. Accounts that entered a settlement agreement in (*month*).
17. Accounts with three or more consecutive insufficient funds payments since (*date*).