



**GUIDANCE NOTES FOR THE COMPLETION  
OF THE FORECLOSURE DISCLOSURE FORM  
("FDF")**

March 2019



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## Guidance Overview

### BACKGROUND

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The Cayman Islands Monetary Authority ("CIMA") has engaged in a project to mandate disclosure of foreclosure details in the Cayman Islands. To facilitate the efficiency of the reporting process, CIMA has designed a Foreclosure Disclosure Form ("FDF") to garner the foreclosure data. Eventually, this form will be integrated into the Basel II and QPR form ("QPRs").

### SUBMISSION

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FDFs must be completed and submitted via the REEFS portal and will be an ongoing quarterly requirement.

### FDF LAYOUT AND DATA ENTRY

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The layout design, data entry parameters and limitations are similar to that of the QPRs. See Chapter I: 'Guidance Overview' of the [Guidance Notes for the Completion of the Basel II forms and QPRs](#) for details on the underlying considerations.

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## COMPLETING THE FDF

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### A – Foreclosure Details

The form is sectioned into 4 main dimensions:

- Client
- Asset
- Security
- Foreclosure

#### 1 - Client

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- i. Insert the Relationship Client ID number. This number is generally unique to a client and is used to link multiple accounts held by the client.

#### 2 - Asset

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- ii. *Loan Classification* – All loans in foreclosure must be reported. The submitter is expected to select one of the pre-defined loan type options, namely:

(Not Reported)
Households - Retail Lending/Consumer Loans
Households - Residential Mortgages
Non-Financial Corporations - Industrial & commercial private sector
Non-Financial Corporations - Commercial Mortgages
Other Financial Corporations - Financial intermediaries & auxiliaries
Other loans and advances
Sovereigns
Central Banks
Non Central Government Public Sector Entities (PSEs)
Multilateral Development Banks (MDBs)
Group Bank - Parent, Branch, Subsidiary or Affiliate
Other Banks

The loan type options correspond with those utilized in the QPRs. Please see the [Guidance Notes for the Completion of the Basel II forms and QPRs](#) for specific details.

- iii. *Origination Amount* – The amount of the loan at origination, adjusted for any additional increases to the facility.
- iv. *Origination Date* – Date recorded by the bank at the time the loan is granted.
- v. *Maturity Date* – Date loan is expected to be repaid.
- vi. *Amount Past Due* - The total amount currently past due.

- vii. *Days Past Due* – The number of days that the amount disclosed in vi. has been past due.
- viii. *Non-Accrual Date* – The date at which the loan was placed in non-accrual status.
- ix. *Date foreclosure process initiated* – Date that the bank commenced the foreclosure process.
- x. *Loan Balance when foreclosure process initiated* – Loan Balance at date of commencing the foreclosure process. (*This amount is inclusive of the *Amount Past Due* value.*)
- xi. *Interest Type* – Variable or Fixed Interest Rates.
- xii. *Interest Rate* – Interest rate charged on the loan. The field must be completed irrespective of whether interest is no longer accruing. In such a case, the rate should be the rate in place before the shift to non-accrual.
- xiii. *Currency* – The denominated currency of the loan.

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### 3 - Security

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- xiv. *Security type* – This field must state whether or not the loan was secured or unsecured.
- xv. *Security Value (special assumption value)* – The total value of all security adjusted for any identified appreciation or depreciation/impairment.
- xvi. *Expected Residual Exposure* – An automated field which requires no input. It nets the adjusted *Security Value* against the *Current Balance* to produce the total expected residual exposure if sale of the property occurs.

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### 4 - Foreclosure

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- xvii. *Stage of Foreclosure Process* – ‘*In process*’ or ‘*Completed*’.
  - In process* – This involves any legal consultation/proceedings that may lead to the sale of the security.
  - Completed* – For purposes of this form, this is only to be selected when the security has been sold.
- xviii. *Value of Sale* – Relevant when the bank has exercised its claim and liquidated the collateral. The total value of sale should be entered.
- xix. *Actual Residual Exposure* – An automated field which requires no input. It nets the *Value of Sale* against the *Current Balance* to produce the total exposure following the sale of the security.
- xx. *Completion Date of Foreclose Process* – The date when the property was sold.

**B - Loan Portfolio**

The bank should insert the *quantity* and the *book value* of **All Loan Categories and Total Household Residential Mortgages** held as at the end of the current period.

**Foreclosure Disclosure Form  
B - Summary Statistics**

All monetary values to be entered in United States Dollars (USD).

	Quantity	Book Value
	(i)	(ii)
<b>Total Loans</b>		
All Loan Categories	25	25,000,000.00
Total Household Residential Mortgages	10	10,000,000.00