Project Charter- Loan Doc Protocol

EXECUTIVE SUMMARY

The executive summary should be a high-level summary of what issues or problems the project was created to correct. Typically, the executive summary also provides the background information and general statements regarding the project's purpose or justification which will be covered in more detail in the appropriate section(s) of the charter.

Over the last couple of months, we have noted the several deficiencies in loan administration. The deficiencies are specifically related to the knowledge and execution of proper commercial and consumer loan documentation. These issues subject our institution to collateral risk. The Loan Doc Protocol (LDP) project has been created to address and correct these issues and prevent loss due to insufficient or incorrect loan documentation. The project will continue to teach loan documentation concept and standardize our loan documentation process.

PROJECT PURPOSE/JUSTIFICATION

This section describes the purpose and justification of the project in the form of business case and objectives. The business case should provide the reasoning behind the need for this project as it relates to a function of the business.

Business Need/Case

Discuss the logic for the Business Need/Case (market demand, organizational need, customer request, technological advance, legal requirement, ecological impacts, social need, etc). This section should also include the intended effects of the business case (i.e. cost savings, process improvement, new product development, etc).

The LDP project has been created to improve the knowledge of our loan administration personnel in the area of loan documentation.

Business Objectives

This section should list the Business Objectives for the project which should support the organizational strategic plan.

The business objectives for this project are in direct support of our corporate strategic plan to reduce problem assets.

- Create standard loan documentation requirement for each loan types the next 60 days.
- Continue training of loan administration personnel on standard loan documentation.
- Reduce the amount of loan documentation errors.
- Integrate a loan documentation check into our audit process

Project Objectives and Success Criteria

Objectives should be SMART: Specific, Measurable, Attainable, Realistic, and Time-bound. The project manager must be able to track these objectives in order to determine if the project is on the path to success. Vague, confusing, and unrealistic objectives make it difficult to measure progress and success.

The objectives which mutually support the milestones and deliverables for this project have been identified. In order to achieve success on the LDP project, the following objectives must be met within the designated time:

- Develop standard "fool proof" methodology for determining which documents to use to secure different types of loans within the next 20 days.
- Create Checklists for each loan type for use by loan administration within the next 45 days
- Develop an evaluation/testing process for loan administration personnel.
- Introduce via half day training the standards and checklists to loan administration with next 60 days
- Test Loan administration personnel on commercial loan documentation.
- Add Loan documentation to annual internal audit schedule.

Assumptions

The project team must identify the assumptions they will be working under as the project goes forward. These assumptions are what the project manager/team expect to have or be made available without anyone specifically stating so.

The following are a list of assumptions. Upon agreement and signature of this document, all parties acknowledge that these assumptions are true and correct:

- This project has the full support of the project sponsor, stakeholders, and all departments
- The purpose of this project will be communicated throughout the company prior to deployment

SUMMARY MILESTONE SCHEDULE

This section provides an estimated schedule of all high-level project milestones. It is understood that this is an estimate and will surely change as the project moves forward and the tasks and milestones and their associated requirements are more clearly defined.

The project Summary Milestone Schedule is presented below. As requirements are more clearly defined this schedule may be modified. Any changes will be communicated through project status meetings by the project manager.

Summary Milestone Schedule – List key project milestones relative to project start.	
Project Milestone	**Target Date (mm/dd/yyyy)**
• Project Start	12/03/2012
• Standard "fool proof" methodology (document) for determining which documents to use to secure different types of loans within the next 20 days.	
• Create Checklists for each loan type	
• Develop an evaluation/testing process for loan administration	
• half day training the standards and checklists	
• Test Loan administration personnel on commercial loan documentation	
• Add Loan documentation to annual internal audit schedule	05/15/2010

PROJECT APPROVAL REQUIREMENTS

The organization must understand when the project has reached a successful completion. These criteria must be clear and should be accepted by whoever will sign-off on the project's closeout. Once signed-off by the authorized person, the project is deemed approved and is successful as long as it has met all of the agreed upon requirements.

Success for the LPD project will be achieved base on the following:

- Standard loan documentation checklist have been completed for each loan type
- >80% of loan administration can pass a comprehensive loan doc test with at least a 75%

PROJECT MANAGER

This section explicitly states who is assigned as the PM, their responsibility, and authority level. Depending on the organization and scope of the project, the project manager may have varying levels of responsibility and authority for personnel, project expenditures, and scheduling.

AUTHORIZATION

This section provides the names and authorization, once signed, for the project to move forward in accordance with the information contained in this charter.

Approved by the Project Sponsor:

_____ Date: _____

Project Sponsor
<Mr. Richard Willey>