

Technical Model Validation Service

Your data inputs and assumptions should reflect the true behavior of the financial instruments on your balance sheet. Missing data, inaccurate inputs or invalid assumptions can dilute the results of your risk measures, affect your institution's earnings potential or lead your organization in the wrong strategic direction, all of which could negatively impact your next examination. Avoid these modeling pitfalls by having us complete a Technical Model Validation on your PROFITstar® model.

Section 1 of the Technical Model Validation service begins with a detailed review of your Chart of Accounts setup. The Validation packet includes printed setup reports with notations that highlight possible setup issues. These noted items are discussed in the 'Review Notes' section of the Validation packet.

Section 2 is a detailed review of the download setup and the download process. We take a look at the extract files and note what fields are currently setup and make recommendations for additional fields that could be added to improve results from the model. We run the monthly update process, note any download exceptions and make recommendations on how to clear up those exceptions. We then review the data that the download has brought in to determine how well the monthly extract files reconcile with your financial statements, and determine if any changes would improve the efficiency of the download process.

Section 3 is a detailed review of how the client has been updating the model on a monthly basis. Here we review if Databank items are populated on a monthly basis, if the client is balancing their historical month-end, average and income/expense values to their financial statements, and if the client is updating portfolio and offering rates for all accounts.

Section 4 is a review of the Maturity/Repricing module. Here we review the maturity schedules for the accounts brought in from the application files (loans, time deposits, demand deposits, investments – if files are provided) to determine if the schedules created appear to be appropriate.

The final sections deal with advanced modeling options including: Decay on non-maturity deposits, Prepayment assumptions, Key Rate ties and Ceiling and Floor data on existing balances and general model setup. In the sections we note what, if any, assumptions are currently being used, provide additional information about the advanced options and make recommendations to improve the current process.

For more information on this service and associated pricing, please contact our Client Services area at ProfitstarSupport@jackhenry.com or at (800) 356-9099.