



TERMS OF REFERENCE FOR PROJECTS AND LOANS COMMITTEE

1. Authority

The Projects & Loans Committee is created by and reports to the Board of Directors of the Jamaica Mortgage Bank also referred to as (“JMB” or the “BANK”) in accordance with the Primary Finance Policy Manual.

2. Mandate of the Committee

The mandate of the Projects & Loans Committee is to act as the final risk management assessment and monitoring mechanism for the projects being financed by the Bank on behalf of the Board of Directors.

3. Composition

- a. The committee shall consist of no less than three members who shall be selected from the JMB’s Board of Directors;
- b. The Board shall have the right to appoint an independent person from within the Construction Industry to sit on the Committee;
- c. The Chairman of the Committee will be selected by the Board of Directors;
- d. The Members of the Bank’s Internal Management Committee will be required to be present at the Committee Meetings.

4. Functions of the Committee

In carrying out its mandate the committee will perform various functions including:

- a. Reviewing all submissions of projects to be financed by JMB as recommended by the Internal Management Committee. If the submission is acceptable, the Committee recommends that the project be presented to the full Board for approval;
- b. Reviewing the monthly reports on projects financed by the Bank presented from the Business Operations Department and updates on the bad debt portfolio from the Legal Department;
- c. Ensuring that the policies and procedures outlined in the Construction Financing Policies & Procedures Manual are adhered to with respect to the projects recommended for financing;
- d. Ensuring that where variations from policy form part of projects presented by the Internal Management Committee for financing, such variations are justified, and if supported by the Committee, are recommended to the Board for approval.
- e. Conducting periodic reviews of the Policies and Procedures relating to the Construction Financing functions to adopt best practice standards and making recommendations to the Board for approval;
- f. Such other functions as are assigned to it by the Board.

5. Frequency of Meetings

The Committee shall have one meeting each month for the financial year. The Meetings will be arranged through the Business Operations Department who will have responsibility for the taking of minutes.

6. Reporting to the Board

At each Board meeting following a committee meeting, the committee shall report to the Board with respect to its activities and decisions.

The committee shall keep detailed records of its meetings and such records shall be made available to the external auditor and any examiner of the Bank during any external audit or examination.

APPROVED: November 30, 2006

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