MODEL RISK MANAGEMENT
GOVERNANCE & VALIDATION



About CoreAi

With Core AI as your partner, you gain access to highly reliable, scalable, secure, and cost-effective services and solutions.



- At CoreAI, we specialize in creating Custom AI, Generative AI, & Software solutions that enhance business operations with a focus on model risk management and governance
- Experienced management team with over 150 engagements in multiple industry segments
- Full range of business, technology, & MRM services
- Gen AI, Big Data, Advanced Analytics, Software Development, Model Validation and Governance
- Cost-effective and high-quality proven delivery model

DISCOVERY

STRATEGY

ENABLEMENT

SUPPORT

CoreAi
CONSULTING

At CoreAi

Our goal is to equip you with the knowledge, capabilities, and tools you need to become self-sufficient with all kinds of models including AI



AI DEPLOYMENT ASSESSMENT	This evaluation assesses your AI readiness and uncovers Key opportunities to maximize ROI
AI IMPLEMENTATION	We bring real-world experience and a proven track record of delivering value through successful AI deployments
WORKFORCE TRANSFORMATION	Your workforce is key to AI success. We provide training and change management to empower your Team and ensure AI adoption across your organization
AI GOVERNANCE & MRM SUPPORT	We ensure the ethical, compliant, and efficient adoption of financial and Statistical/AI models through robust governance frameworks and Model Risk Management (MRM) strategies.

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AI Solutions & Expertise

CoreAi offers a wide range of AI technology capabilities & solutions on the bedrock of strong AI governance and risk management expertise



Generative AI and Analytics

Agentic	**Document Automation**	**Customer Support Content & Analytics**
Code Automation	**Personalization and Localization**	**Credit Risk Models**

Product Development & Cloud

AI Governance & MRM

With our end-to-end **US-based** service offering, we industrialize the deployment, consumption, and monitoring of such analytics-driven strategies across the client organization.

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Financial & Non-Financial Models – Model Validation & Governance

CoreAi offers SR 26-2 compliant MRM and Model Development services across a range of internal and vendor models

Decision Support Models

- CECL Models
- Pricing Models
- Capital (Economic Capital, CCAR/Capital Adequacy and Forecasting, Stress Testing)
- Fair Lending Models
- Credit Risk(Mortgages/Student/Personal loans

Credit and Counterparty Risk

- PD, LGD & EAD
- DVA and CVA
- IFRS 9
- Scorecard
- Abrigo
- Primatics (EVOLV & EMSM)

Other Models

- Fraud Models (AI & ML-based Credit Card/Web Fraud models)
- Forecasting
- Prepayment
- BSA/AML
- Securitization (cash flow and waterfall)

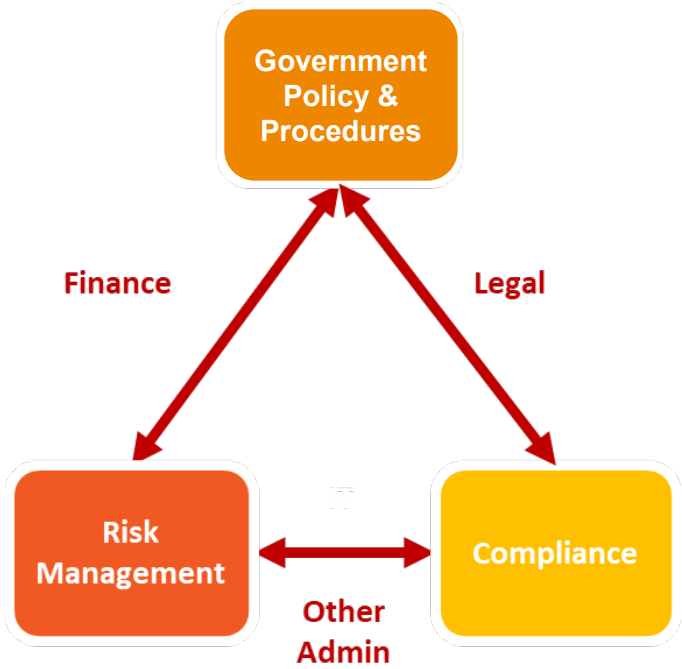
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Why Model Governance?

- Ensures compliance with OCC and SR 11-7 requirements.
- Identifies and mitigates model risk, bias and instability.
- Validates the appropriateness and practicality of model use.
- Promotes sound, defensible decision-making
- Supports continuous monitoring and improvement of models.
- Enhances transparency and awareness of model limitations

Model Governance Guidelines

- OCC 2000-16
- FHFA AB 06-02; FHFA AB 09-03
- OCC 2026-13 / Federal Reserve SR 26-2



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Model Governance Challenges…

Model

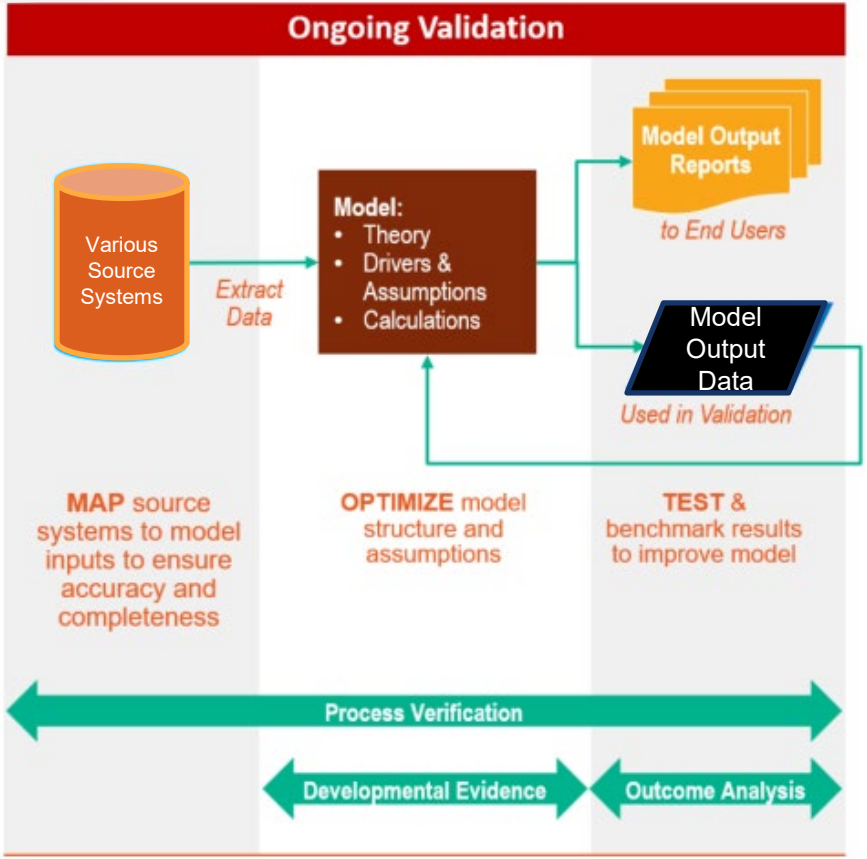
- Absence of independent and objective model validation.
- Ineffective challenge during model validation reviews.
- Insufficient data to support model development and validation.
- Missing or weak justification for model assumptions and expert judgment.
- Inconsistent or unclear model type comparison methodologies.
- Inaccurate model replication

Operational

- Non-transparent processes for generating key model inputs.
- Omission of relevant risk drivers, especially in stress testing models.
- Gaps in model documentation and version control.
- Unvalidated or outdated models in active use.
- Lack of formal Champion/Challenger frameworks.
- Inefficient ongoing or continuous monitoring plan
- Incomplete or outdated model inventory tracking.
- Lack of standardized processes for periodic inventory updates.

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… addressed by a principled MRM approach

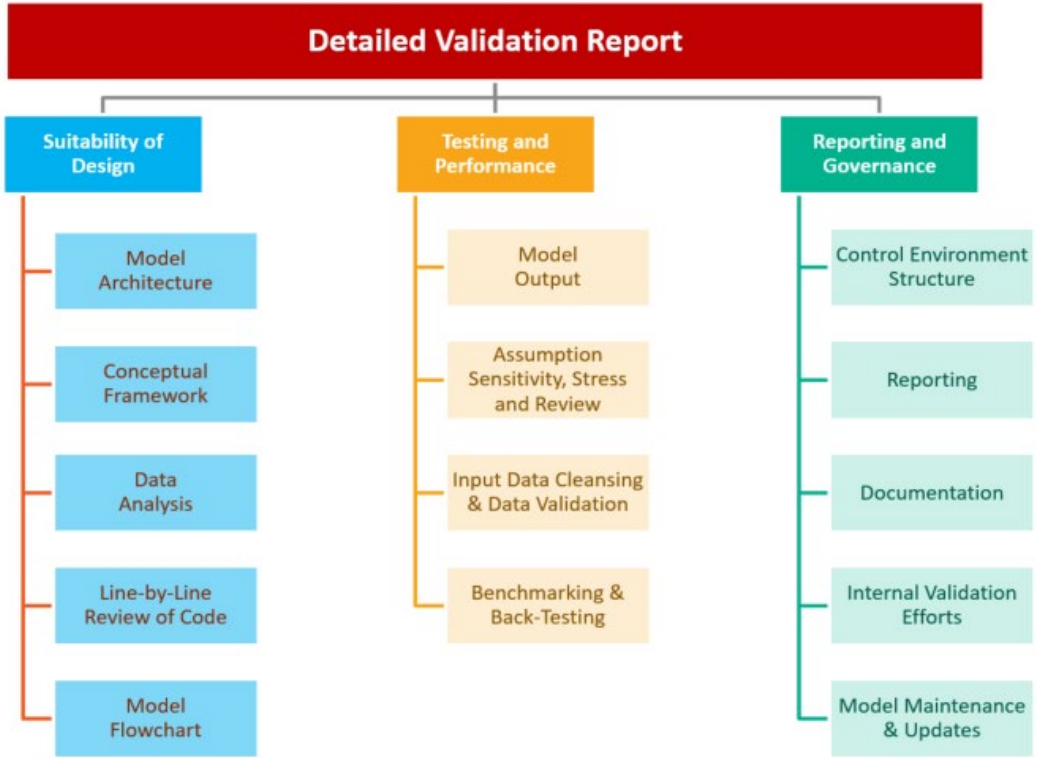


ITERATIVE PROCESS

- Model Validation Process is iterative and may require multiple passes before documentation is complete
- Leadership support is imperative to a compliant model documentation
- Technology-driven Model operations(MLOps) enable a smoother model validation process by the rapid and systematic availability of evidence
- Five Pillars of Model Ops: Data Ingestion, Model Lifecycle Orchestration, Model Experiment and Registry, Deployment & Serving, Monitoring

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Model Validation Outcomes



Other evolving review factors

- Model Controls: Review of model controls in place for documentation, version, access, and source code.
  - Review documentation and procedures around version control
  - Review source code controls in place for each model
  - Review access controls is up to date and enforced documentation version controls
- Ongoing Monitoring: Ensure models are monitored with defined and documented thresholds that are enforced. Additionally, past threshold breaches are reviewed, tested, and documented.

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Core Ai – Team Expertise

PROVEN COMPETENCY
Proven competency in multiple business domains, technologies, and complex use cases

TECHNOLOGY DEPTH
Our specialization allows us to focus deeply on leading-edge technologies and enables us to deliver superior value to clients

FOCUS ON BUSINESS ISSUES
We are focused on delivering end-to-end technology solutions that enable our clients to achieve their business objectives

TRUSTED PARTNER
We partner with clients to collaboratively problem-solve their challenging issues and always do the right thing

TEAM
Our team comprises highly skilled AI experts, Model Validators, Data scientists, Data engineers, Software engineers, and Architects, who are passionate about our client's success

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CONTACT US

contact@coreAIconsulting.com

https://www.coreaiconsulting.com

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