[Date]

To: [Recipient Name/Board of Directors]
From: [Your Name/Risk Management Department]
Subject: Executive Summary - Revisions to Baseline Credit Risk Framework

1. Purpose

This letter outlines the recent revisions made to our organization's baseline credit risk parameters. These updates ensure that our risk assessment models remain aligned with current market conditions and regulatory expectations.

2. Key Revisions

- **Risk Rating Scales:** Adjustment of internal scoring thresholds to better differentiate between high-yield and investment-grade exposures.
- **Probability of Default (PD):** Recalibration of PD values based on updated historical loss data and macroeconomic forecasts.
- **Loss Given Default (LGD):** Revised recovery estimates reflecting current collateral valuations and liquidation timelines.
- **Exposure Limits:** Updated concentration limits for specific industry sectors and geographic regions.

3. Rationale

The revisions were prompted by [Specific Reason, e.g., Annual Review/Economic Volatility/Regulatory Change]. The primary objective is to enhance the sensitivity of our credit monitoring and to maintain a high-quality loan portfolio.

4. Portfolio Impact

Preliminary testing indicates that these revisions will result in a [Increase/Decrease] of [X]% in total Risk-Weighted Assets (RWA). There is no expected immediate impact on our primary capital adequacy ratios.

5. Implementation Timeline

The revised baseline risk framework will be integrated into the credit approval process effective [Date]. All active files will be re-scored during the next quarterly review cycle.

Sincerely,

[Signature]
[Typed Name]
[Title]