| (Dollars in thousands) | December 31, 2021 Allocated Allowance | % of Loan Portfolio | ACL to Loans | December 31, 2020 Allocated Allowance | % of Loan Portfolio | ACL to Loans |
|---|---|---|---|---|---|---|
| Commercial | $14,485 | 29% | 1.01% | $22,040 | 32% | 1.41% |
| Factored receivables | 20,915 | 34% | 1.23% | 56,463 | 22% | 5.04% |
| Consumer | 226 | — % | 2.08% | 542 | — % | 3.42% |
| Mortgage warehouse | 769 | 16% | 0.10% | 1,037 | 21% | 0.10% |
| Total Loans | $42,213 | 100% | 0.87% | $95,739 | 100% | 1.92% |

The ACL decreased $53.5 million, or 55.9%. This decrease was primarily driven by net charge-offs of $45.6 million which includes the aforementioned $41.3 million charge-off of PCD Over-Formula Advances classified as factored receivables that had been reserved in a prior period. At year end, our entire remaining Over-Formula Advance position was down from $62.1 million at December 31, 2020 to $10.1 million at December 31, 2021 and the entire balance at December 31, 2021 was fully reserved.

Another driver of the decrease in required ACL is projected improvement of the loss drivers that the Company forecasted to calculate expected losses at December 31, 2021 as compared to December 31, 2020. This improvement was brought on by a quicker projected economic recovery post-COVID-19 than was anticipated at December 31, 2020. It had a positive impact on the Company's loss drivers and assumptions over the reasonable and supportable forecast period and resulted in a release of $10.4 million of ACL period over period.

The Company uses the discounted cash flow (DCF) method to estimate ACL for the commercial real estate, construction, land development, land, 1-4 family residential, commercial (excluding liquid credit), and consumer loan pools. For all loan pools utilizing the DCF method, the Company utilizes and forecasts national unemployment as a loss driver. The Company also utilizes and forecasts either one-year percentage change in national retail sales (commercial real estate – non multifamily, commercial general, commercial agriculture, commercial asset-based lending, commercial equipment finance, consumer), one-year percentage change in the national home price index (1-4 family residential and construction, land development, land), or one-year percentage change in national gross domestic product (commercial real estate – multifamily) as a second loss driver depending on the nature of the underlying loan pool and how well that loss driver correlates to expected future losses. Consistent forecasts of the loss drivers are used across the loan segments.

For all DCF models at December 31, 2021, the Company has determined that four quarters represents a reasonable and supportable forecast period and reverts back to a historical loss rate over eight quarters on a straight-line basis. The Company leverages economic projections from a reputable and independent third party to inform its loss driver forecasts over the four-quarter forecast period. Other internal and external indicators of economic forecasts are also considered by the Company when developing the forecast metrics. At December 31, 2021 as compared to December 31, 2020, the Company forecasted lower national unemployment, lower one-year percentage change increase in national retail sales, higher one-year percentage change increase in the national home price index, and relatively flat one-year percentage change in national gross domestic product. For percentage changes in national retail sales, national home price index and national gross domestic product, the Company projected growth in the first projected quarter followed by some pullback the last three projected quarters resembling something closer to pre-COVID-19 levels, albeit slightly more modest. Projected unemployment rates used by the Company are relatively stable over the four projected quarters at levels somewhat higher than pre-COVID-19 conditions.

The Company uses a loss-rate method to estimate expected credit losses for the farmland, liquid credit, factored receivable, and mortgage warehouse loan pools. For each of these loan segments, the Company applies an expected loss ratio based on internal and peer historical losses adjusted as appropriate for qualitative factors. Qualitative loss factors are based on the Company's judgment of company, market, industry or business specific data, changes in underlying loan composition of specific portfolios, trends relating to credit quality, delinquency,