



COMMUNITY BANKERS ASSOCIATION OF ILLINOIS

E-CLASSROOM SEMINARS

Problem Loans and Bankruptcies Are Coming, Are You Ready? On-Demand Recorded Session

The shutdown of US and global economies are going to have repercussions for many months, and problems continue to emerge in unexpected places. Another issue, coming on the heels of the longest economic expansion in history, is that we have a financial infrastructure that is not prepared to deal with problem businesses. Many bankruptcy attorneys and business turn-around specialists either retired or moved into other lines of work during the recovery as bankruptcy cases were reduced about 50% from the great recession peak. Many bankers have never been directly involved with a customer in bankruptcy. This two-part program provides an overview of four critical areas for bankers to understand now, before problem borrowers and bankruptcies escalate:

- (1) What are the early warning signals (EWS) that matter? (most EWS lists are lengthy itemizations of any and all adverse moves in any sort of balance sheet or income statement account and related ratios.) How helpful is it to say that a revenue decrease is an EWS? Let's get more specific.
- (2) Once the problem is evident, what are the next steps that the banker must consider? What are your options? For instance, what are the pros and cons of having the lender continue to manage things versus a problem loans specialist?
- (3) What are the basics (terminology and principles) of bankruptcy? Do you know what preference items are? A 341 hearing?
- (4) How do lender liability lawsuits arise? How can you avoid them?

Specific subjects that are covered during the program:

- Unconventional early warning signals based on the most common types of commercial loans, both C&I and CRE
- Other conventional or traditional early warning signals and "top six" situations to avoid
- Potential defenses that guarantors can raise in almost any situation
- Developing a workout strategy that works
- The basics of bankruptcy and the basics of lender liability
- Revisiting the definitions of impaired assets (for purposes of the allowance for loan and lease losses [ALLL] and troubled debt restructurings (TRDs)
- The basics of lender liability
- Five practical workout steps and tips

WHO SHOULD ATTEND?

Credit analysts, portfolio managers and lenders that are new to problem loans or have limited previous exposure to problem loans; credit officers, senior lenders and other senior managers involved with portfolio-level issues; loan review specialists, and others involved in the lending process or related oversight; any bankers wanting or needing a refresher on these topics would benefit from this program.

FACILITATOR

Richard Hamm has been training bankers for 29 years, specializing in all phases of commercial lending and credit, including portfolio and risk management, commercial real estate and appraisals, plus selling and negotiating skills. He is based in Huntsville, AL and has owned/operated Advantage Consulting & Training for 15 years, after a 22-year banking career including senior positions in lending and credit, including president of a community bank through chartering and formation. He has BS and MBA degrees from the University of Alabama, Tuscaloosa.

Your entire bank can utilize this on-demand recorded session for training as it includes the video from the day of the program, plus the same handout materials as the live session. The on-demand recorded session allows your bank to train all your employees on your own schedule with unlimited views from unlimited computers for up to six months. For more information, please contact Tracy at CBAI at 800/736-2224 or via email at tracym@cbaicom.

REGISTRATION FORM

PROBLEM LOANS AND BANKRUPTCIES ARE COMING, ARE YOU READY?

On-Demand Recorded Session - Available until June 31, 2021

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