



Commercial Lending & Underwriting Bootcamp



August 19 & 20, 2020
Northfield Center
Springfield, IL

Introduction

If you are a lender or credit analyst, are you ready to improve your game? If you manage or review commercial relationships, what are the keys to monitoring borrower performance after the loan has been closed? How do you effectively and efficiently write up the initial underwriting and loan recommendation? What should be discussed in an annual review or renewal?

This two-day course has the answers, with a focus on effective initial structuring and subsequent monitoring of commercial lending relationships. It goes beyond the basics of financial analysis to provide portfolio management tools to influence both credit quality and profitability. We'll unlock the mysteries of loan agreements and covenants to improve monitoring of existing credits and enhance future underwriting and renewals. Time permitting, we finish with a set of unconventional problem loan warning signals to better assist lenders in getting an early jump on a potential weakness.

Who Should Attend?

Community bankers, small business lenders, private bankers, commercial lenders, loan review specialists, lending managers and credit officers in the commercial lending process benefit from attending.

This two-day seminar provides 12 hours of credit toward the prestigious Certified Community Lender designation

About the Presenter

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. His training work includes our national industry associations (the ABA and RMA), regional banking schools (Graduate School of Banking – Wisconsin, Southwestern Graduate School of Banking – Dallas, and Graduate School of Banking at Colorado, Barret School of Banking – Memphis), numerous statewide banking and community banking associations, plus individual banks. Hamm moderates eight periodic, small group “senior lender forums” across three Midwest states, plus an annual Senior Lender Summit and quarterly roundtables for the Barret School of Banking, Memphis, TN. On the consulting side, he has been involved in director training, loan policy formation, bank formation (start-ups and acquisitions) and related strategic planning. *The RMA Journal* has published over 20 articles by Hamm on various lending topics, and he has served for many years on its Editorial Advisory Board. 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.



Hamm

Agenda

Day One: Wednesday, August 19, 2020 Loan Structuring, Loan Agreements and Covenants

Commercial lending involves many types of loans and credit facilities. Equally diverse are the various cash needs of businesses, such as operating funds, plant expansion or equipment purchases. Documentation can range from a simple note and security agreement to a more complex loan agreement with financial covenants. In structuring a financing arrangement, the banker must have a thorough knowledge of the available credit facilities and how to match them to the customer's needs.

This portion of the bootcamp provides bankers with a working knowledge of the basic principals of loan structuring and loan agreements, including:

- Understanding your bank's goal(s) in structuring the loan
- Identifying the goals of your customer and the resulting credit needs
- Discussing and implementing the products you can utilize
- Identifying the loan structures that best match the source(s) of repayment
- Applying these concepts (using cases) in four key loan types: seasonal, bridge, term and operating lines of credit
- Reviewing common mistakes and lender errors in the four key loan types
- Understanding the typical structure, format and goals of loan agreements and covenants
- Developing, setting and monitoring financial covenants
- Brief overview of a borrowing base and other asset-based lending concepts used for underwriting and monitoring traditional operating lines of credit

Day Two: Thursday, August 20, 2020 Loan Policy, Portfolio Management and Creating Loan Packages

The commercial lending process starts with a clear understanding of how your loan policy drives all the steps. We look at key issues addressed by loan policy and how it results in your system for assigning credit risk ratings. In addition to the financial performance of the borrower, successful portfolio management involves tracking and assessing many non-financial factors.

Despite our automated and digital world, we ultimately have to make a written discussion that includes the financial and non-financial issues with a lending relationship. And this may be the most difficult, but also most important part of the process.

This portion of the bootcamp provides bankers with these tools:

- Finding the key drivers of your bank's loan policy and how to improve your understanding and compliance
- Why are credit risk ratings important, especially in terms of timely adjustment
- Assessing industry, market and management risk and their effect on financial results of C&I borrowers and as part of an overall credit risk rating
- Assessing similar, qualitative aspects of CRE borrowers, including key issues in lease agreements
- Managing commercial relationships and a lender's portfolio to improve both credit quality and revenue opportunities
- Tips for utilizing global cash flow
- General business writing issues that apply to commercial lending
 - o Eight qualities of effective business writing
 - o Case example of the qualities
 - o Understanding your purpose and audiences
 - o Issues in communicating quantitative information and numbers
- Effective use of "cover pages" in a loan package
- Tips for better credit memos
 - o "Master" format with just about anything you would ever need to mention
 - o Examples of wording and formats (one "before" and "after")
- Watch what you write for lender liability issues
- Intellectual commitment and discipline in the process
- (Time permitting/Appendix) Recognizing (early) potential problem loans

Registration Fees

Fees include hand-out materials, refreshment breaks, and lunch.

An income-tax deduction may be allowed for educational expenses undertaken to maintain or improve professional skills.

Cancellation Policy

Registrants cancelling two days prior to each seminar receive 100% refund; one day prior, 50%; the day of the seminar, no refund. **All cancellations must be made in writing prior to the seminar day. Invoices and training materials will be sent to all "no shows."**

CBAI MEMBER

First Registration	\$435
Each Additional Person.....	\$405

**PROSPECTIVE MEMBER

First Registration	\$835
Each Additional Person.....	\$805

**Only financial institutions/firms eligible for CBAI membership.

"CBAI is monitoring the COVID-19 situation and will make any changes to in-person sessions as necessary to comply with state and federal mandates and orders."

Registration Form

COMMERCIAL LENDING & UNDERWRITING BOOTCAMP
AUGUST 19 & 20, 2020

Please Print

Name of Bank _____

Address _____

City, State, Zip _____

Tel. No. _____

Name/Title _____

E-Mail _____

(E-mail is required for registration).

Name/Title _____

E-Mail _____

(E-mail is required for registration).

I have special needs, please contact me before the seminar.

Please select your payment method.

Check Enclosed Check in Mail
 Pay at Door Credit Card*

**If you are paying by credit card, please fill out the following information.
(Visa, MasterCard & Discover accepted).*

Name as It Reads on Card _____

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901 Community Drive
Springfield, IL 62703-5184



Fax it in:
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Call it in:
(800) 736-2224
(217) 529-2265

Date and Location

August 19 & 20, 2020
Northfield Inn & Conference Center
3280 Northfield Drive
Springfield, IL 62702
217/523-7900

Agenda

Registration begins at 8:30 a.m. The seminar runs from 9 a.m. to approximately 4 p.m. Continental breakfast and lunch provided.

Continuing Education

CBAI is a registered Public Accounting Continuing Professional Education (CPE) provider by the Illinois Department of Financial and Professional Regulation.

For More Information

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