



Essentials of Commercial Credit Analysis Series



16-17 APRIL

14-15 MAY

9AM - 4PM

IBA Center for Banking
Excellence, Springfield

OR

Live Streamed

This series provides bankers with foundational principles for effective commercial and real estate lending, commercial credit analysis, underwriting, and loan review. Each session prepares bankers to analyze credits successfully and make wise, evidence-based loan recommendations, where they must have the skills and flexibility to respond to a wide range of loan requests.

SESSION 1**INTRODUCTION TO COMMERCIAL LENDING AND FINANCIAL ACCOUNTING**

- Lending in Today's Community Bank
- The Commercial Loan Application Process
- 5 C's of Credit Evaluation: Capacity, Character, Capital, Collateral, Conditions
- Types of Borrowers/Legal Entities
- Defining the Borrowing Need and Sources of Payment
- Types of Commercial Loans and Loan Restructuring
- Financial Accounting 101 for Lenders
- Types and Quality of Financial Statements
- Evaluating Guarantor Support and the PFS
- Getting a Complete Loan Application

SESSION 2**CRE LENDING, TRADITIONAL CASH FLOW METHODS, AND ANALYZING TAX RETURNS**

- Commercial Real Estate Lending Defined
- Common Types of CRE Projects and Credit Considerations
- Real Estate Appraisal Analysis, Lease Analysis, and Other Considerations
- Calculating Debt Service Coverage, Global Debt Service Coverage, and Global Debt to Income
- Analyzing Personal Income Tax Returns – Form 1040 and Schedules
- Analyzing Business Tax Returns
- Real World CRE “Loans Gone Bad”

SESSION 3**C&I LENDING, FINANCIAL STATEMENT ANALYSIS, DIRECT (UCA) CASH FLOW ANALYSIS**

- C&I Lending Defined
- Cash Conversion Cycle and Working Capital
- C&I Borrowing Causes and Loan Structure
- C&I Collateral Analysis and Monitoring
- Financial Statement Analysis: Trend Analysis, Common-Size Analysis, Ratio Analysis
- Statement of Cash Flow and Direct UCA Analysis
- Projecting Future Income and Cash Flow
- Real World C&I “Loans Gone Bad”

SESSION 4**EFFECTIVE CREDIT MEMOS, PROPER LOAN GRADING, PORTFOLIO MANAGEMENT, AND RELATIONSHIP BUILDING**

- 5 C's and the Effective Credit Memo
- Assessing Risk and Mitigation Strategies
- Proper Loan Grading
- Ongoing Loan Monitoring, Exception Management, and Loan Review
- Problem Loan Workouts
- Effectively Communicating with Credit Partners
- Building Loyal Client Relationships

Continuing Education Illinois Public Accounts will receive 7.00 CPE credit hours per session or 28 CPE credits by attending the full series.

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Full Series

Member \$995 pp

Nonmember \$1,665 pp

Individual Sessions

Member \$265 pp

Nonmember \$445 pp

The instructor's facilitation approach encourages participant engagement and, thus, enhances their learning experience. Participants apply lending, underwriting, and credit analysis principles through real-world examples, practice problems, and case studies. Worksheets for calculating Debt-to-Income, Debt Service Coverage, and Global Debt Service Coverage are included.

Benefits of the Series

- Gain a solid foundation for a career in commercial lending.
- Become more aware of the pitfalls of common lending and credit analysis mistakes.
- Understand why knowledge of UCA cash flow analysis is an under-valued, yet critical skill for all small business and commercial bankers.
- Learn how to interpret and communicate “the story” conveyed in the financial statements.
- Become familiar with analysis provided by commonly used bank financial analysis software.
- More effectively communicate with key stakeholders to improve loan decisions and client service.

Attendee Requirements

- Attend and engage fully in training.
- Bring a calculator to class.
- Bring printed copies of the training manuals and resource manuals to class.
- A laptop is recommended, but not required.
- For the best training experience and learning results, virtual attendees are highly encouraged to have their video cameras on during training.



Facilitator

Christie Drexler, Owner of Drexler Consulting, LLC



Audience

This series is targeted to Commercial Lenders, Small Business Lenders, Credit Analysts/Commercial Loan Underwriters, Loan Review Officers, and Management Trainees. Each course is “down-to-earth” and particularly relevant for bankers specializing in lending to small and mid-size commercial borrowers.

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