

MAKING THE COMMERCIAL CREDIT DECISION

December 1-4, 2020
Now Virtual via Zoom!

A comprehensive course focused on learning fundamental commercial credit concepts and the credit decision-making process

NYBA designed the curriculum in partnership with Stevens Risk Management, LLC, to build skills, increase confidence and enhance the awareness and application of commercial financial and credit analysis tools. The content delivered over this four-day course gives your bank the opportunity to promote from within, build a credit team that understands your unique mission and culture, and empower your team with tactics for more constructive conversations with business clients.

Participants will be enrolled in the ABA eLearning course, *Fundamentals of Small Business Banking*, to cover basic small business concepts. Live sessions are highly interactive and include exercises and case studies to apply and reinforce all concepts. Evening work outside of the virtual classroom is required.

REGISTRATION COST:

\$1,750 – Bank Member Rate

\$1,950 – Non-member Rate

Covers the full instructor-led course, program materials, ABA eLearning pre-course session, plus additional resources. Optional courses for foundational knowledge are offered at economical rates (see page 4).

SCHEDULE:

Tuesday, December 1 - Thursday, December 3	8:30 a.m. to 4:00 p.m.
Friday, December 4	8:30 a.m. to 3:00 p.m.
<i>Planned daily breaks are 10 minutes after every hour and fifteen minutes in session, with a half-hour lunch breaks from 12:30 – 1:00 p.m.</i>	

- ✓ Understand why Credit is so important to the success of your organization
- ✓ Increase Efficiency/Effectiveness Using Analytical Tools
- ✓ Enhance Communication & Information Management Skills
- ✓ Reinforce with Practical Applications
- ✓ Provide Resources related to functions of Credit Risk Management
- ✓ Identify Bank Risk Management Issues and Marketplace Factors
- ✓ Address the Bank's Commercial Credit Role

WHO SHOULD ATTEND:

- Credit analysts
- New commercial lenders (up to 5 years' experience)
- Small business relationship officers
- Branch managers
- Leaders seeking a deeper understanding of commercial credit

Participants should have a basic understanding of business financial statements and ratio analysis. Suggested prerequisites provided on page 4.

COURSE CURRICULUM:

Financial Analysis Tools — Gathering Information, Assessing Numbers, and Individual/Business Creditworthiness

Accounting Review: Accounting and financial statement issues related to the bank’s use of financial information for credit evaluation purposes.

- Cash versus Accrual
- Balance Sheet Construction
- Income Statement Construction
- Common Size Calculation
- Ratio Calculation

Assessing the Individual Borrower: Tools for assessing the individual as a commercial borrower and/or guarantor.

- Personal Financial Statement Analysis
- Individual Tax Return Analysis
- Personal Cash Flow Analysis
- Role of Guarantor and Assessment

Financial Analysis Process: Implementing a financial statement analysis framework to perform credit analysis.

- Common Size Analysis
- Ratio Analysis/Interpretation
- Balance Sheet/Income Statement Linkage and Analysis
- Cash Cycle Analysis to Identify Short Term Needs
- Cash-to-Cash Cycle for Discussing Cash Impact by Business Type

Cash Flow Analysis: Address key cash flow types (FASB, UCA, Traditional, Personal, and EBIT) and how each is used in the credit analysis process.

- Types of Cash Flow Analysis to Assess Risk
- Mechanics of each Cash Flow Type to Understand the Information Source and Use in Assessment
- Manual Calculation of each Cash Flow Type to Understand Where and How Information is Obtained

Credit Analysis Tools — Assessing Business Performance, Structuring the Loan and Communicating the Decision

Qualitative Analysis: Tools to move from financial to credit analysis.

- Industry, Business and Marketplace Risk Analysis
- Management Analysis
- Projections of Future Cash Flow

Loan Structure: Focus on approaches and tools for managing the credit risk.

- Types of Loan Structures
- Loan Management Tools, including Covenants, Collateral, Pricing
- Loan Monitoring, Credit Deterioration, Problem Loan Awareness
- Communicating and Documenting the Loan Decision—focuses on activities related to tying the assessment together into a completed loan package.
- Legal Issues, including Lender Liability, Environmental Issues, Business Organization; Loan Documentation
- Loan Write-Up and Presentation

Case studies will be used throughout the course to illustrate elements of the loan decision-making process.

Please Note: Class assignments each evening should take no more than 45-60 minutes to complete. The virtual course will be delivered using Zoom meetings. Access links are provided by NYBA the week prior to the start date, along with download instructions for course materials. We encourage you to test your technology ahead of time, and the instructor recommends printing select worksheets. Please plan accordingly and contact NYBA should you require further assistance.

ABOUT YOUR INSTRUCTOR:



Brad Stevens has been leading the credit industry as an analyst, trainer and consultant for over 30 years. His career started with Norwest Bank in Minneapolis, where he was taught credit under the direction of Jeff Judy and later John Barrickman, two titans of the credit industry. During his tenure, he either restructured, exited or liquidated targeted commercial accounts. Brad successfully built strong, profitable, well-structured credit portfolios for two midsized banks as a commercial relationship manager. He was promoted to back-to-back stints as the Chief Credit Officer of two struggling banks. In that role, he was assigned to work out of difficult credits, restructure the credit culture, build new credit policies, and worked with the regulators. At the same time, he trained the lending staff on proper credit assessment, training them in managing credit over making loans.

For the past eleven years, Brad has built a strong credit portfolio at Alerus of over \$40 million in current outstanding credit balances and has not suffered a loss or 30-day late during his tenure. He has worked as an Associate with Jeff Judy and Associates for several years on numerous projects. Brad uses his experience and real-world credit examples to bring a unique and interesting perspective to the credit training world. He is a strong believer in Bankers Training Bankers, which is why NYBA has partnered with Brad over the past thirteen years to deliver this program to our New York bankers.

Brad has a degree in Economics, MBA in Finance from the University of St. Thomas as well as having completed the Commercial Banking School at the University of Oklahoma and the Graduate School of Banking program at the University of Wisconsin-Madison.

THE NYBA BLENDED LEARNING EXPERIENCE

Since 2007 NYBA has built this custom curriculum on the premise that learning is most successful when it takes place within a live *virtual* classroom and beyond. Prerequisite courses prepare you for the course content, group work and individual course assignments help reinforce what you are learning, course resources and materials are valuable reference tools, and supplemental courses are offered to further expand your expertise in the subject matter.

Course participants are required to seek the support of a mentor to foster knowledge sharing that benefits your bank's bottom line. Shortly after course completion, mentors and mentees should meet to discuss how the curriculum can be applied to your bank's internal policies and procedures. Registrants can also sign up for the optional foundational ABA eLearning courses using this form. More information about the prerequisites, along with continuing education options, can be found on the next page.

Please return the completed registration form to education@nyba.com and contact us with any questions.

BANK/FIRM:			
FORM COMPLETED BY:	NAME:	TITLE:	
	E-MAIL:	TELEPHONE:	
NYBA COURSE PER-PERSON:	<input type="checkbox"/> \$1,750 NYBA Members <input type="checkbox"/> \$1,950 Non-members		
1ST REGISTRANT:	NAME:	TITLE:	
	ADDRESS:		
	E-MAIL:	TELEPHONE:	
Optional ABA eLearning Prerequisite Courses: Personal Tax Return Analysis AND/OR Introduction to Analyzing Financial Statements			
TWO-COURSE PACKAGE:	<input type="checkbox"/> \$130 NYBA Member <input type="checkbox"/> \$185 Non-member		
SINGLE COURSE:	<input type="checkbox"/> \$95 NYBA Member <input type="checkbox"/> \$130 Non-member		
	<input type="checkbox"/> Personal Tax Return Analysis -OR- <input type="checkbox"/> Introduction to Analyzing Financial Statements		
REQUIRED MENTOR INFORMATION:	NAME:	TITLE:	
	E-MAIL:		
2ND REGISTRANT:	NAME:	TITLE:	
	ADDRESS:		
	E-MAIL:	TELEPHONE:	
Optional ABA eLearning Prerequisite Courses: Personal Tax Return Analysis AND/OR Introduction to Analyzing Financial Statements			
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REQUIRED MENTOR INFORMATION:	NAME:	TITLE:	
	E-MAIL:		
3RD REGISTRANT:	NAME:	TITLE:	
	ADDRESS:		
	E-MAIL:	TELEPHONE:	
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SINGLE COURSE:	<input type="checkbox"/> \$95 NYBA Member <input type="checkbox"/> \$130 Non-member		
	<input type="checkbox"/> Personal Tax Return Analysis -OR- <input type="checkbox"/> Introduction to Analyzing Financial Statements		
REQUIRED MENTOR INFORMATION:	NAME:	TITLE:	
	E-MAIL:		
Total Registration: \$ _____	<input type="checkbox"/> VISA <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover <input type="checkbox"/> ACH <input type="checkbox"/> Invoice		
Notes:	Number:	Exp. Date:	V-Code:
	Name on Card:		
Signature:			

Cancellation Policy: Registrations cancelled three weeks prior to the start of a session will be refunded in full; 75% refund within two weeks; 50% refund within seven days; and no refund if cancelled less than seven days prior to the start of a session. Substitutions are permitted.



Bankers should have a basic understanding of business financial statements and basic ratio analysis to get the most out of this course. Those with a limited background in accounting or financial statements may wish to consider the suggested prerequisite courses: Personal Tax Return Analysis and Introduction to Analyzing Financial Statements.

Optional Foundational Courses

While there are no required prerequisites for this course, bankers with limited background in financial statements may wish to supplement the classroom instruction with self-paced online training through ABA eLearning before the first session. These courses may also be helpful as a refresher. Recommended courses include:

- **Personal Tax Return Analysis**
- **Introduction to Analyzing Financial Statements**

These courses are \$95 each or \$130 for the two courses per person if you enroll in connection with this course. The non-member rates are \$130 each and \$185 for the two-course package. Use the check boxes on the registration form to enroll.

Bankers wishing to build an even stronger foundation in credit fundamentals may wish to enroll in an ABA Online Course. These instructor-led online courses are offered throughout the year and are available 24/7 to accommodate all schedules. Relevant courses include:

- **General Accounting:**
\$471 Members | \$566 Non-members
- **Analyzing Financial Statements:**
\$455 Members | \$540 Non-members
- **Commercial Lending:**
\$455 Members | \$540 Non-members

Click on the course title for more information. Course textbooks are at an additional cost.

The New York Bankers Association is your Local ABA Training Provider. NYBA members receive the reduced ABA member registration price.

BUILD YOUR CREDIT EXPERTISE FOR CAREER ADVANCEMENT

GSB Online Seminars & BankWebinars.com / OnCourse Learning

Our education partners offer convenient and cost-effective options to obtain additional training in lending best practices. All sessions are delivered live or are available on-demand as online recordings.

Click the logo to browse their online catalog and register directly.

