

# Making the Commercial Credit Decision

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

**April 21 - 24, 2020 - Hilton Doubletree, Tarrytown, NY**

Introduced to strong praise in 2007, NYBA's **Making The Commercial Credit Decision** curriculum is a four-day course focusing on the commercial credit decision-making process. The course also includes one self-paced online course—**Fundamentals of Small Business Banking**—as well as evening work outside the classroom. Classroom sessions are highly interactive and include exercises and a case study to apply and reinforce all concepts. NEW!: We offer an optional pre-course session for new credit officers at no additional charge.

**Outcome:** The curriculum is designed to build skills, increase confidence and enhance awareness and application of fundamental commercial financial and credit analysis tools. The content is also designed to help lead to more constructive conversations with business owners. Using this program provides your bank with the opportunity to promote from within and build a credit staff that understands your unique mission and culture.

**Designed for:** Credit analysts and newer commercial lenders (up to 5 years experience) as well as small business relationship officers and branch managers seeking to enhance credit skills and build a deeper understanding of financial statements and the credit decision-making process. Participants should have a basic understanding of business financial statements and ratio analysis. See reverse side of registration form for suggested prerequisites to provide this background.

**Instructor: Brad Stevens**

Brad 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, Brad either restructured, exited or liquidated targeted commercial accounts. He 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 a number of 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.

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.

## Course Curriculum:

### Financial Analysis Tools — Gathering Information— Assessing the Numbers and Individual and Business Creditworthiness

**Accounting Review**—discussion of accounting and financial statements 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**—discussion of 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**—focuses on the financial statement analysis framework and its use in performing credit analysis.

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

**Cash Flow Analysis**—addresses 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 and their Use in Assessing Risk
- Mechanics of each Cash Flow Type to Understand 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; Communicating the Decision

**Qualitative Analysis**—provides tools to move from financial to credit analysis.

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

**Loan Structure**—focuses 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.

## Getting the Most Out of Your Training Experience

This curriculum is built on the premise that learning takes place both inside and outside of the classroom. In addition to classroom instruction, the program includes:

**Online Course:** Participants will be enrolled in the ABA eLearning course—*Fundamentals of Small Business Banking* (business legal structures, business operating cycle, life stages of a typical business) to cover basic small business concepts.

**Mentors:** Each bank should assign a senior lender to serve as a mentor to the employee enrolled in the course. Mentors are encouraged to meet with the employee following the course to review and reinforce the classroom experience and relate it to internal policies and procedures.

**Beyond the Classroom:** In order to maximize the learning, participants are expected to spend about **60-90 minutes** each evening on a class assignment. For those staying at the hotel, group collaboration will be encouraged.

**Prerequisites:** Bankers should have a **basic understanding** of business financial statements and basic ratio analysis to get the most out of this course. Those with limited background in accounting or financial statements may wish to consider one or all of the following self-paced courses: Personal Tax Return Analysis; Introduction to Analyzing Financial Statements. See back of registration form for details.

## Dates/Locations/Schedule

**April 21 - 24, 2020 - Hilton Doubletree, Tarrytown, NY**

**Click here** to reserve a room for the preferred NYBA rate of \$159/night. Room reservation cut-off date is March 20. Or call Reservations at 800-474-4260

### Schedule

Optional Pre-Course Session: Monday April 20, 2-5 pm

Tues: 10:00 am—5:00 pm (registration from 8 am on)

Wed/Thurs: 8:30 am—5:00 pm

Fri: 8:30—3:00 pm

**Note:** A class assignment each evening should take no more than 45-60 minutes to complete. Plan travel accordingly.

## Registration Fees

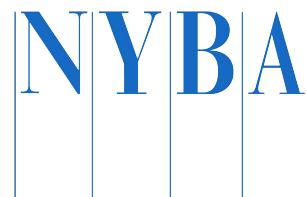
\$1,750 members; \$1,950 non-members for full program  
Cancellation policy on registration form.

Covers classroom instruction, program materials, refreshments, luncheons, self-paced online course.

## For More Information:

Please contact Kim Mendelsohn, NYBA, at 212-297-1672, or [education@nyba.com](mailto:education@nyba.com).

# REGISTRATION



## Registrant Information – Making the Commercial Credit Decision

(please copy this form for additional registrants)

**Date:** ☐ April 21 - 24, 2020 - Doubletree Tarrytown ☐ April 20 Pre-course session for new credit officers (space limited)

☐ \$1,750 NYBA members ☐ \$1,950 non-members

Optional eLearning Courses: Personal Tax Return Analysis and/or Introduction to Analyzing Financial Statements

☐ \$130 NYBA members ☐ \$185 non-members **2 course package (see reverse side for further information)**

☐ \$95 NYBA members ☐ \$130 non-members **single course:** \_\_\_\_\_

Full Name

Title

Badge Name

Bank/Firm

Street Address

City

State

Zip

Email

Telephone

Fax

### Fee Summary

\$\_\_\_\_\_ total fee for this registration.

**Cancellation Policy:** Registrations cancelled three weeks prior to the start of a session will be refunded in full. Registrations cancelled by within two weeks of the start of the session will receive a 75% refund; those cancelled within seven days will receive a 50% refund. Registrations cancelled less than seven days prior to the start of a session will not be refunded. Substitutions are permitted.

### Method of Payment

- ☐ Check payable to New York Bankers Association  
☐ Charge fees to credit card:  
☐ MasterCard ☐ Visa ☐ Discover

Card # \_\_\_\_\_ Exp. \_\_\_\_\_

Cardholder Sign \_\_\_\_\_ V-code \_\_\_\_\_

Name on Card \_\_\_\_\_

### Return form to:

Making the Commercial Credit Decision  
New York Bankers Association  
99 Park Avenue, 4<sup>th</sup> Floor  
New York, NY 10016  
Fax: 212-297-1683  
Questions: 212-297-1666

#### NYBA USE ONLY

Date Received

Check #

CC Proc

Confirm Sent

Online Enroll

### Bank Officer Approving Registration

Name

Title

Mailing Address

Phone

Fax

Email

I understand that employees registering for the full curriculum must attend all class sessions, participate in group discussions, and complete one self-paced online course and evening assignments in order to receive a certificate of completion.

Signature

☐ I will serve as the registrant's Mentor.

### Mentor, if different from above:

Mentor Name

Title

Phone

Fax

Email

# Build Credit Knowledge for Career Advancement

## Suggestions for Learning Reinforcement and Extension

**Prerequisites:** While there are no 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 if requested in connection with this course. To enroll, email [education@nyba.com](mailto:education@nyba.com) or check box on the registration form.

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 nonmembers)
- **Analyzing Financial Statements** (\$455; \$540)
- **Commercial Lending** (\$455; \$540)

Course textbooks are at an additional cost

For more information, go to:

[www.nyba.com/](http://www.nyba.com/)

**Self-paced online credit training curriculum—  
ABA Certificate in Business and Commercial Lending**  
(\$600; \$875)

## GSB Online Seminars | BankWebinars.com Credit Training at Your Bank

The **GSB Online Classroom** and the **BankWebinars.com** webinar platform offer convenient and cost-effective ways to participate in additional loan training. All sessions are delivered **LIVE** or are available as online recordings. Topics vary year to year and may include:

- Advanced Financial Statement Analysis
- Global Cash Flow Analysis
- Keys to Understanding Personal and Global Cash Flow From Tax Returns
- Introduction to Commercial Lending
- Collateral Evaluation in C&I Lending
- Advanced Tax Return Analysis
- Loan Committee Presentation Skill Training
- How to Craft an Effective Commercial Loan Write-Up
- SBA Guaranteed Small Business Lending
- Loan Structure, Documentation and Compliance

**For more information:**

<https://www.gsb.org/>

or

<https://www.bankwebinars.com/?idaff=17149>

## Beyond the Basics

Designed for lenders who have a working knowledge of the material covered in Credit Fundamentals curricula and wish to continue their credit training and development.

**PBA School of Commercial Lending (1 Week)**  
\$2,500 members (single room); \$3,500 nonmembers (single room)

**ABA Lending School—Foundational (1 Week)**  
\$2,595 ABA members; \$3,595 nonmembers, plus housing

## Intermediate to Advanced Development

Designed for lenders with five or more years of experience who wish to enhance portfolio management and credit leadership skills.

**ABA Commercial Lending School—Advanced (1 Week)**  
\$2,595 ABA members; \$3,595 nonmembers, plus housing

Go to: [www.nyba.com](http://www.nyba.com) for more details on all programs, or call 212-297-1679 or email [education@nyba.com](mailto:education@nyba.com).

All prices are subject to change.

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[www.nyba.com](http://www.nyba.com)

