



GENERAL BULLETIN

CONNECTICUT
BANKERS
ASSOCIATION
10 Waterside Drive
Farmington, CT 06032-3083
(860) 677-5060
FAX: (860) 677-5066

SENT TO:

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December 02, 2020

TO: THE CHIEF EXECUTIVE OFFICER
OR INDIVIDUAL ADDRESSED

CEO, CEO+ CLO
HR Specialist

RE: **NEW Virtual Offering! CREDIT ANALYST/COMMERCIAL LENDER TRAINING PROGRAM**
Online Video Course now available

The CBA, in conjunction with the Rhode Island Bankers Association (RIBA), is pleased to announce that the *comprehensive six-part* Credit Analyst/Commercial Lender Training Program is now available for purchase as an online video package. With the continued remote work environment caused by the COVID crisis, we have developed this program format to easily allow for multiple staff to continue their training and talent development wherever their workplace may be.

Program Overview

This six-session program, with each session being a full day, provides students with key basics, including financial statement analysis. A detailed syllabus is attached for your review. This program is appropriate for any staff member at your institution who has or will have responsibilities within the bank's commercial lending business line.

Instructor

Harris S. Berger, the program instructor, has 45 years of experience as a financial services executive in the banking industry, including 32 years of commercial lending and risk management at two major US banks. He provides consulting and professional training for several financial services organizations, focusing on commercial lending, credit risk management, international development, and portfolio loan review. Harris has successfully facilitated this training program for the CBA, RIBA and neighboring state banking associations.

Fees and Purchase Information

The fee to purchase this program is \$1,995 for the first person at your bank and \$495 per person for each additional user. The fee includes course handouts and the two textbooks for the course: Analyzing Financial Statements: A Decision Tree Approach, Part 1, 8th Edition ("AFS") and Commercial Lending: A Decision Tree Approach, Part 2, 7th Edition ("CL"). Additional handouts will be provided to each individual registered for the training. Please [CLICK HERE](#) to purchase this course.

Should you have any questions, please do not hesitate to contact the Association office.

Sincerely,

KIMBERLY M. TUTTLE
AVP and Director of Education



SYLLABUS

Texts listed below will be provided to registrants:

Analyzing Financial Statements, A Decision Tree Approach, Part 1 8th Edition (“AFS”)

Commercial Lending, A Decision Tree Approach, Part 2 7th Edition (“CL”)

Additional cases and handouts prior to class sessions

SESSION 1 – Preparation: AFS Chapters 1-3, CL Chapter 1

- Introduction
- Fundamental credit assessment principles (sustainability, financial flexibility, debt capacity, ways out)
- Business legal entities
- Why businesses borrow
- Overview of a financial institution’s risk management structure
- Assessment of borrower and guarantor character

SESSION 1 – Preparation: AFS Chapters 4-7, 8 and 10

- The components of the assessment model
- The working capital cycle and financing gap
- Financial statement alternatives (compiled, reviewed, audited)
- Financial statement analysis (earnings, liquidity, leverage, cash flow, debt service coverage)

SESSION 2 – Preparation: AFS Chapters 9 and 10

- Financial statement analysis and cases (continued)
- The adjusted working capital model
- Income property cash flow analysis (IRS 1040 Schedule E)

SESSION 2 – Preparation: AFS Chapters 12-15

- Analyzing personal financial statements
- Overview of personal and business tax returns as sources of information

SESSION 3 – Preparation: CL Chapter 2

- Credit due diligence and information requirements
- Basic credit facilities (lines of credit, revolving credits, term loans)
- Trade finance alternatives (letters of credit covered in detail later)
- Basics of real estate lending



SESSION 3 – Preparation: CL Chapters 5-7

- Ways Out – sources of repayment
- Industry and management analysis
- Credit structuring
- Loan Documentation (notes, credit agreements)
- Covenants, Material Adverse Change clauses (“MAC”)

SESSION 4

- Loan documentation – continued (collateral, subordinations, guarantees)
- The concept of collateral perfection
- Misc. related documentation/structural issues
- Bank loan syndications and participations
- Real estate appraisals
- Overview of SBA loans

SESSION 4 – Preparation: CL Chapters 3 and 4

- Credit administration topics (risk ratings, credit approval memos)
- Loan monitoring; loan monitoring exercise
- Basics of interest rate swaps

SESSION 5 – Preparation: CL Chapter 9

- Overview of asset based or formula lending
- Problem loans – identification and management
- Overview of the bankruptcy process

SESSION 5

- Business life cycles
- Overview of federal regulations relevant to commercial lending
- More on letters of credit (documentary and standby/clean)

SESSION 6

- Mock Loan Committee Overview