

# Commercial Credit Essentials

A comprehensive six-day focus on commercial credit concepts and the credit decision-making process

**Fall 2010 —Hilton Garden Inn, Troy, New York**

**Two three-day modules—September 28-30; October 13-15, 2010**

Introduced to strong praise in 2007, NYBA's Commercial Credit Essentials curriculum consists of two three-day modules focusing on the commercial credit decision-making process. The curriculum also includes two self-paced online courses—**Overview of Financial Statements** and **Fundamentals of Small Business Banking**—as well as extension work outside the classroom. Classroom sessions are highly interactive and include exercises to apply and reinforce all concepts.

**Outcome:** The curriculum is designed to build skills, increase confidence and enhance awareness and application of fundamental commercial financial and credit analysis tools. 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:** New commercial lenders (up to 5 years experience) and credit analysts, small business relationship officers and branch managers seeking to enhance their credit skills and understanding.

**Instructor:** Jeff Judy, Jeff Judy & Associates, has over 30 years of experience in banking and credit training, and now heads his own consulting practice focusing on credit administration, credit training, sales training and culture. He has held a variety of credit-related positions and offers the expertise that only hands-on experience can provide. He is a long-time instructor at several national banking schools, including the ABA Commercial Lending School, and has designed and developed credit training curricula for all levels of experience.

## **Student comments from prior sessions of Commercial Credit Essentials:**

*"I have been to many training classes and this stands out as one of the very best. Jeff Judy has a talent for teaching and engaging an audience. He made clear concepts I had been struggling with for some time. All newer loan officers should take this class."*

*"Jeff has an excellent grasp of the materials and has a broad base of experience; his real-world examples added a lot to the course. The pace was fast-moving and the material was relevant to my job."*

*"This was by far the best training I've had in one year of training in my new position as a commercial underwriter."*

*"Jeff's teaching style was great! I learned a lot from his focus on the tools and concepts of credit analysis. I'll now have much more productive conversations with potential borrowers."*

## Module 1: Credit Analysis Tools — Gathering Information—Assessing the Numbers and Individual and Business Creditworthiness (3 days)

**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
- Case Studies and Exercises

**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
- Case Study and Exercises

**Business Financial Statements**— 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
- Case Study and Exercises

## Module 2: Credit Analysis Application—Assessing Business Performance; Structuring the Loan; Communicating the Decision (3 days)

**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
- The 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
- Case Study and Exercises

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

- Industry and Business Risk Analysis
- Management Analysis
- Projections of Future Cash Flow
- Case Study and Exercises

**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

### 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:

**Two Online Courses:** Participants will be enrolled in two ABA eLearning courses—*Overview of Financial Statements* (balance sheet, income statement, cash flow statement) and *Fundamentals of Small Business Banking* (business legal structures, business operating cycle, life stages of a typical business) to cover basic concepts.

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

### Evening and Inter-Session Assignments

In order to maximize the learning, participants will be required to complete reading and/or assignments during the evenings as well as between the two sessions. A case study will be introduced during module one and used throughout the course to illustrate elements of the loan decision-making process.

### Dates and Location—Troy, NY

#### Location

Hilton Garden Inn, 235 Hoosick Street, Troy, NY  
<http://troy.HGI.com>

#### Dates

September 28-30; October 13-15, 2010

#### Schedule

Day one: 9 am—4:30 pm  
Day two: 8:30 am—4:30 pm  
Day three: 8:30 am—3:00 pm

#### Hotel Reservations

Call 1-518-272-1700 to make your reservation. Please mention the NYBA program to obtain a preferred group rate of \$109.

### Registration Fees

\$1,595 members; \$1,795 non-members for full program  
Cancellation policy on registration form.

Covers attendance at two modules, program materials, refreshments, luncheons, two self-paced online courses.

### For More Information:

Please contact Elisa R. Legg, NYBA, at 212-297-1679, or [elegg@nyba.com](mailto:elegg@nyba.com).

**New York Bankers Association**  
**99 Park Avenue, 4th Floor**  
**New York, NY 10016**  
**[www.nyba.com](http://www.nyba.com)**

# REGISTRATION



## Registrant Information – Commercial Credit Essentials

(please copy this form for additional registrants)

### September—October 2010

Commercial Credit Essentials Curriculum (two modules and two online courses)

\$1,595 NYBA members     \$1,795 non-members

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 by September 7, 2010, will be refunded in full. Registrations cancelled by September 14, 2010, will receive a 25% refund; those cancelled by September 21, 2010, will receive a 50% refund. Registrations cancelled within seven days of the start of the 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:

Commercial Credit Essentials  
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, as well as complete two self-paced online courses and all extension 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	