

Commercial Lending Fundamentals

Bankers who work with customers in the small business market are often not directly involved in the credit approval process, but rather forward lending opportunities to other areas of the bank for approval. But while they may not be responsible for the underwriting of the loan, it is still important that they earn credibility in the eyes of the bank's clients by understanding their borrowing needs and being conversant with respect to their financial statements. Commercial Lending Fundamentals was designed to provide key skills and confidence to small business bankers, while keeping in mind the time and cost constraints faced by most financial institutions.

Course Objectives

After completing this course, learners will be able to:

- Understand the borrowing needs of their clients
- Collect relevant credit information from potential clients efficiently
- Identify items banks consider when reviewing a company's financial statements
- Ask clients pertinent questions to enhance the bank's underwriting process
- Recognize their role in balancing the needs of the bank and the client

Course Content

- Why businesses borrow money
- Understanding a company's cash cycle
- Forms of business organization
- Understanding the client's operations
- Understanding ownership and management
- Introduction to balance sheets and income statements
- Understanding cash flow
- Dealing with limited financial information
- Considering personal financial information
- Understanding borrowing causes and sources of repayment
- Types of loan facilities and repayment schedules
- Collateral and guarantees

Course Units

Unit 1 - Commercial Lending and Risk
Unit 2 - Learning About Your Clients
Unit 3 - Understanding Financial Statements
Unit 4 - Loan Structure Considerations

Commercial Lending Fundamentals (continued)

Target Audience

Commercial Lending Fundamentals is designed to provide key skills to branch bankers, small business lenders, business bankers, and commercial lenders who deal with the small business market. The course is appropriate for new hires or for experienced employees who may not have had formal credit training.

Delivery Options

A key feature of Commercial Lending Fundamentals is the flexibility with which it can be administered. To capitalize on the benefits of group interaction and to provide a more coordinated training initiative, Commercial Lending Fundamentals is designed to be taught in a workshop format over a two-day period. Highly experienced Edge instructors are available to facilitate this workshop. For added flexibility, the course is designed so that it can be taught in two consecutive days, two one-day sessions, or even four half-day sessions. In addition, a comprehensive Administrator's Guide accompanies the course, which allows a manager or other appropriate bank employee to effectively lead Commercial Lending Fundamentals in a workshop format.

As an alternative to classroom instruction, Commercial Lending Fundamentals can also be taken as an independent self-study which will allow learners to work at their own pace based on their available time and any existing knowledge of the subject matter. This arrangement is ideal for instances when there are only a few learners at a time or the learners are spread out geographically.

Course Materials

Each set of participant materials includes:

- Complete explanations of concepts, examples, and exercises with answer keys
- Review sections at the end of each module, highlighting key concepts and providing self-testing opportunities
- Comprehensive case studies allowing the learner to practice each new skill throughout the course
- A convenient one-page “Quick Analysis Guide” tool that provides a summary of some of the basic analytical techniques that financial institutions often use to assess a company’s financial condition

To learn more about this course or any of the other courses in Edge Development Group’s Credit Skills Curriculum, call (412) 343-0105 or visit our website.



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