

Lewis University, Oak Brook

October 19-23, 2009

## Commercial Lending School Series

# Illinois Bankers Association



IBA / AIB Financial Education Services  
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[ilbanker.com](http://ilbanker.com)



## INSTRUCTORS

### Programs 1, 2, and 3

**John Cochran** has served in various management and lending positions in a banking career spanning more than 30 years. His company, Cochran & Associates, develops and leads lending seminars, conducts in-bank training and provides consulting and loan review services for community bankers. Cochran serves on the faculties of several state association lending schools.

### Programs 1, 4 and 5

**Mark Tyrpin** is senior vice president for Heartland Bank and Trust Company in Quincy, Illinois. He has over 20 years of banking experience including commercial lending, commercial real estate lending, loan rehabilitation and workout as well as management. Prior to that, he was an investment banker specializing in municipal finance and trading. Tyrpin is also an executive officer and board member of one of the largest not for profit family foundations in the state of Illinois.

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## Program 1 – October 19

### External Environment, Borrower's Business, Competitive Position and Evaluating Management

This program examines the influence of economic activity and the impact of government policy on the commercial lending environment. It also provides an update on current business lending and regulatory issues, reviews basic business models and examines the loan evaluation process, basic competitive strategies and management evaluation guidelines.

At the conclusion of this program, participants should be able to:

- Recognize current economic trends that affect daily lending practices;
- Identify basic business models and their unique mix of assets, liabilities, margins, asset utilization and financial leverage;
- Distinguish operating and cash cycles for different business types;
- Identify basic commercial lending competitive strategies;
- Present typical small business loan requests;
- Evaluate business borrower's management skills; and
- Conduct and document effective loan interviews.

## Program 2 – October 20

### Borrower Financial Performance

An analysis of a company's financial history will be a significant predictor of future success. The objective evaluation of a company's financial statements will be the most important step in determining credit worthiness. This program, which continues in Program 3, examines various accounting reports as a foundation for analyzing financial statements and discusses basic analytical tools.

At the conclusion of this program, participants should be able to:

- Objectively evaluate key financial variables;
- Understand financial reporting terminology;
- Perform comparative income statement/balance sheet, cash flow, ratio and breakeven analysis; and
- Apply personal financial statement and tax return analysis, and financial analysis in the credit decision process.



The Institute of Certified Bankers (ICB) is dedicated to promoting the highest standards of performance and ethics within the financial industry. This program content has been reviewed and approved for continuing education credits for the CLBB designation. Programs 1-4 are approved for 7.25 ICB credits; program 5 is approved for 6.00 ICB credits. For more information, contact the IBA at 800-783-2265.



## SCHEDULE & LOCATION

Registration	8:00 a.m.
Lunch	Noon
Programs 1-4	8:30 a.m. - 4:00 p.m.
Program 5	8:30 a.m. - 3:00 p.m.

### October 19-23, 2009

Lewis University, Oak Brook  
2122 York Road  
630-573-1740

### Lodging

A special room rate of \$119 plus tax is available at the Hampton Inn Westchester, located one mile from Lewis University. To reserve a room, call 708-409-1000 by September 21 and mention the Illinois Bankers Association. Other lodging options can be explored at [www.dupagecvb.com/vis\\_acc.cfm](http://www.dupagecvb.com/vis_acc.cfm).

## ATTENDEE PROFILE

New Commercial Lenders, New Commercial Real Estate Lenders, Credit Analysts, Loan Review and Commercial Lending Support Staff

*"The entire program was extremely helpful. Great examples."*

*"Case studies and real world experiences were most helpful."*

*"Instructors have first-hand knowledge of information."*

### Program 3 – October 21

#### Continuation of Borrower Financial Performance and Projecting Future Performance

Assessing the borrower's ability to make future payments based on past performance is critically important. This program explores the information and tools needed to prepare pro forma, projections and cash budgets. Procedures for determining potential volatility in earnings and cash and the impact on the ability to service debt will also be covered.

At the conclusion of this program, participants should be able to:

- Utilize cash flow analysis and pro forma statements;
- Understand the construction of a projected income statement, balance sheet and a cash budget; and
- Determine borrower's ability to repay debt through stress testing key assumptions.

### Program 4 – October 22

#### Loan Structure and Effective Relationship Management

Learn to structure a loan to match the borrower's operating requirements, ability to repay and the value of the collateral. This program covers loan structuring for real estate, equipment, working capital and special purpose loans. The elements of adding value to and maintaining profitable customer relationships will be defined. Included are nine steps to more profitable relationship pricing.

At the conclusion of this program, participants should be able to:

- Match the purpose and amount of the loan in the structure;
- Identify primary and secondary sources of repayment;
- Structure loans for repayment and identify types of collateral and valuation;
- Explain term, revolving and lines-of-credit loan structures;
- Describe the four elements of loan support: collateral, guarantee, loan agreement and subordination agreement;
- Effectively include value added relationship into loan structures; and
- Develop life cycle relationship management and effective customer calling skills.

### Program 5 – October 23

#### Problem Loans and Credit Discipline

This program emphasizes a proactive problem loan management approach that includes good underwriting standards, early detection of problem loans and aggressive corrective action. Discussion of the elements of good credit discipline will include loan quality rating systems, formalized pricing strategies, an effective loan committee, loan review and well-trained lenders.

At the conclusion of this program, participants should be able to:

- Define and manage problem loans;
- Detect problem loans early on through loan review;
- Exercise aggressive corrective action strategies;
- Write loan policy, loan review procedures and loan quality rating systems;
- Utilize strong administrative practices and credit processes; and
- Perform as a well-trained lender and maintain a positive lending environment.

## GENERAL INFORMATION

### Dress Code

Business casual attire is appropriate.

### Tax Deduction

All program expenses including fees, travel, meals and lodging intended to maintain and improve professional skills are tax deductible subject to the Internal Revenue Code.

### Certificate

Individual program participants will receive a Certificate of Completion. Persons attending all five programs will earn the IBA's Certificate in Commercial Lending.

### Continuing Professional Education

The IBA is recognized as a public accountant continuing professional education sponsor by the Illinois Department of Financial and Professional Regulation. Public accountants licensed in the state of Illinois will earn 7 hours of continuing professional education credit for attending programs 1-4; 6 hours for attending program 5.

## CANCELLATION POLICY

A refund less \$75 processing fee will be furnished if canceling within five business days of a given program. No refunds will be honored less than 24 hours prior to the start of a program. Substitutions are permissible.

### Satisfaction is Guaranteed

If you are not satisfied that a program was delivered as advertised, IBA will give you credit toward another comparably priced program. IBA should be notified in writing within seven days after the program concludes.

## Commercial Lending School Series Registration Form

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Register online at [ilbanker.com](http://ilbanker.com) or complete the form below.

Name \_\_\_\_\_

Title \_\_\_\_\_

E-mail \_\_\_\_\_

*Required for registration confirmation*

### Indicate the class(es) you wish to attend.

All five classes  Class 1  Class 2\*  Class 3\*  Class 4  Class 5

*\* Programs 2 and 3 must be attended as a pair*

Name \_\_\_\_\_

Title \_\_\_\_\_

E-mail \_\_\_\_\_

*Required for registration confirmation*

### Indicate the class(es) you wish to attend.

All five classes  Class 1  Class 2\*  Class 3\*  Class 4  Class 5

*\* Programs 2 and 3 must be attended as a pair*

Institution/Company \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

### Method of Payment (continental breakfast and lunch provided)

IBA Member All five classes: \$1,025 Individual class: \$225

Nonmember All five classes: \$1,795 Individual class: \$385

Visa  MasterCard

Check payable to *Financial Education Services*

Illinois Bankers Association, P.O. Box 19237, Springfield, IL 62794-9237

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Billing Address (if different from above) \_\_\_\_\_

City / State / Zip \_\_\_\_\_

*Confirmation will be sent 7-10 days in advance of the classes via e-mail.*

### Need Assistance?

Contact Kevin Klug or Amy Ostermeier, Illinois Bankers Association, at 800-783-2265.