

***The credit cycle has turned – abruptly! Regardless of size, portfolio structure or geographic footprint, almost every Community Bank is now challenged by the worst combination of credit and economic fundamentals in two decades. Effective management and resolution of emerging problem credits is critical to protecting a Bank’s long term earnings and independence.***

This is a fast-paced one-day course designed for anyone with problem loan management duties – whether the responsibilities are full-time or occasional, significant or cursory. The course is geared toward Commercial credits, but will touch on some critical points related to Consumer problem loans as well.

The training would benefit any institution concerned with the risk of significant deterioration in credit quality, whether that issue is:

- Already at hand and must be dealt with immediately and aggressively, or
- Visible in the foreseeable future, but still largely avoidable with appropriate modification to Bank strategy, practice and priority.

### ***Who would specifically benefit most from this training?***

- Lending Officers – Bank’s first line of defense against problem loans.
  - In the best position to identify potential problems.
  - Frequently tasked to investigate and devise early stage resolution proposals.
  - Usually responsible for additional reporting and documentation associated with problem loans.
  - Often completely responsible for cradle to grave management of all resolution efforts.
  - The face of the Bank on a day to day basis for both problem loan borrowers and the remainder of the community.
- Internal Loan Review personnel – Tasked with maintaining underwriting consistency and policy adherence to limit future problem loans. May also be tasked with initial identification of potential problem loans.
- Management/Executive Officers – Responsible for overall portfolio management and performance. Involved in resolution of individual problem loans or indirectly managing efforts of subordinate personnel. In the best position to fully appreciate the impact of:
  - Direct problem loan costs – impact on Bank earnings from charge offs, increased administrative expenses, etc.
  - Indirect, but tangible problem loan costs – increased reserve requirements, potential increase in Bank administrative overhead, etc.
  - Intangible problem loan costs – loss of productive time, impact on employee morale, potentially diminished community standing, increased regulatory scrutiny, etc.

### ***What will participants acquire in this course?*** – Critical, practical tools in the following areas:

- Potential impact of problem loans on the Bank’s portfolio, reputation, and customer base.
- How to identify potential problem loans as far in advance of default as possible.
- Practical, tactical steps to mitigate risk and maximize collection for a wide variety of individual loan types once they are correctly identified as potential problems.
- General issues related to litigation, bankruptcy and lender liability.
- Understanding which commonly overlooked underwriting issues can significantly increase or decrease future problem loans.

- Overall recommendation for organizational structure and high level problem loan portfolio management strategies.
- Understand exactly what does (and does not) make a loan “Impaired” and the corresponding regulatory and accounting requirements related to Allowance for Loan and Lease Losses (ALLL).

Instructor –The course is designed and presented by Joe Bonner.

**When:** One-day, specialized training on Problem Loan issues on Tuesday, April 8, 2008 from 9:00 a.m. till 4:30 p.m.

**Where:** At our computer training facility in Raleigh, North Carolina. Credit Risk Management, L.L.C. is located at GlenLake One, 4140 Parklake Avenue, Suite 530, Raleigh, NC, 27612, just off of the I-440 Beltline, behind the Crabtree Valley Mall.

**Dress:** Business casual.

**Cost:** \$95.00 per person

**\*Other Credit Risk Management Training this year: (mark your calendars)**

- **Commercial Real Estate Lending – April 15-17, 2008**
- **Understanding Real Estate Appraisals – April 29-30, 2008**
- **Lending Compliance Solutions – May 20, 2008**
- **Loan Documentation – May 21, 2008**
- **Commercial & Industrial Lending – June 3-5, 2008**
- **Consumer Lending – June 11-12, 2008**
- **Credit Underwriting with CRM Toolbar – June 17-19, 2008**

**Registration:** To enroll, register on-line at <http://www.creditriskmgt.com/go.php>. We will invoice you once we have received your registration form. A packet will be sent to each participant that includes directions as well as hotel and restaurant information. Please contact us with any questions.

- Email: [CRMTrainingMailbox@creditriskmgt.com](mailto:CRMTrainingMailbox@creditriskmgt.com)
- Fax: 919-846-5760
- Phone: 919-846-1601
- Website: [www.creditriskmgt.com](http://www.creditriskmgt.com)