

LENDING COURSE DESCRIPTIONS

ADVANCED CREDIT ANALYSIS AND BUSINESS FINANCE

This program has been designed to assist private and public sector lenders in analyzing the credit worthiness of businesses. The information presented in this two-day program is designed for experienced lenders or others who have received some previous training in credit analysis. During the course of the program, participants will learn how cash is generated and used by enlisting businesses as well as how to develop and analyze financial projections. Time will also be spent discussing the particular techniques that are required to analyze start-up businesses. Throughout the program, case studies of actual Maine businesses will be used to demonstrate the credit analysis methods of finance professionals. Students who take this course will work in predetermined teams. At the program's conclusion, participants will be able to identify the strengths and weaknesses in businesses and be able to structure effective financing packages. Program topics:

- Review of Business Credit Principles
- The Cashflow Statement
- Projecting a Profit and Loss Statement
- Projecting a Balance Sheet
- The Use of Tax Returns in Place of Financial Statements
- Permanent Working Capital
- Analyzing Start-Up Businesses
- Determining a Business' Break-Even Point
- Sources of Subordinated Debt Financing

ABA ANALYZING FINANCIAL STATEMENTS

Analyzing Financial Statements is a practical introduction to financial analysis from the viewpoint of the commercial loan officer. This program gives you the skills you need to effectively assess the borrower's ability to repay loans.

Audience

Commercial and/or business bankers and credit analysts.

Synopsis

This AIB course focuses on understanding business industries and types, plus why they borrow money. It also introduces basic concepts of business financial accounting and entity structures and explains the analysis of business financial statements and tax returns, including cash flow statements. Finally, the course discusses personal financial statements and tax returns, as well as combining business and personal cash flows into a global analysis.

Learning Objectives

After successfully completing this program, you will be able to:

- Explain the operating cycles of various business industries
- Analyze the financial data and evaluate the risks of the different industries
- Define the basic types of legal structures available to a business
- Describe the general characteristics of the four stages in the business life cycles
- Explain the different types of financial statement preparation
- Describe operating expenses and net profit analysis
- Identify balance sheet considerations
- Describe the considerations a lender needs to take into account when using ratios to evaluate financial performance
- Explain how to use industry data when performing a ratio analysis
- Identify cash flow statements and reports
- Compare the formats of the banker-prepared UCA cash flow model and the accountant-prepared statement of cash flows (SCF)
- Describe why a cash budget is a critical tool of financial statement analysis
- Describe the basic formats for personal financial statements
- Identify the information that is reviewed and verified prior to analyzing the personal financial statement
- Calculate and interpret the liquidity ratio, unsecured debt ratio, and debt-to-income (DTI) ratio
- Use tax return information to develop a personal cash flow
- Develop a global cash flow and global DSC for a borrower

ANALYZING PERSONAL FINANCIAL STATEMENTS AND TAX RETURNS

This class is designed for bankers who require an understanding of the importance of information contained in individual tax returns and personal financial statements. Retail lenders, branch managers, assistant branch managers, and commercial lenders will all benefit from the information presented in this program. Participants in this course should dress casually and bring a calculator. All other materials, including a course manual, will be provided.

The ability to understand and analyze the information contained in personal income tax returns is an important aspect of qualifying retail loan customers. This program will assist lenders in interpreting the information contained in personal tax returns in order to determine the ability of customers to service debt. Attendees will work with federal tax return forms and schedules to help identify the borrowing capability of customers. Program participants will also learn about the relevance of personal financial statements to the lending process and how to use the information contained in personal financial statements in combination with tax returns.

Topics to be covered:

- Understanding those sections of the tax return that are important in order to determine a borrower's ability to repay loans
- How to identify cash inflows and cash outflows from tax returns
- Identifying the relevance of information contained in various Tax Schedules
- Personal Financial Statements and their importance
- Understanding the Cashflow of small businesses (sole proprietorships, partnerships and Limited Liability Companies (LLCs))
- Case Studies utilizing a variety of different scenarios

ANALYZING THE TAX RETURNS OF BUSINESSES

Participants who attend this program should have a fundamental understanding of financial statements and business organizations. This course is intended for credit analysts, branch managers, loan officers, and others who are involved in the lending decision process with businesses. Participants in this course should dress casually and bring a calculator, preferably a business calculator. All other materials, including a course manual, will be provided.

The only reliable financial information available from many businesses, especially small businesses, is contained in tax returns. When accountant-prepared financial statements are not available from businesses, lenders and credit analysts will often need to make a lending decision based on the information contained in those tax returns. Analyzing the Tax Returns of Businesses will educate course attendees in the ways in which business tax returns are both similar to and differ from conventional financial statements. Topics to be covered:

- Types of Business Organizations
- Relevant tax return schedules and forms for various types of businesses
- Identifying the cash inflows and outflows of businesses from tax returns
- Essential questions to ask when using the tax returns of businesses

Participants in this program will work with tax returns for the various types of business organizations, including partnerships, Limited Liability Companies, S Corporations, and C-Corporations. Participants will learn how to analyze the creditworthiness of businesses and to evaluate loan repayment ability.

APPRAISAL PROCEDURES

The appraisal is an important part of the mortgage process. Understanding the appraiser's role, responsibilities and processes will help you better serve your customers and help identify and prevent mortgage fraud. In this one-hour course, you will first learn what lenders need to know about appraisers. You will learn about the qualifications one must meet to become an appraiser, review best practices of an appraiser in the field and review types of mortgage fraud and current fraud trends. Next, you will take a look at the valuation process, from defining important terms, understanding appraiser responsibilities during the process, explaining the Scope of Work Rule of USPAP and more.

After completing this course, students will be able to:

- Understand the history of appraising and appraiser licensing
- List the particular agencies that have oversight and who are responsible for appraiser licensing and certification
- Define what an appraiser is and what an appraiser does
- List the qualifications that need to be met to become an appraiser
- Identify what an appraiser can and cannot do
- Explain which categories of appraisers are eligible to appraise various property types
- Define fraud
- Distinguish various kinds of fraud, including appraisal fraud, bank fraud, and mortgage fraud
- Explain the current trends in mortgage fraud
- Understand the valuation process
- Define terms "client" and "intended user"
- Identify how these terms affect the relationship between the lender and appraiser
- Explain the responsibilities appraisers have when appraising a property for a new client
- Explain the responsibilities appraisers have when asked to transfer a report to a new client
- Know the difference between extraordinary assumptions and hypothetical assumptions
- Understand the scope of work
- Define the Scope of Work Rule of USPAP
- Summarize the concept of "scope of work"
- List items, such as property type, that affect scope of work

BANKING BASICS SUITE

This suite of 12 courses is a comprehensive introduction to the banking industry. Ideal for those new to banking, completing this suite provides a deeper understanding of the changing world of financial services and the vital role that banks play in the economy. Concise, impactful lessons can be applied on the job immediately.

Bank Marketing: Building Customer Relationships

Guides you through attracting customers and building strong relationships through marketing. Explore current methodologies. Craft a market-driven strategy for product development.

After successfully completing the course, you will be able to:

- Explain how marketing helps to build customer relationships
- Describe the components of a market-driven strategy
- Outline the components of effective product development
- Explain the laws governing marketing by phone, fax, email, the Internet, and mobile devices

Bank Payment Systems and Technology

Guides you through bank payment systems. Take a deep dive into the check payment process. Explore innovations enabled by electronic banking and the electronic funds transfer system.

After successfully completing the course, you will be able to:

- Describe the use of cash in payments and its care and distribution
- Explain the check payment process and the various types of bank checks
- Outline developments in electronic processing and payment transfers
- Identify banking laws and regulations related to payment processes and electronic funds transfer

Bank Sales and Service: Expanding Customer Relationships

Guides you through strategies for earning customer loyalty. Create and maintain strong bank customer and partner relationships. Meet customers' expectations by understanding their needs and decision processes. Be better prepared to offer value-add products and services.

After successfully completing the course, you will be able to:

- Describe the customer purchasing and decision process
- Understand what customers expect from bankers
- Match products and services to meet customer needs

Banks as a Business

Guides you through the business of banking. Master the essentials of bank organizational structures and bank financial management, including bank assets, liabilities, income, and expenses. Learn how banks meet their financial goals.

After successfully completing the course, you will be able to:

- Describe a bank's organizational structure
- Explain how banks manage assets and liabilities to achieve objectives
- Identify primary sources of bank income and expenses
- Describe how banks maximize loan and investment returns and fee income
- Examine typical performance measures in banking and how they are used in budgeting to achieve bank objectives.

Banks and the Deposit Function

Guides you through a primary function of banks - the deposit function. Learn the various deposit account types and deposit-related services. Understand the processes for servicing consumer and business deposit accounts. Identify key regulations that govern deposit products and services.

After successfully completing the course, you will be able to:

- Explain how the Federal Reserve determines and applies monetary policy in the economy
- Describe the types of account ownership
- List the requirements for opening deposit accounts
- Understand electronic banking for consumers and businesses
- Describe federal deposit insurance coverage

Banks and the Economy

Guides you through the role of banks in the U.S. economy and the environment in which banks operate and compete. Discover who the various bank regulatory agencies are and the key banking laws and regulations you need to know. Explore future industry trends.

After successfully completing the course, you will be able to:

- Describe major bank competitors
- Identify bank regulators and major banking laws and regulations
- Discuss the evolution of the U.S. banking system and its role in the U.S. economy
- Describe the Federal Reserve monetary policy in the economy
- Identify future trends in banking

Banks and Personal Wealth Management

Guides you through managing customers' personal financial assets. See the active role banks play in their communities by growing assets. Explore the services banks may offer for financial planning and wealth management. Discover trust and investment products and services that meet many financial needs.

After successfully completing the course, you will be able to:

- Explain financial planning tools and process
- Describe insurance and investment products that banks offer
- Define retirement planning considerations and products
- Explain the laws, regulations, and expectations for banks and bankers engaged in providing investment, insurance, and trust services

Business and International Banking Services

Guides you through the products and services that banks provide to businesses. Explore checking, savings, and investment accounts; lines of credit and loans; cash management services; insurance products; and capital market products and services. Examine the primary laws and regulations that govern business and international banking services.

After successfully completing the course, you will be able to:

- Explain cash management services for businesses
- Describe products banks offer to businesses
- Outline bank trust services available to businesses
- Define international banking services that foster foreign trade

Introduction to Banking

Guides you through the role banks play in the community. Discover various banking career tracks and become inspired to grow your banking career.

After successfully completing the course, you will be able to:

- Identify the role of bank employees
- Discover how banks serve their customer needs
- Understand the role of banks in their communities

Lending as a Cornerstone of Banking

Guides you through consumer and business loan products and services. Get insight into lending processes. Identify key laws and regulations that govern the lending process.

After successfully completing the course, you will be able to:

- Identify sources of credit for consumers and businesses
- Describe lending products and services for bank customers
- List the steps in the lending process
- Understand how the bank board of directors governs loan policy

Safeguarding Bank Assets and the Nation

Guides you through the role of banks and bank personnel in safeguarding assets, preventing crime, and protecting the nation's financial system. Explore the importance of employee screening, vendor management, and cybersecurity management. Understand responsibilities for helping prevent terrorist financing and money laundering.

After successfully completing the course, you will be able to:

- Describe the responsibilities of bank personnel in safeguarding bank assets and preventing crime
- Explain the important role of banks as stewards and protectors of the nation's financial system
- Outline the laws and regulations that pertain to safeguarding customer information and protecting bank assets

Safeguarding the Customer and the Bank

Guides you through safeguarding customers' financial and personal information and helping prevent fraud and financial harm. Explore bank information security programs and practices. Discover customer communication requirements around protective practices. Learn what banks must demonstrate to regulators regarding information security and privacy.

After successfully completing the course, you will be able to:

- Describe the methods by which banks secure customer information
- Explain how banks identify customers
- Outline the types of fraud perpetrated against bank customers and how fraud can be prevented
- Describe the laws and regulations that pertain to safeguarding customer information and protecting bank assets

BASICS OF MORTGAGE PROCESSING

The role of loan processors in the overall mortgage loan process, and strategies on how best to communicate with them are covered in this course. It also focuses on the importance of the Uniform Residential Loan Application (URLA) as a central and vital document.

After completing this course, students will be able to:

- Identify the steps in the mortgage loan process
- Recognize the roles of key people in the loan process
- Distinguish various job descriptions and best practices for processors
- Complete the Uniform Residential Loan Application
- Recognize the importance of communication

CERTIFICATE IN BUSINESS AND COMMERCIAL LENDING

Evaluating and Structuring Commercial Loans: A Decision Tree Approach

This series provides the commercial lending process and the related financial analysis of a borrower. This involves a mix of qualitative and quantitative skills that cover over five "levels" with each level having four or five courses of instruction. To accelerate learning, each course has a pre-test to allow the elimination of subjects where the learner demonstrates sufficient knowledge. This curriculum also includes a comprehensive glossary of terms and job aids that are valuable references to download and print throughout the series of courses and back on the job. This curriculum focuses on commercial and industrial lending (C&I), and excludes commercial real estate or investment properties.

Sign up for the entire program or each level individually. *Developed for Commercial and/or Business Bankers and Credit Analysts.*

- Level 1: Understanding Business Borrowers
- Level 2: Analyzing Business Financial Statements and Tax Returns
- Level 3: Analyzing Personal Financial Statements and Tax Returns
- Level 4: Qualitative Analysis and Determining a Credit Risk Rating
- Level 5: Loan Structuring, Documentation, Pricing and Problem Loans

Level 1: Understanding Business Borrowers

- Business Sectors and Operating Cycles
- Why Business Borrow
- Business Legal Structures and Life Cycles
- Introduction to Business Financial Statements
- How Business Financial Statements are Constructed (Accounting Refresher)

Level 2: Analyzing Business Financial Statements and Tax Returns

- Income Statement Analysis
- Balance Sheet Analysis
- Ratio Analysis
- Cash Flow Analysis
- The UCA Model
- Cash Budgets and Pro Forma Statements

Level 3: Analyzing Personal Financial Statements and Tax Returns

- Types of Personal Financial Statements
- Key Ratios and Adjusted Net Worth
- Personal Tax Returns and Cash Flow
- Combining Business and Personal Cash Flow into Global Cash Flow

Level 4: Qualitative Analysis and Determining a Credit Risk Rating

- More Than Numbers: The Commercial Lending Process
- Loan Policies and Procedures
- Assessing Industry, Market and Management Risks
- Compiling a Risk Rating and Written Analysis

Level 5: Loan Structuring, Documentation, Pricing and Problem Loans

- Business Loan Structuring
- Identifying Viable Secondary and Tertiary Loan Repayment Sources
- Key Documents, Loan Agreements and Covenants
- Loan Pricing, Negotiating and Closing
- Problem Loan Basics

CERTIFICATE IN LENDING COMPLIANCE

Students will learn through a combination of instructor videos, exercises, readings, glossaries, self-assessments and more. Students will complete the course with a final exam to earn Certified Regulatory Compliance Manager (CRCM) credits.

You must complete the following courses:

- Anatomy of a Regulation for Compliance Professionals
- Community Reinvestment Act, Community Bank (CRA) for Compliance Professionals
- Community Reinvestment Act, Large Bank (CRA) for Compliance Professionals
- Credit Card Regulations for Compliance Professionals

- Elements of a Compliance Program for Compliance Professionals
- Equal Credit Opportunity Act (ECOA) Reg B for Compliance Professionals
- Fair Credit Reporting Act (FCRA) for Compliance Professionals
- Home Mortgage Disclosure Act (HMDA) for Compliance Professionals
- Loans to Insiders (Reg O) for Compliance Professionals
- National Flood Insurance Regulations for Compliance Professionals
- Real Estate Settlement Procedures Act (RESPA) for Compliance Professionals
- Reg Z Ability to Repay (ATR) and Qualified Mortgage (QM) for Compliance Professionals
- Reg Z Closed-End Credit for Compliance Professionals
- Reg Z Open-End Credit for Compliance Professionals
- Servicemembers Civil Relief Act (SCRA) for Compliance Professionals
- Unfair, Deceptive or Abusive Acts or Practices (UDAAP) for Compliance Professionals

Anatomy of a Regulation for Compliance Professionals

Discover how laws are created, and how regulations are developed and structured to fulfill their intent. Throughout this course you will learn about the standard means for referencing a citation and receive tips for researching various laws and regulations more efficiently. After completing this course, students will be able to:

- Explain the purpose of federal banking laws and regulations
- Explain how bills become law and describe the structure of a typical law
- Describe the structure and format of regulations
- Identify sources of guidance and practical tips for understanding and interpreting federal laws and regulations

Community Reinvestment Act, Community Bank (CRA) for Compliance Professionals

The purpose of this course is to provide an overview of the Community Investment Act (CRA) as it applies to community banks. You will learn about the purpose and background of CRA, as well as consequences of noncompliance and evaluation methods. In addition, you will learn about the technical rules for small banks and factors to consider when assessing CRA performance. Finally, you will learn important information about CRA ratings and strategies to maintain a Satisfactory or Outstanding performance rating.

Community Reinvestment Act, Large Bank (CRA) for Compliance Professionals

The purpose of this course is to stress the continuing importance of compliance with the Community Reinvestment Act (CRA) and the role of compliance officers in the establishment and monitoring of activities to ensure adherence with the provision of the CRA for large banks.

Credit Card Regulations for Compliance Professionals

The purpose of this course is to provide students with an overview of the requirements of significant regulations specific to credit cards as well as applicable open-end credit regulations. Students will learn about the compliance requirements at each of the following stages in the credit card process. Students will also learn about other institutional concerns that are not part of the stages of the credit card process.

Elements of a Compliance Program for Compliance Professionals

The purpose of this course is to provide students with the fundamental elements that every bank's compliance program should include, regardless of size or location of the bank. The course describes risk-based management approaches and the necessary elements of a successful program, which includes board and senior management oversight; defined, communicated, and enforced accountability; necessary policies and procedures; training strategies; internal and external monitoring and auditing requirements; and, examination management techniques.

Equal Credit Opportunity Act (ECOA) for Compliance Professionals

The purpose of this course to provide students with an detailed overview of the major aspects of ECOA/Reg B from application taking through underwriting and evaluations, to notice and record-keeping requirements. The basic requirements of the Fair Housing Act (FHA) are also discussed. Students will learn about the Equal Credit Opportunity Act (ECOA), which is implemented by Regulation B, and about its purpose, key definitions, and how ECOA compares to the Fair Housing Act. Students will also learn about Regulation B rules relating to the credit transaction, including taking applications, evaluating applications, signature rules, and notification of action taken, in addition to Regulation B rules for furnishing of credit information, record retention, collecting government monitoring information, providing appraisal reports, and conducting self-testing.

Students will learn through combination of instructor videos, exercises, readings, glossaries, self-assessments and more. Students will complete the course with a final exam to earn Certified Regulatory Compliance Manager (CRCM) credits. After completing this course, students will gain a fundamental understanding of ECOA and learn how to:

- Describe the purpose of the ECOA and the Fair Housing Act, and define key terms used in each
- Identify Regulation B rules relating to the application process, from taking applications to notification of action taken

- Describe Regulation B rules relating to the furnishing of credit information, record retention, collecting government monitoring information, providing appraisal reports, and conducting self-testing

Fair Credit Reporting Act (FCRA) for Compliance Professionals

The purpose of this course is to provide students with detailed understanding of the **Fair Credit Reporting Act** which prescribes the uses and limitation of consumer reports, responsibilities of users and employers in credit and deposit transactions, and requirements for parties providing information to consumer reporting agencies.

Students will learn through combination of instructor videos, exercises, readings, glossaries, self-assessments and more. Students will complete each course with a final exam to earn Certified Regulatory Compliance Manager (CRCM) credits.

After completing this course, students will gain a fundamental understanding of UDAAP, and learn how to:

- Examine consumer reports and how their use is limited
- Describe the bank's responsibilities as a user of consumer reports
- Explore other ways the Fair Credit Reporting Act impacts a bank's operations

Home Mortgage Disclosure Act (HMDA) for Compliance Professionals

The purpose of this course is to provide students with detailed understanding of Regulation C which implements the Home Mortgage Disclosure Act (HMDA) and how to comply to protect their financial institution from possible assessment of civil money penalties.

Students will learn through combination of instructor videos, exercises, readings, glossaries, self-assessments and more. Students will complete the course with a final exam to earn Certified Regulatory Compliance Manager (CRCM) credits.

After completing this course, students will gain a fundamental understanding of HMDA including:

- Whether an institution is covered by HMDA or not
- Which transactions are subject to HMDA
- How to properly complete a Loan Application Register (LAR)
- Additional disclosure and reporting requirements of HMDA
- Importance of management's involvement

Loans to Insiders (Reg O) for Compliance Professionals

The purpose of this course is to provide an overview of Regulation O, Loans to Insiders, including parties and transactions covered under the regulation. The course also includes the "rules" that apply to each class of insider, as well as reporting and recordkeeping requirements. Regulation O helps to ensure the safety and soundness of banks by restricting credit that a member bank may extend to its executive officers, directors, and principal shareholders and their related interests.

National Flood Insurance Regulations for Compliance Professionals

The purpose of this course is to provide information about the national flood insurance regulations and requirements including the application of Federal Financial Institutional Examination Guidance, National Flood Insurance Program, and Official Questions and Answers, as applicable. This course provides a brief history of the federal flood insurance statutes and regulations, an overview of flood insurance requirements, and a discussion of enforcement.

Real Estate Settlement Procedures Act (RESPA) for Compliance Professionals

Get a complete overview of RESPA requirements, including disclosure requirements and anti-kickback provisions. Learn about early disclosure requirements and tolerances, escrow disclosures, the Affiliated Business Arrangement Notice, requirements for loan servicers and, most importantly, practices to avoid.

After completing this course, students will be able to:

- Identify loan transactions that are covered under RESPA
- Explain the timing and content of application and settlement disclosures
- Identify requirements for loan servicers in all aspects of servicing a mortgage loan
- Describe activities and business practices prohibited under Section 8 and the consequences of a violation

Reg Z Ability to Repay (ATR) and Qualified Mortgage (QM) for Compliance Professionals

This course will explain the ability to repay rules for all Regulation Z closed-end mortgages, including the eight minimum underwriting factors and the special circumstances that qualify for transitioning nonstandard to standard mortgages. This course will describe the purpose and qualifications associated with the qualified mortgage rules.

After completing this course, students will be able to:

- Describe the ability to repay rules for all Regulation Z closed-end mortgages
- Explain the purpose and qualifications for the qualified mortgage rules

Reg Z Closed-End Credit for Compliance Professionals

The purpose of this course is to provide students with an overview of the structure and core requirements of Regulation Z, as well as exercises to aid in complying with the regulation. Students will learn about the closed-end portion of Regulation Z, including key terminology and requirements for disclosures provided before and during loan consummation.

Students will learn through combination of instructor videos, exercises, readings, glossaries, self-assessments and more. Students will complete the course with a final exam to earn Certified Regulatory Compliance Manager (CRCM) credits.

After completing this course, students will gain a fundamental understanding of Regulation Z Closed-End Credit and learn how to:

- Describe the structure and content of the closed-end portion of Regulation Z
- Explain coverage under Regulation Z
- Calculate the finance charge and amount financed
- Describe the difference between the annual percentage rate (APR) and the interest rate
- Explain the timing and format of early disclosures
- Explain items that must be included with transaction disclosures

Reg Z Open-End Credit for Compliance Professionals

The purpose of this course is to provide an overview of the structure and core requirements of Regulation Z, as well as exercises to aid in complying with the regulation. Regulation Z, which implements the federal Truth in Lending Act (TILA), promotes the informed use of credit among consumers. Students will learn about the open-end portion of Regulation Z, including history, purpose, coverage, and disclosures. Students will also learn about rules relating to billing errors, crediting payments, credit balances, and advertising.

Real Estate Settlement Procedures Act (RESPA) for Compliance Professionals

The purpose of this course is to review the requirements of the Real Estate Settlement Procedures Act (RESPA), including the disclosure requirements and the anti-kickback provisions.

Servicemembers Civil Relief Act (SCRA) for Compliance Professionals

The purpose of this course is to help students learn about the provisions of the 2003 **Servicemembers Civil Relief Act** which defines the rights and obligations afforded to military personnel and their families, along with subsequent regulatory updates.

Students will learn through combination of instructor videos, exercises, readings, glossaries, self-assessments and more. Students will complete the course with a final exam to earn Certified Regulatory Compliance Manager (CRCM) credits.

After completing this course, students will gain a fundamental understanding of SCRA including:

- The provisions governing financial services including:
 - Limits on foreclosure and eviction
 - Interest rate caps on loan
 - Prohibitions on credit reporting
 - Termination of leases and installment contracts
- Which military personnel are covered by SCRA and the documentation they require
- The regulations governing mortgage servicing, modification and foreclosure, and modification requirements for existing balances on credit cards and installment loans

Unfair, Deceptive or Abusive Acts or Practices for Compliance Professionals

The purpose of this course is to provide students with a better understanding of the emerging compliance risk area of **Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)** by examining recent regulatory advisories and cases for financial institutions, policy statements and litigation that comprise the framework of this regulation.

Students will learn through combination of instructor videos, exercises, readings, glossaries, self-assessments and more. Students will complete each course with a final exam to earn Certified Regulatory Compliance Manager (CRCM) credits.

After completing this course, students will gain a fundamental understanding of UDAAP, and learn how to:

- Describe the background of UDAAP law
- Recognize unfair, deceptive, and abusive acts and practices
- Identify proactive steps that you can take to avoid UDAAP violations
- Explain how you can help your bank avoid UDAAP claims

COMMERCIAL LENDING

This up-to-date course provides the knowledge and skills required to identify the credit needs of various types of business customers and to sell a "total Banking" relationship. It covers both the technical side of commercial lending and the interpersonal skills required to be a successful loan officer.

Synopsis

This AIB course covers qualitative analysis and how to assess industry risk, market risk and management risk. It also provides an understanding of the role of loan policy and the need to summarize the borrower's various risks into an appropriate credit risk rating. In addition, it provides guidance on loan structuring and documentation issues in response to the analysis of quantitative and qualitative risks. This includes an overview of key documents, loan agreements and covenants, as well as negotiating and pricing. The course concludes with an introduction to problem loans.

Learning Objectives

After successfully completing this course, you will be able to:

- Recognize the process and types of information business bankers should acquire during a business development call
- Explain the importance of a credit investigation and describe what it entails
- Identify industry, market, and management risks that can affect a borrower
- Identify the key elements of a credit risk rating
- Describe the loan review process as an independent validation of risk ratings and other commercial lending issues
- Identify borrowing structures and describe their advantages
- Identify sources of repayment that are appropriate for various commercial loan borrowing arrangements & the factors that affect collateral value
- Describe the loan documentation process and requirements
- Identify and explain the loan negotiation process
- Identify the costs and causes of problem loans
- Explain the steps in resolving a problem loan

THE COMMERCIAL REAL ESTATE LENDING DECISION PROCESS

The Commercial Real Estate Lending Decision Process provides a comprehensive study of commercial real estate (CRE) lending, beginning with a description of CRE loan types and progressing to an understanding of the underwriting process, leases, appraisals, loan structures and related risks. The Series also includes resources to help the student apply the concepts learned in each course. These resources include job aids, reproducible work sheets for cash flow, compliance and important financial ratio calculations.

The Commercial Real Estate Lending Decision Process and the courses in the curriculum are products of **The Risk Management Association**.

The six parts of The Commercial Real Estate Lending Decision Process will provide students with a foundation in CRE through the use of an innovative virtual bank. Each section is presented in an interactive format to include exercises to check for knowledge throughout the courses. Each course within the complete program includes case studies that are used to insure depth and understanding of the concepts presented throughout the program series.

Series 1: Types of CRE Loans, Risk Areas and Performance Drivers

Series 2: The CRE Underwriting Process

Series 3: Financing Different Types of Commercial Properties

Series 4: Understanding and Evaluating Leases, Appraisals and Environmental Assessments

Series 5: Loan Structure and Documentation Considerations

Series 6: Construction Lending

Series 1: Types of CRE Loans, Risk Areas and Performance Drivers

The purpose of this series is to help the student learn about the different types of CRE loans and to be able to provide the right loan for both the borrower and the bank. The Series also will identify the risk areas in CRE lending and help analyze the drivers of CRE performance.

After completing this course, students will be able to:

- Evaluate the differences between commercial and industrial (C&I) and CRE loan categories
- Identify how C&I, CRE, and owner-occupied loans fit into the credit decision framework
- Define and describe the characteristics and purposes of the four primary types of CRE loans
- Identify the loan's purpose and related use of funds, type of property and collateral, and ultimate repayment source
- Explain repayment source co-dependence
- Identify the risk area of CRE lending
- Analyze the drivers of CRE performance
- Identify the drivers of CRE loan performance and apply the CRE Drivers of Loan Performance checklist to an actual loan
- Identify the three primary areas of loan performance risk (operational, market, and credit risk)
- Identify which of the three primary areas of risk the bank can influence and steps lenders can take to influence those risks

Series 2: The CRE Underwriting Process

The purpose of this series is to help the student identify a company's net operating income (NOI) or cash flow and to analyze the project and proposed loan. Capitalization rates and valuation basics are also introduced as well as the appraisal process and identifying best practices regarding environmental assessments.

After completing this course, students will be able to:

- Identify the components of CRE quantitative analysis, including gross lease income, vacancy, operating expenses, and net operating income (NOI)
- Identify underwriting guidelines for your own bank
- Construct a basic income property cash flow using the components of CRE analysis
- Evaluate loan repayment sources using the DSC ratio, capitalization rates and valuation, and the LTV ratio
- Conduct a stress test of DSC for potentially lower cash flow and higher interest rates and of LTV for potentially higher CAP rates.
- Explore changes in property variables on an individual basis using sensitivity analysis
- Explain the role and function of capitalization rates
- Compare and contrast the direct capitalization valuation approach with the discounted cash flow approach
- Identify the key steps in ordering and reviewing appraisals
- Explain the rules and regulations regarding appraisals that lenders must follow
- Define and describe the types of CRE appraisals and their components
- Identify the key steps and issues involved in ordering and reviewing environmental assessments
- Describe the rules and guidelines for Phase I environmental reports
- Identify and describe the types of environmental risk management tools

Series 3: Financing Different Types of Commercial PropertiesPage Content

The purpose of this series is to help the student identify and define important credit risk considerations for major property groups and special properties. In addition students will identify and compare components used in reporting statements for various income properties, estimate rental income using various approaches and create pro forma operating statements.

After completing this course, students will be able to:

- Identify the key characteristics of and differences between the major types of commercial properties
- Identify the key terminology and underwriting considerations for each property type
- Identify the key characteristics of and differences among specialized properties
- Identify the key terminology, underwriting considerations, and documentation for each property type
- Identify and compare income and expense components for different types of commercial property
- Identify and compare operating statement formats that use varying methods of calculating and reporting on real estate projected income
- Calculate: NOI from Schedule E tax returns, monthly rent payment from percentage rents and CAMs, and effective rents from differing scenarios
- Calculate income property pro forma cash flow on as-is and as-stabilized basis from qualitative and quantitative information sources

Series 4: Understanding and Evaluating Leases, Appraisals and Environmental Assessments

The purpose of this series is to help the student recognize and use lease terminology and recognize the cash flow and economic considerations of leases. Students will be shown how to review commercial property leases, assess the role and scope of an appraisal and identify issues in reviewing appraisals. The final section of this Series 4 will assess the role and scope of an environmental assessment and identify issues when reviewing environmental assessments.

After completing this course, students will be able to:

- Identify economic, legal, and business issues in commercial property leases including key documents, lease terms, and objectives or purposes.
- Describe the role of an appraisal in the loan underwriting process, its uses, and its limitations
- Identify the key considerations in defining the appraisal problem and determining the scope of work
- Determine how valuation concepts are developed and executed in a sample appraisal
- Identify key areas of an appraisal to evaluate in the review process and common errors to watch for
- Describe the role of an environmental assessment in the loan underwriting process, its uses, and its limitations.
- Describe potential environmental risks and ways to mitigate those risks.
- Identify key considerations in defining the required level of due diligence.
- Evaluate and interpret the findings of a Phase I environmental report.

Series 5: Loan Structure and Documentation Considerations

The purpose of this series is to help the student assess various borrowing structures, identify issues involving owner occupied lending, determine loan documentation and due diligence considerations and to identify key components of CRE Loan structure.

After completing this course, students will be able to:

- Identify the strategic advantages and disadvantages of various forms of business ownership
- Identify the primary tax returns used for each borrowing entity and the sections that provide valuable financial information for loan underwriting
- Identify the ways cash moves among business entities
- Identify the decision-making process for an owner-occupant when either purchasing or leasing a building
- Identify repayment sources, their hierarchy, and their co-dependence for owner-occupied loans
- Determine how to structure owner-occupant loans to address unique attributes such as holding company structure, property condition, and valuation issues
- Identify key elements in the SBA 504 program to finance owner-occupied real estate
- Identify the key instruments necessary to document a loan transaction and perfect a lien on collateral
- Identify organizational documents required for various entity forms and execution requirements
- Recognize key elements of due diligence to be submitted and reviewed prior to closing
- Evaluate and interpret the findings of a title policy
- Identify key components of CRE loan structure
- Demonstrate the use of loan covenants and other techniques to protect property cash flow and property value
- Identify how permanent market pricing and loan structure differs from and influences the traditional bank market

Series 6: Construction Lending

The purpose of this series is to help the student identify the key types of construction projects and loans. In addition the series explains construction lending underwriting and administration issues and how to recognize the different elements of the construction lending process. Finally the student will identify key elements for successful completion of construction projects and also the special issues involved with homebuilders and subdivision developers.

After completing this course, students will be able to:

- Identify the six general types of construction loans
- Identify the additional risks, considerations, and review needed with construction loans
- Explain the steps in determining the proper administration of a construction loan based on approval conditions, the commitment letter, and loan policies and procedures
- Identify key concerns in reviewing construction contracts, budgets, and site information
- Calculate the adequacy of a construction loan interest reserve requirement
- Identify best practices in construction and loan documentation and administration
- Identify components of construction loan agreements, surety bonds, permits and zoning, and insurance including steps in processing draw requests and analyzing inspection reports
- Identify key elements for successful completion of the project
- Identify acceptance by the customer, punch list items, payment of retainage to the contractor, and the certificate of occupancy
- Recognize various segments in the single-family home markets and their characteristics
- Identify the key issues for administering or monitoring builder construction lines
- Build a timeline of the development process and identify developer attributes needed to achieve each step
- Identify various types of risk inherent in lending to single-family-home developments, risks from both external and internal sources
- Identify the key issues for monitoring homebuilder and subdivision loans

COMPLETING THE HUD-1

According to www.HUD.gov, HUD is requiring that loan originators provide borrowers with a standard Good Faith Estimate that clearly discloses key loan terms and closing costs and that closing agents provide borrowers with a new HUD-1 settlement statement, in accordance with the Real Estate Settlement Procedures Act. The RESPA rules that went into effect on January 1, 2010 changed how the HUD-1 form is completed, and the form itself underwent change.

This one-hour self-study online course will review each field on the HUD-1 and HUD-1A and identify requirements for completion of each field to comply with RESPA. Focusing on the new form and its completion, this course provides a detailed explanation of each field and several examples that are designed to clarify specific loan situations.

After completing this course, students will be able to:

- Recognize each field on the HUD-1 and HUD-1A
- Identify requirements for completion of each field
- Complete the HUD-1 or HUD-1A in compliance with RESPA

CONSUMER CREDIT BASICS

Guides you through the key attributes of consumer lending and establishes familiarity with common lending industry terms and features. Understand how deposit and lending products can help minimize risk to the bank while still providing full-service to customers. Discover ways to respond appropriately to loan inquiries.

After successfully completing the course, you will be able to:

- Describe key lending attributes and terms
- Explain the role consumer lending plays in a bank's profitability
- Explain the basics of consumer loans and lines
- Determine how to comply with loan inquiry and application regulations

CONSUMER CREDIT PRODUCTS

Provides definitions of consumer credit terms to assist in discussions with clients and explains the growth and demand of non-real estate related products. Explores real estate-related terms for home equity loans, home equity lines of credit, loan to value ratios, and how to calculate the maximum loan amounts.

After completing this course, students will be able to:

- Define basic consumer credit terminology to clients
- Identify features of consumer credit products
- Explain the two loan categories - non-real estate-related and real estate-related - along with the products associated with the categories
- Determine the maximum loan amount available based on collateral value, for real estate-related products

CONSUMER LENDING

Designed for entry-level consumer lenders, consumer credit personnel, and bank employees who need to understand consumer credit.

This up-to-date, insider's view of consumer lending offers essential information about the maze of regulations governing credit practices and reviews loan processing, cross-selling, and collections.

After successfully completing this class you should be able to:

- identify components of the consumer installment credit market
- describe various loan products
- trace the lending process
- apply credit math and loan pricing principles
- recognize variables that affect loan structure
- identify opportunities for cross-selling bank products

CONSUMER LOAN PROCESS

Guides you through using the three-step consumer lending process, including customer service and regulatory considerations. Discover how to take a complete and accurate application, as well as evaluate the borrower's ability and willingness to repay a loan. Explore best practices for communicating the loan decision and next steps.

After successfully completing the course, you will be able to:

- Examine the consumer lending process
- Describe the application step
- Describe the decisioning step
- Explain how to communicate the lending decision to your customer

CREDIT PRODUCTS FOR SMALL BUSINESSES

Describes the differences between credit product features and the benefits and how to communicate them to drive home the advantages to the customer. Explains how to match product needs to the customer borrowing cause, loan purpose, and business cycle clues to make the sale

After completing this course, students will be able to:

- Distinguish between product features and product benefits
- Describe the features and benefits of:
 - Lines of Credit
 - Term Loan
 - Business Credit Card
 - Letters of Credit
- Match small business credit products to client needs

DISCOVERING FHA PROGRAMS

Being competitive in today's mortgage environment requires that lenders offer loan programs that meet the unique needs of the borrowers in the communities in which they lend. To do this, many lenders are looking at programs that in the past were categorized as "non-traditional" programs. FHA programs are receiving considerable focus, as they have been taking hold of a significant segment of the market for many years.

Discovering FHA Programs self-study online course will review the benefits and challenges of FHA programs and reviews key characteristics of some of the most common FHA programs. Additionally, the course differentiates between Title I and Title II loans, examines insurable and

uninsurable properties and identifies key differences between FHA and conventional loans. Whether you currently offer FHA financing or are exploring it as an option, this course will provide you with information on some of today's most popular FHA programs and their guidelines.

After completing this course, students will be able to:

- List the benefits and challenges of FHA loans
- Differentiate between Title I and Title II loans
- List insurable and uninsurable properties
- Identify key differences between FHA and conventional loans
- Review key characteristics of some of the more common FHA programs
- Understand how these programs might suit the needs of borrowers
- Recognize common FHA program parameters
- Consult various resources and obtain forms for FHA loan programs

EFFECTIVE REFERRALS SUITE

This suite of two courses and one exercise module* explores the Effective Referral Model for recognizing, responding to, and revisiting referrals. Completing this suite provides tactics for identifying clues about financial needs and connecting them to appropriate products and services. Concise, impactful lessons can be applied on the job immediately.

**Only available as a suite*

- **The Referral Process**
Guides you through connecting client-provided clues about financial needs to products and services using the Effective Referral Model. Create opportunities for building client relationships by identifying appropriate resources and guiding clients to them.
- **Making Referrals**
Guides you through introducing solutions and gauging interest in them. Uncover ways to establish a connection between the client and the appropriate specialist or resource. Gain insight into revisiting referrals to improve sales performance.
- **Effective Referrals – Apply What You've Learned**
Practice connecting clues about needs to products and services using the Effective Referral Model.

ELEMENTS OF TITLE INSURANCE

The *Elements of Title Insurance* course provides students with the essential components for a title review. The course covers title insurance terminology and identifies the key elements of title insurance. Students will utilize examples of title reports to recognize the components of a title report and to analyze the key sections of a title commitment. Additionally, the course will identify title requirements and exceptions and explain the required disclosures and closing protection letter requirements.

After completing this course, students will be able to

- Define title insurance terminology
- Identify key elements of title insurance
- Recognize the components of the title report
- Analyze the key sections of a title commitment
- Identify title exceptions
- Explain disclosure and closing protection letter requirements

ESSENTIALS OF MORTGAGE LENDING

This 90-minute course underscores the importance of compliance and shares the resources and best practices in use in the industry today. Students will learn about the basics in the life of the mortgage loan process, the production process and gain insight into secondary marketing, servicing and mortgage fraud. The course also introduces origination strategies, common loan products and essential considerations when underwriting loan risk. Throughout the course, industry experts share their knowledge and expertise with students by providing perspectives of the industry that have taken years to acquire.

After completing this course, students will be able to:

- Define mortgage lending
- Identify the steps involved in mortgage production
- Describe the mortgage loan origination process
- List common mortgage loan products
- Analyze the underwriting process
- Examine the role of the secondary market
- Recognize servicing functions
- Explain relevant laws impacting mortgage loans
- Summarize the importance of internal controls and identification of red flags to reduce mortgage fraud

ETHICAL ISSUES FOR BANKERS

This cornerstone course is an in-depth exploration of the ethical standards expected of financial service professionals. Master best practices for observing a bank's code of conduct and adhering to federal laws. Develop a sound ethical framework to handle commonly experienced ethical dilemmas. Learn how to make ethically appropriate decisions.

After successfully completing the course, you will be able to:

- Describe the purpose and attributes of personal and banking ethics
- Explore the purpose and requirements of laws that mandate ethical banking practices
- Explore how to approach ethical problem solving
- Identify common ethical dilemmas and how to navigate them

EXPLAINING LOAN MODIFICATIONS

The *Explaining Loan Modifications* course provides students with the information needed to identify the loan modification options available to borrowers who are at imminent risk of default. During the course, students evaluate the differences between the options and apply the options to various real-life scenarios. Additionally, this course identifies eligibility requirements and procedures for obtaining a loan modification and how to avoid falling victim to loan modification scams.

After completing this course, students will be able to

- Define Loan Modification
- Identify loan modification options
- Apply loan modifications to homeowners
- Identify fraudulent loan modification scams

FUNDAMENTALS OF CONSUMER LENDING SUITE

This suite of two courses explores the consumer lending process from terminology to the application process to customer communications. Completing this suite provides best practices for ensuring regulatory compliance and determining credit worthiness. Concise, impactful lessons can be applied on the job immediately.

Consumer Credit Basics

Guides you through the key attributes of consumer lending and establishes familiarity with common lending industry terms and features. Understand how deposit and lending products can help minimize risk to the bank while still providing full-service to customers. Discover ways to respond appropriately to loan inquiries.

After successfully completing the course, you will be able to:

- Describe key lending attributes and terms
- Explain the role consumer lending plays in a bank's profitability
- Explain the basics of consumer loans and lines
- Determine how to comply with loan inquiry and application regulations

Consumer Loan Process

Guides you through using the three-step consumer lending process, including customer service and regulatory considerations. Discover how to take a complete and accurate application, as well as evaluate the borrower's ability and willingness to repay a loan. Explore best practices for communicating the loan decision and next steps.

After successfully completing the course, you will be able to:

- Examine the consumer lending process
- Describe the application step
- Describe the decisioning step
- Explain how to communicate the lending decision to your customer

FUNDAMENTALS OF CREDIT ANALYSIS AND BUSINESS FINANCE

This program has been designed to assist bankers as well as economic developers, community developers, and others in analyzing the credit-worthiness of businesses. Over a two-day period of time, course participants will learn how to analyze the financial statements of businesses and how to structure financial packages. Case studies of actual businesses will be used to demonstrate to students the standard credit analysis techniques of finance professionals. Students who take this course will work in predetermined teams. At the conclusion of the program, participants will be able to identify the strengths and weaknesses of operating businesses and be able to distinguish between quality, marginal and poor credits. Program highlights:

- Business Credit Analysis – what it is
- The company's balance sheet/overview
- Current assets
- Current liabilities
- Working capital
- Statement spreading
- Case study
- Long-term assets
- Long-term liabilities
- Case study
- The profit and loss statement
- Case study
- Types of financing

➤ Types of business organizations

The pace of training in this course will be rigorous. Participants should dress casually and bring a calculator (preferably a business calculator). All other materials including course manuals will be provided.

FUNDAMENTALS OF MORTGAGE LENDING

Explore key elements in the mortgage lending industry. Course topics include the major mortgage financing programs and guidelines, construction lending and land development financing, the impact of regulations on the mortgage process; property appraisals review and types of mortgage fraud.

Learning Objectives

- Describe mortgage financing programs and options
- Explain applicable compliance laws and their impact on the mortgage process
- Describe how a property appraisal is completed and how they are used in mortgage financing
- Describe the basic principles involved in real estate investment and finance, including the business of construction and development lending
- Describe the different forms of mortgage fraud and its impact on the industry and financing process

GATHERING FACTS ON MORTGAGE FRAUD

At a time when mortgage fraud is one of the fastest growing crimes in the nation, it's never been more important to be educated on the facts of mortgage fraud. Financial institutions, including mortgage lenders and brokers, are required under the Bank Secrecy to identify and report fraud. *Gathering the Facts on Mortgage Fraud* provides students with an overview of the characteristics of mortgage fraud and examines common fraud schemes. Additionally, this course highlights common red flags that may indicate fraud and explains when fraud needs to be reported.

After completing this course, students will be able to:

- Recognize key characteristics of various types of mortgage fraud
- Identify common mortgage fraud schemes
- Distinguish red flags that may indicate fraud
- Identify the reporting requirements

HANDLING MORTGAGE INQUIRIES AND MAKING REFERRALS

Describes the primary regulatory compliance Acts that affect mortgage inquiry, counseling, and application phases. Reviews the features and benefits of the most popular mortgage programs, important elements of different purchase and refinance transactions, and techniques and sample responses to customers for your mortgage referral to the MLO.

After completing this course, students will be able to:

- Explain the phases in the mortgage origination process
- Identify the important compliance issues that affect mortgage inquiries and referrals
- Describe the features and benefits of conventional fixed rate, adjustable rate, FHA, and VA programs
- Prepare and refer mortgage loan application customers

INTRODUCTION TO AGRICULTURAL LENDING

Designed for those new to agricultural lending or with limited experience.

This program will provide participants with the basic skills needed to begin to undertake credit analysis, loan structuring, monitoring, and provide guidance on dealing with problem loans. This course was developed in conjunction with the Schools of Banking, Inc., a jointly –owned subsidiary of the Kansan and Nebraska Bankers Association. Topics include:

- Describe the size and scope of U.S agriculture and the characteristics of the four main classifications of farm size
- Describe the purpose of the Farm Financial Standards Council (FFSC) and the impact of its recommendations on agricultural lending
- Recognize and identify the key financial statements as recommended by the FFSC
- Define the classification of assets and liabilities for two category and three category balance sheets
- Calculate deferred taxes and the impact of such taxes on agriculture financial analysis and lender decisions
- Understand the differences between cash and accrual income statements
- Have a working knowledge of accrual income statements and their impact on proper financial analysis and lender decision making
- Understand the statement of owner equity
- Understand the role of cash flow analysis in an agriculture operation and in making lending decisions
- Have a working knowledge of the "Sweet Sixteen" ratios, specifically: Repayment, Liquidity and Solvency Analysis
- Describe the importance and purpose of a loan policy in your bank.

LENDING AS A CORNERSTONE OF BANKING

Guides you through consumer and business loan products and services. Get insight into lending processes. Identify key laws and regulations that govern the lending process.

After successfully completing the course, you will be able to:

- Identify sources of credit for consumers and businesses
- Describe lending products and services for bank customers
- List the steps in the lending process
- Understand how the bank board of directors governs loan policy

THE LENDING DECISION PROCESS

The Lending Decision Process is designed to teach the analytical and decision-making techniques needed to make sound credit decisions using financial accounting, financial statement analysis and cash flow analysis.

The six parts of The Lending Decision Process will provide learners with a foundation in the following areas of study: Business and industry risk analysis, Management assessment, Financial accounting, Balance sheet and income statement analyses, Ratio trend analysis, Cash cycle and seasonality analysis, Borrowing causes and repayment source assessment, Cash flow analysis and Using financial projections

The Lending Decision Process and the courses in the curriculum are products of The Risk Management Association.

Series 1: Industry, Management and Economic Influences

Series 2: Interpreting Quality of Financial Reports and Accounts

Series 3: Analyzing the Company's Financial Performance and Condition

Series 4: The Cash Cycle, Seasonality & Discovering Borrowing Causes & Repayment Sources

Series 5: Analyzing Cash Flow Statements to Measure Long-Term Repayment Ability

Series 6: Using Financial Projections to Fine Tune the Credit Analysis

Series 1: Series 1: Industry, Management and Economic Influences

The purpose of this course is to teach students to interpret repayment risks related to industry, economic, market and management influences. In order for the course to be considered completed all exercises in each course module must be completed

After completing this course, students will be able to:

- Analyze the competitive forces in an industry
- Determine key success factors in the company's industry
- Explain the stages of the general business cycle and the impact economic cycles and conditions can have on different businesses
- Describe the financial behavior of industries, products and companies throughout their life cycles
- Connect a company's industry, business and product life cycles to their related financing needs
- Prepare a company overview of its products and services, customers, suppliers, facilities, management, ownership and company history
- Appraise the company's likelihood of success, considering prior risk mitigation, competitive advantages, management qualifications and effectiveness of business strategies
- Appraise the depth and breadth of management skill, experience and organization

Series 2: Interpreting Quality of Financial Reports and Accounts

In this series, Trainees will interpret risks stemming from the quality of financial reports and underlying financial accounts.

After completing this course, students will be able to:

- Analyze the reliability of accountant prepared financial statements.
- Compare and contrast the differences among cash, modified-cash, and tax-basis accounting methods.
- Interpret repayment risks stemming from identified financial reporting issues.
- Assess the implication of estimates permitted by GAAP.
- Identify the characteristics of a company's assets, liabilities, and net worth accounts.
- Determine the integrity of a company's reported financial condition based on a review of both on- and off-balance sheet accounts.
- Identify the characteristics of a company's income and expense accounts.
- Analyze the quality of a company's earnings, the consistency and authenticity of its income and expense accounts, and the sustainability of revenues.

Series 3: Analyzing the Company's Financial Performance and Condition

In this series, Trainees will interpret repayment risks suggested by the company's historical financial performance and financial condition.

After completing this course, students will be able to:

- Apply financial statement spreading techniques to reclassify accounts and provide details needed to prepare financial statements for credit analysis
- Convert financial statements to a format that expresses accounts as percentages of total sales or total assets
- Compute a company's liquidity using various ratios
- Analyze a company's ability to meet its short-term obligations
- Determine how a company's industry sector influences its financial statement characteristics
- Compute a company's leverage using various ratios
- Analyze a company's ability to meet its long-term obligations
- Determine how a company's industry sector influences its financial statement characteristics
- Calculate and analyze a company's profit margins
- Perform a trend analysis on a company's profitability
- Compare a company's profitability with industry composites
- Compute and analyze a company's productivity ratios
- Compare a company's productivity trends with industry composites
- Compute and analyze a company's efficiency ratios
- Compare a company's efficiency trends with industry composites

Series 4: The Cash Cycle, Seasonality & Discovering Borrowing Causes & Repayment Sources

In this series, Trainees will examine a company's cash cycle and seasonal characteristics. They will interpret both short- and long-term borrowing causes and repayment sources.

After completing this course, students will be able to:

- Identify and measure cash cycles using days' sales in receivables and days' COGS in inventory and accounts payable.
- Identify the benefits and limitations of cash cycle analysis
- Determine variations in cash cycles by type of business
- Determine the effects of seasonality of business operations on the cash cycle.
- Interpret budgets of cash receipts and disbursements to estimate the amount and duration of seasonal borrowing needs.
- Identify the benefits and limitations of analyzing interim financial statements.
- Differentiate between seasonal and permanent asset and liability levels.
- Identify borrowing causes including sales growth, change in asset efficiency, change in trade credit, fixed asset expenditures, and change in net worth
- Determine repayment sources that are appropriate matches to each borrowing cause

Series 5: Analyzing Cash Flow Statements to Measure Long-Term Repayment Ability

In this series, Trainees will analyze cash flow statements to distinguish between profit and cash flow. They will use cash flow statements and traditional debt service coverage measures to interpret cash flow repayment risks.

After completing this course, students will be able to:

- Compare and contrast the three Cash Flow Statement formats in order to understand how the company generates and uses cash flow.
- Define the three types of cash flow to determine how business events are reflected on the Cash Flow Statement.
- Compare accrual and cash-based financial statements in order to differentiate between cash and non-cash events.
- Convert an accrual based statement to a cash-basis presentation to isolate cash generation or contraction
- Determine cash flow to repay debt by answering four key questions
- Evaluate cash flow quality using three tests
- Rank cash flow quality based on the ability to repay debt
- Identify and predict the demands on cash that might compromise loan repayment
- Calculate and interpret profit-based debt service coverage ratios
- Identify the benefits and limitations of profit-based debt service coverage ratios
- Calculate and interpret UCA cash flow-based debt service coverage ratios
- Outline the benefits and limitations of UCA cash flow-based debt service coverage

Series 6: Using Financial Projections to Fine Tune the Credit Analysis

In this series, Trainees will construct and analyze financial projections to interpret future ability to repay debt, identify the most appropriate type of loan, and to evaluate margins of protection in the event of changes in business, industry, or management risks.

After completing this course, students will be able to:

- Explain the benefits of using financial projections in a credit analysis
- Prepare a pro forma monthly balance sheet to evaluate peak borrowing needs based on a company's cash budget and projected monthly income statements
- Prepare an annual financial projection
- Interpret the ability to repay debt given assumptions about cash flow drivers and other variables
- Interpret loan types based on projected borrowing needs and repayment sources
- Determine an appropriate repayment schedule for long-term loans

LOAN COLLECTORS TRAINING PROGRAM

Designed for students with little experience in collections, or students interested in a refresher course in the basics of collections.

This course provides specific strategies and procedures in becoming an effective loan collector. It covers three areas: inside collections, outside collections and special topics. Course objectives are:

- Recognize the role of the collections department and the tools and legal guidelines with which the collector works
- Analyze and interpret a variety of collections reports and identify common leads used in skip tracing.
- Demonstrate the skills of making a successful telephone collections call
- Integrate effective collections letters into an overall collections strategy
- Demonstrate the skills of making a successful face-to-face collections call

MORTGAGE LENDING CERTIFICATE

These courses explain the consumer lending process from application to processing and servicing. Subject matter covers the operational process, fraud detection and prevention, and the credit process.

These courses are recommended for:

Consumer Lenders, Underwriting Staff, Branch Managers, Assistant Branch Managers, Operations Staff, and Platform Assistants

Analyzing Personal Financial Statements

60 MIN Discover the relationship between using personal financial statements to determine individual borrowers' creditworthiness, in both consumer and private bank situations, and doing so to gauge the financial strength of individuals as principals and guarantors.

Consumer Credit Products

60 MIN This course covers key features and benefits of installment loans, home equity loans and lines of credit, and credit cards. It also reviews credit concepts such as closed-end (those that offer one-time borrowing) and open-end (those that offer ongoing-borrowing credit products). Finally, the course covers various value-added products and services that are available with consumer credit products. Note: The course does not cover business loans or traditional first mortgage loans.

High-Cost Mortgages (HOEPA)

90 MIN Learn about the basic concepts regarding loans governed by HOEPA rules, the different types of high-cost mortgages available to consumers, prohibited lending practices and required disclosure statements.

Home Equity (Open-End Credit)

60 MIN Review the rules governing open-end home equity credit offered to consumers under Regulation Z. Topics covered include specific disclosures for borrowers, lending restrictions that apply to home equity lines of credit and advertising governance.

IRS Reporting for Real Estate Transactions

60 MIN The Internal Revenue Service (IRS) governs real estate lending transactions by enforcing associated reporting regulations. When specific events occur related to a real estate loan, the IRS requires that financial institutions report the information. Learn about the four specific IRS regulations related to real estate loans and related noncompliance issues.

Mortgage Fraud Awareness

60 MIN Mortgage fraud has reached epidemic proportions in the United States. Find out how to recognize fraud, and explore the steps you need to take to protect yourself from liability and prosecution.

Private Mortgage Insurance

90 MIN This course focuses on the requirements for termination of private mortgage insurance (PMI) in accordance with the Homeowners Protection Act of 1998. Explore PMI disclosure requirements and obligations, including conditions for automatic and final termination.

Residential Mortgage 1-2-3: Mortgage Process

90 MIN Understand the processes for residential mortgage loan origination, processing, underwriting and closing. Also learn about the regulations associated with each of these processes, and the steps needed for compliance.

Reverse Mortgage

60 MIN Learn how each of the different types of reverse mortgages work and who may qualify. Also, become familiar with the application process, and the common questions and concerns people have regarding these mortgages.

Second Lien Real Estate Mortgage Loans/Junior Real Estate Mortgage Loans

60 MIN Build on your existing real estate lending law knowledge. Learn about loans secured by real estate, and laws and regulations that apply to second lien mortgage loans secured by one- to four-family dwellings.

Subprime and Predatory Lending

60 MIN Learn the basics about the subprime market and the characteristics of predatory lending. Topics addressed in this informative session include: the differences between acceptable loans to the subprime borrower and predatory loans; predatory loan types and the risk of such loans to your customers and your institution.

MORTGAGE CUSTOMER COUNSELING AND PREQUALIFICATION

This course describes mortgage counseling and the type of information and techniques to improve communication between the MLO and customer. This course reviews mortgage counseling from the transaction-oriented and mortgage program-oriented perspectives. This course explains critical areas of review for each step in the prequalification process.

After completing this course, students will be able to:

- Define mortgage counseling and describe the techniques used in a session with a customer
- Recognize your customer's key indicators to understand the customer needs profile
- Match mortgage financing options to meet customer needs
- Prequalify a customer for mortgage programs using an outline and calculations

PERSONAL TAX RETURN ANALYSIS

This course provides participants with the ability to extract key information from 1040 Federal Tax Returns to determine projected income. It reviews tax returns, projected income forms, income sources, and cross-selling possibilities. Participants will learn how to explain to customers why a loan was declined due to insufficient projected income and how the different schedules were analyzed.

PREPARING THE CLOSING DISCLOSURE

The Preparing the Closing Disclosure course addresses the preparation of each field of the Closing Disclosure, illustrating similarities between the Closing Disclosure and the Loan Estimate, and addressing common and situational questions regarding the Closing Disclosure.

The Closing Disclosure form is required to be used on all loans that are subject to the TILA-RESPA Integrated Disclosure Rule for loan applications taken on or after October 3, 2015. This course will help mortgage lending personnel understand the disclosure and re-disclosure requirements as well as the information provided in each field on the form.

After completing this course, students will be able to:

- Identify the requirements for the fields on each page of the Closing Disclosure
- Recognize the requirements for disclosure and re-disclosure

PREPARING THE LOAN ESTIMATE

The Preparing the Loan Estimate course addresses the preparation of each field of the Loan Estimate, illustrating similarities between the Loan Estimate and the Closing Disclosure, and addressing common and situational questions regarding the Loan Estimate.

The Loan Estimate form is required to be used on all loans that are subject to the TILA-RESPA Integrated Disclosure Rule for loan applications taken on or after October 3, 2015. This course will help mortgage lending personnel understand the delivery and receipt requirements of the disclosure as well as the information provided in each field on the form.

After completing this course, students will be able to:

- Recognize the requirements for disclosure and reissuance
- Identify the requirements for the fields on each page of the Loan Estimate

PROCESSING AND UNDERWRITING CREDIT

The *Processing and Underwriting Credit* course provides students with a foundational knowledge of processing and underwriting credit. The credit report is one of the most essential factors needed to qualify borrowers for loan products, as there are many elements that can affect borrower eligibility and loan quality. Credit reports are packed with information key to qualifying borrowers for loan products. This course will help you unravel that wealth of information contained in credit reports, while also providing a methodology for reconciling credit and handling credit problems that may be uncovered in your analysis.

After completing this course, students will be able to:

- Review information contained in a credit report more effectively
- Recognize the characteristics of a credit report
- Gain an effective methodology for reconciling the information within a credit report
- Gain an effective methodology for handling credit problems
- Distinguish how to handle identity and fraud alerts
- Identify the characteristics of nontraditional credit
- Differentiate the factors of credit risk analysis

PROCESSING INCOME AND ASSETS

When a lender extends a mortgage loan to a consumer, it is done so with the acceptance of a certain level of risk based on the borrower's willingness and ability to repay a loan. This willingness is largely determined through a consumer's credit history. The ability is driven by the consumer's income and assets. Knowing how to determine and document a borrower's income and available assets will ensure that both the lender and borrower are at an acceptable level of risk at consummation.

This one-hour self-study online course is designed to provide a basic education of the income and asset documentation and underwriting requirements of a conforming residential mortgage loan. The course will also provide tips on preparing a quality loan for submission to underwriting.

After completing this course, students will be able to:

- Distinguish the risk factors of a mortgage loan
- Identify employment documentation requirements
- Calculate stable monthly income
- Calculate qualifying ratios
- Calculate funds needed to close
- Recognize documentation requirements and acceptable sources of fund

REAL ESTATE APPRAISAL

Mastering real estate appraisal has never been easier. Both simple and complex subjects are covered in terms that are easy to understand and accurate. This book references and explains the Uniform Standards of Professional Appraisal Practice, introducing all of the appraisal related topics listed in educational requirements for universal state licensing and certification.

REAL ESTATE FINANCE

This course provides cutting-edge coverage of specialized mortgage lending procedures—including sources of mortgage money, constraints on those sources, loan qualifications, and laws and regulations that guide practices.

REAL ESTATE LAW

This course brings to life the color and law of real estate in day-to-day settings. In addition to the lively case selection, it also has a clear set of rules that will enable you to recognize, solve, and prevent legal issues. As a result of this course, students will be able to: understand partial ownership AND co ownership of real property, and lending issues related to these topics; discuss real estate residential and commercial leases; understand mechanic's liens (strikethrough: methods of real property conveyance); discuss constitutional issues, specifically eminent domain powers; and understand environmental issues in real property, focusing on Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

RESIDENTIAL MORTGAGE LENDING

This Residential Mortgage Lending training course covers construction and permanent financing for residential property; real estate law; documentation; mortgage loan servicing; the secondary mortgage market; the role of government in mortgage lending; and residential real estate as an investment. The discussion of underwriting, processing, and servicing will give participants a framework for learning the mortgage lending business and refining their existing knowledge. Additionally, the coverage of laws and regulations affecting mortgage lending provide an understanding of mortgage lending's history and a glimpse into its future.

Topics include:

History of Mortgage Lending
Role of Residential Mortgage Lending in the Economy
The Mortgage Lenders
Strategies for Generating Residential Loans
Mortgage Instruments
Residential Mortgage Loan Origination and Processing
Underwriting the Residential Mortgage Loan
Government Insurance and Guaranty Programs
Private Mortgage Insurance
Selling Residential Mortgage Loans
Secondary Mortgage Market
Residential Real Estate Appraisal
Closing the Residential Loan
Mortgage Loan Servicing and Administration
Real Estate Law and Security Instruments
Compliance
Construction Lending
Home Equity Loans

RESIDENTIAL MORTGAGE LENDING CERTIFICATE

A thorough review of banking, credit analysis, and legal principles that support the mortgage process, underscoring relationship sales skills in addition to the mechanics of the mortgage loan. The certificate is designed for the aspiring mortgage lenders and those individuals new to the mortgage area of the bank, including mortgage loan clerks, loan processors, and closers.

Required Courses

You must complete the following courses to earn your certificate:

- Appraisal Procedures
- Banking Basics Suite
 - Introduction to Banking
 - Banks and the Economy
 - Banks as a Business
 - Bank Payment Systems and Technology
 - Banks and the Deposit Function
 - Lending as a Cornerstone of Banking
 - Banks and Personal Wealth Management
 - Business and International Banking Services
 - Bank Marketing: Building Customer Relationships
 - Bank Sales and Service: Expanding Customer Relationships
 - Safeguarding the Customer and the Bank
 - Safeguarding Bank Assets and the Nation
- Basics of Mortgage Processing
- Discovering FHA Programs
- Effective Referrals
- Elements of Title Insurance
- Essentials of Mortgage Lending
- Ethical Issues for Bankers
- Explaining Loan Modifications
- Gathering Facts on Mortgage Fraud
- Mortgage Customer Counseling and Prequalification
- Personal Tax Return Analysis
- Preparing the Closing Disclosure
- Preparing the Loan Estimate
- Processing and Underwriting Credit
- Processing Income and Assets
- Reviewing the Appraisal Report
- Optional: Completing the HUD-1

The estimated time to complete this certificate is approximately 24 hours. Students have access to the curriculum for 1 year from the date of purchase.

REVIEWING THE APPRAISAL REPORT

As an underwriter or compliance professional, when you are asked to formally review the Uniform Residential Appraisal Report (URAR) Form, it will be necessary to reference USPAP standards, industry standards (Fannie Mae, Freddie Mac, FHA, VA) or even your company's own lending standards. You'll also need to identify if the appraisal meets standards for special loan programs such as the Rural Housing Service or some sort of assisted housing during

your review. This one-hour self-paced course will help clarify these standards and teach you how to work with the URAR. This course focuses on the URAR, also known as Fannie Mae form 1004 (March 2005 version). Common areas of weakness will be illustrated, and hints and tips will be dispensed, section by section of the form. You will learn what to look for and how to judge the adequacy and accuracy of the report.

After completing this course, students will be able to:

- Recognize unacceptable appraisal practices
- Be familiar with requirements for completing the URAR
- Identify common appraisal deficiencies
- Understand what Fannie Mae determines to be "unacceptable appraisal practices"
- Know how to complete the various parts of the URAR
- Identify danger areas in the URAR that may indicate fraudulent activities

SMALL BUSINESS BORROWING

Describes the characteristics of the small business market that make it an attractive source of potential business. This course explores the overall relationship between the borrowing cause, loan purpose, and repayment source to better understand the small business client credit needs. This course also explains the key steps to effectively communicate credit decisions to clients.

After completing this course, students will be able to:

- Describe small business market characteristics
- Identify borrowing causes, loan purposes, and repayment sources
- Effectively communicate approvals, counteroffers, and declines

STRUCTURING COMMERCIAL LOAN PACKAGES

Designed for credit analysts, commercial lenders, branch managers, and others interested in learning how to structure commercial loans will find this a beneficial program.

This program is designed for lenders who want to better understand how to structure loan packages for business customers. It will explore the wide variety of issues associated with analyzing the creditworthiness of businesses and the need to provide adequate and appropriate financing for those businesses.

Program Highlights

- Understanding repaymentability
- How to value collateral
- The use of loan covenants
- Using subordinated debt financing in combination with bank and other senior debt
- Seasonability and how it affects cashflow
- The challenge of financing growing businesses

THE MORTGAGE LENDING BUSINESS

An overview of the mortgage lending business, including mortgage banker, broker, and lender business models; the role of government and agencies like Federal Housing Administration and the Veteran's Administration programs; other key players like Fannie Mae and Freddie Mac; important real estate laws; and the basics of real estate investing.

Learning Objectives

- Explain how property is transferred from one owner to another, and the legal implications of transfer of property
- Describe the basic principles involved in real estate investment and finance, including the business of construction and development lending
- Describe the process of mortgage origination, processing, underwriting, closing, and servicing, including the federal laws that apply
- Explain the various functions and responsibilities of mortgage origination and loan servicing departments
- Identify government and government-sponsored agencies that interact to further home ownership