

PROBLEM LOANS

RECOGNIZING AND MANAGING DISTRESSED LOANS

Overview

Problem Loans (PL) teaches lenders how to recognize and respond to deteriorating credit conditions. It reinforces the organization's risk culture broadly while providing proven techniques for mitigating risks on a loan-by-loan basis.

Course Structure

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| 1. DETERIORATING CREDIT | Lessons: <ol style="list-style-type: none">1. Problem Loans2. Roles and Responsibilities3. Early Warning Signs | Describes the causes and costs of problem loans and financial distress; discusses the various responsibilities at a lending institution for monitoring deteriorating credit; explains how to identify and deal with early warning signals |
| 2. COLLATERAL, GUARANTEES AND COVENANTS | Lessons: <ol style="list-style-type: none">1. Collateral2. Guarantees3. Covenants4. Communication with the Client | Explains why lenders take collateral and identifies the problems they might face when attempting to realize its value; explains how to protect a secured position when a company becomes distressed; describes the issues a lender might encounter when seeking to enforce a guarantee; explains how to deal with covenant breaches. |
| 3. RESTRUCTURING PROCESS | Lessons: <ol style="list-style-type: none">1. Restructuring Process2. Taking Control3. Action Plans | Identifies the different options available to lenders when it becomes clear that a loan must be restructured. |
| CASE STUDY EXERCISE | Learners will analyze a company to detect signs of deteriorating credit and plan an appropriate path of action. | In this case study, you are a Relationship Manager with Best Bank. One of your co-workers, David, is transferring to a new job, and a portion of his accounts is being passed to you. The loan for Rope Twine Products (R&T) is coming due shortly. You need to get up to date on the client's situation so that you can formulate an opinion on their performance. You will begin by setting up a meeting with David. |



DURATION

Up to 10 hours



DELIVERY CHANNEL

eLearning

Skills Application Lab Available



COURSE WORK

3 modules