



ABA COMMERCIAL LENDING SCHOOLS

ADVANCED
April 19 – 24, 2026

COURSE CATALOG

Banking, the economy and credit outlook

Course description:

Is this economy going to ever fully recover from the Great Recession? When does the government exit from its monetary stimulus strategy? What extraordinary reshaping of the financial services industry is still to come? Get answers to questions like these and predictions of what's ahead from a noted economist.

Course objectives:

Students will be able to:

- Return to their bank with an improved understanding of what impacts the commercial loan market.
- Gather insight into the latest market and economic conditions impacting their business.

Summary of course content:

Economic update

- Latest market and economic changes
- GDP
- Unemployment

Prices

- Housing market
- Mortgage market

Debt

- Federal debt impacts
- Interest rates and monetary policy

Money supply

- Federal reserves
- Federal liabilities
- Risk

Health of the financial industry

- Credit markets
- Liquidity

Credit risk management: Tools and techniques

Course description:

Credit risk management is key to a bank making profitable and prudent loans, which in turn is driven by the bank's credit culture. Banks with value-driven credit cultures enjoy good asset quality and higher-than-average shareholder value, so a strong credit culture pays for itself. This course explains how to implement, achieve and maintain a values-driven credit culture in practical, logical steps and employing pragmatic tools and techniques.

Course objectives:

- Recognize credit risk's prominence among all the enterprise risks.

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Course catalog

- Show how successful risk management starts with managing credit risk.
- Explain the key role of credit culture in managing credit risk.
- Learn how to identify your bank's credit culture and align it with your bank's credit risk strategies.
- Learn how to use the 14 credit discipline tools to build a successful credit risk management function.

Summary of course content:

Define the key enterprise risks with emphasis on credit risk.

- Big 3 risks — credit, ops, market
- Other risks — liquidity, reputation, strategic
- If you can get credit risk under control, then the others will fall into place

Identify the elements of credit risk management.

- Risk tolerance
- Risk measurement
- Risk strategy
- Portfolio management
- Credit culture

Evaluate the critical role of the credit culture element in managing credit risk.

- 4 types of credit culture
- Ideal culture is values-driven
- Credit risk management framework for implementing and maintaining desired culture

Offer some methods for measuring and managing credit risk.

- 14 credit discipline tools
- Key credit risks — transactional, intrinsic and concentration risk
- Risk tolerance, appetite and measurement
- Risk rating of obligor and obligation, rating migration, portfolio management

Show how to use policy for preventive maintenance and align risk management with credit culture.

- Maintain and sustain bank's credit culture
- Support bank's credit strategy with practical guidance for managing credit risk
- Underwriting and analysis
- Lending and approval
- Monitoring and reporting

Credit risk management case studies

Course description:

Case study requires students to apply the techniques and tools learned in the credit risk management course to solve the credit risk problems found in the case study's bank.

Course objectives:

Students will be able to:

- Identify the case study bank's credit culture and devise strategies for improving the culture.
- Identify, measure and mitigate concentration, intrinsic and concentration risks.
- Create solutions for improving the bank's credit policies, processes and administration.

Summary of course content:

- Fast-growing suburban community bank has outgrown its credit risk management framework.
- New chief credit officer has been hired to improve credit risk management.
- If student were the new chief credit officer, what changes would the student implement to improve the bank's credit risk management?

CRE risk management

Course description:

Commercial real estate (CRE) loans continue to be a significant segment of bank loan portfolios. This course examines the components of an effective risk management system for CRE loans. This includes identifying and dealing with CRE loan accommodations and workouts, CRE concentrations, strategies for developing industry data and references, plus following the various regulations for appraisals (covered more extensively in a separate class) and environmental due diligence. Prior to class, participants are encouraged to download (from www.occ.gov) and review the Version 2.0, March 2022, Office of the Comptroller of the Currency (OCC) *Commercial Real Estate Lending Handbook*.

Course objectives:

Through interactive class discussions and course materials centered around the key areas of CRE lending, participants will be able to:

- Itemize the four elements of CRE loan performance, including five basic risks to sustainable cash flow.
- Describe current macro trends in major CRE property types and cap rates, plus recent regulatory policy statements and advisories on CRE.
- Explain key issues about the CRE industry that are the focus of regulatory guidance, as outlined in the OCC *CRE Lending Handbook*.
- Identify the bank-wide risk areas that the CRE portfolio affects (the concept enterprise risk management or ERM), plus ways to avoid or mitigate these risks.
- Describe the components of an effective CRE risk management system.
- Identify ways to stratify loan policies and guidelines such that the intensity of risk oversight is commensurate to risk levels.
- Describe key issues for differentiating property types.

- Explain the concept of sponsorship and/or owner/borrower/guarantor support, and why this support is important due to CRE having co-dependence between the primary and secondary sources of repayment.
- Identify current standards and practices for controlling environment risks.
- Explain the key issues in monitoring loans post-closing (with ADC/construction being covered in a separate class).
- Identifying ways to maintain portfolio diversification.

Summary of course content:

Bank-wide risks affected by CRE lending

- Credit risk
- Interest rate risk
- Liquidity risk
- Operational risk
- Strategic risk
- Reputation risk

CRE risk management system components

- Based on the bank's policies, processes, personnel and control systems
- Usage, formally or informally, of three lines of defense
- Roles of management and board oversight
- Inclusion of five key CRE loan policy elements
 - ✓ Management considerations
 - ✓ Underwriting standards
 - ✓ Loan administration
 - ✓ LTV limits
 - ✓ Exceptions to policy

Strategic loan pricing

Course description:

With intense competition to capture and keep loans, it is important to have a strategic approach to loan pricing — more than simply matching the competition. This includes adequately covering your bank's costs and meeting profit objectives. It also includes differentiating loan interest rates to reflect relative risk, plus knowing that you CAN win the borrower's business on a basis other than the lowest price.

This session will cover two "big issues" that influence pricing: (1) understanding your bank's financial structure, especially its loan-to-deposit situation, and (2) recognizing how these financial positions drive loan profitability and competitive advantages/disadvantages. Often a competitor will offer a price that looks "stupid" but actually is helping to improve the competitor's financial performance. Putting this knowledge to use includes scouting your competition and its financial structure, then developing your bank's competitive advantages/disadvantages based on financial structure.

Along the way, we will demonstrate how to measure loan profitability and calculate the required rate on a loan, with time to discuss various models being used in your banks. We'll discuss

getting premiums for taking risk and for adding value to the customer relationship, and ways to compete with a lower rate for larger loans that better cover overhead or when you are able to mitigate risk better than your competitor can.

Course objectives:

- Identify key bank financial statement positions that are the drivers of pricing advantages/disadvantages.
- Calculate the return on equity (ROE) for a loan interest rate, using example variables and inputs.
- Describe pricing features, such as odd-decimal pricing, that allow for achieving a higher ROE and reducing borrower inclination to negotiate.
- Differentiate loan pricing on various lending risks.
- Identify asset-liability management concepts that influence setting interest rates that balance the loan's duration to the term of the funding source or pricing index.

Summary of course content:

How pricing models work

- Example math
- How models help reveal built-in advantages/disadvantages for your bank versus competitors that you "scout"
- Typical pricing impact of the 150% risk weighting for high volatility commercial real estate (HVCRE) loans

Risk-based pricing

- Differentiating on all risk metrics
- Balancing loan duration to the funding source and/or pricing index
- Comparing relative loan pricing within your portfolio
- Watching out for loans that are typically underpriced

Several "smaller issues"

- Using odd-decimal pricing
- Recognizing economies of scale on larger loans
- The benefit of providing your borrower pricing options in almost every situation
- Using performance pricing tied to the customer's financial performance and/or loan covenants

Portfolio stress testing

Course description:

Strongly encouraged by bank regulators, stress testing is a forward-looking quantitative assessment of potential economic events that could adversely impact the quality of the loan portfolio, earnings performance and capital adequacy. Stress testing involves the development of "what if" scenarios for the loan portfolio from a transactional level (bottom-up approach), portfolio level (top-down approach) or both. Originally based on the December 2006 joint *guidance entitled Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices*, stress testing has evolved into an integral part of a bank's credit risk management framework.

Course objectives:

Students will be able to:

- Understand why stress testing is a critical component of a bank's risk management program.
- Identify important portfolio segments to test in a bank.
- Determine an appropriate methodology to use.
- Communicate key predictive portfolio risks to executive management and directors.

Summary of course content

- Regulatory guidance and background
- Purpose and goal
- Examples of stress testing approaches

Methodology issues

- Transaction level (or bottom-up approach)
- Portfolio level (or top-down approach)
- Enterprise level stress testing
- Reverse stress testing
- Other types – scenario analysis and loan migration

Process roadmap for development of a stress testing program

- Board and management buy-in
- Concentrations – A good starting place
- Scenario development and parameter selection
- Common risk measures (such as LTV and debt service coverage)
- Creation of reports and discussion of results

Problem loan management

Course description:

This session focuses on how to avoid problem loans, recognize early warning signals and their causes, and the major factors to consider in managing problem loans. Case studies are utilized to assist participants in identifying these issues and managing a troubled asset.

Course objectives:

Participants will be able to:

- Identify their target markets and the intrinsic risk associated with them.
- Determine where an early warning sign originates and its cause.
- Determine a workout plan strategy.
- Utilize a problem loan tracking report.

Summary of course content:

Avoiding problem loans

- Industry risk
- Management risk
- Product/structural risk
- Credit risk triangle

Recognizing early warning signals

- Bank environment
- Customer and management signals
- Macro signals

Managing problem loans

- Rehabilitation
- Moving the relationship
- Liquidation/foreclosure issues
- Workout strategy and tracking

Avoiding lender liability issues

Course description:

Consumer-based lender liability claims against banks are becoming more common again. In this course, lenders will learn to think like a lawyer to spot potential red flags that could lead to a lender liability lawsuit. Lenders will discover the legal pitfalls of accepting late payments after a borrower has previously and repeatedly defaulted, continuing to lend money even though the borrower is hopelessly insolvent, making verbal promises that a borrower detrimentally relies upon, and exercising too much decision-making control over the borrower's business. A consumer can sue a bank for a variety of reasons, most of which could be frivolous. Lenders will learn the best defenses to defeat and avoid these claims via current case law and legislation.

Course objectives:

Students will be able to:

- Learn the most common lender liability claims that consumers file against financial institutions.
- Learn how to best prevent and defend a bank against lender liability claims.
- Debate facts and analysis of current lender liability cases in state and federal courts.
- Discuss the growing trend of deepening insolvency litigation.

Summary of course content:

- Understanding what constitutes a lender liability claim
- Most common claims – Discuss via case studies and debates
- Avoiding excessive control
- Checklists to demonstrate proper file documentation
- Positive and negative impacts of disclosure
- Question and answer session with class

The relationship building competency

Course description:

The ability to build strong relationships — and do so quickly — might be the closest thing to a silver bullet in sales *when paired with the other essential selling skills*. During this course, participants will gain a clear understanding of the core relationship-building attributes and how they directly impact prospecting, qualifying, relationship management and overall sales performance.

Course objectives:

Students will be able to:

- Understand and apply the 7 specific skills for building relationships.
- Assess their personal strengths and weaknesses in these areas.
- Understand the impact of these skills on retaining and growing the current client base.
- Use insights to focus on targeted improvements to strengthen relationships and results.

Summary of course content:

- The keys to building trust, credibility and confidence
- Great beginnings and 4 stages of discovery
- Fundamentals of a robust conversation
- 3 must-ask questions
- How to end think-it-overs
- Role of stewardship in expanding the relationship
- Beliefs that inhibit relationship building
- 7 core competencies of relationship building
- Consultative selling core competencies
- Impact of social styles

Commercial real estate construction lending

Course description:

Commercial real estate construction lending, whether for owner-occupied or income-producing properties, is a significant and lucrative segment of the loan portfolio for most commercial banks, regardless of asset size. Unlike other commercial and consumer loan types where loan proceeds are secured from day one by an existing asset, construction loans are unique as the collateral and its value are created **by** the disbursement of loan proceeds over time. Only when the project is complete is the value of the collateral realized, either in the form of a project that can be occupied and deployed by an owner, or in the form of income-producing property available for lease to third-party tenants in the market. This course navigates the entire process from front-end due diligence and loan documentation to best practices for the administration of the disbursement of loan proceeds.

Course objectives:

Students will be able to ensure that the project financed is completed:

- On time
- Within budget
- In compliance with the plans and specifications:
 - To meet the requirements of any pre-leased tenants
 - To qualify for a certificate of occupancy by the local governing authority
- Free of any liens other than the lender's first priority security instrument

These objectives will be accomplished through mitigating inherent construction lending risks by:

- Qualifying the borrower and the proposed general contractor
- Reconciling all sources and uses of funds required to complete construction
- Identifying key third-party reports required at loan closing
- Setting expectations of the borrower through loan documentation

- Ensuring that the progress of construction and disbursement of loan proceeds are consistent

Summary of course content:

The capacity and experience of both the borrower/sponsor and the project's general contractor selected are critical to a successful development.

- The borrower should be experienced with the subject property type and familiar with the local planning and permitting process.
- Requiring the AIA Contractor's Qualification Statement

Third-party due diligence must be completed and thoroughly reviewed prior to the loan's closing, including:

- Comprehensive project budget analysis including hard and soft costs as well as a balanced sources and uses statement
- Title insurance commitment
- Plans and specifications with elevations and floorplans
- General construction contract review
- Permits, zoning and utilities letters
- Liability and builder's risk insurance
- Survey and site plan

Loan documentation sets the bank's expectations of the borrower:

- Commencement and completion of construction
- Requirements for construction loan advances
- The standard AIA G-702, G-703 Contractor Pay Application
- Cost over-runs and change orders
- Consistency between loan documentation and the general construction contract
- Monthly progress inspections

A conversation with federal regulators – Emerging issues for lending portfolios

Course description:

The session is a panel discussion with representatives of the Federal Reserve, the FDIC and OCC. Each panelist has a strong credit background, knowledge in regulatory lending emerging issues, and current or recent bank examination experience. Discussion will include:

- Broad overview of hot topics in lending regulations
- How to better prepare for your safety and soundness exam
- Common findings of what may be lacking in the credit files
- Exam protocols or best practices to make an exam go smoothly
- Insights on best practices for forbearance and post-forbearance solutions
- Pandemic recovery – Insights on when to upgrade credits
- What are examiners focusing on in 2026

Strategic commercial lending: Integrating deposits for bank growth and profitability

Course description:

This course explores the evolving role of commercial lenders in driving both loan and deposit growth as part of a bank's overall portfolio strategy. Beginning with the perspective of senior leadership, participants will learn why deposits are critical to financial strength and how they complement lending activities. Through a mix of strategic insights and practical tools, the course empowers lenders to understand the deposit side of the balance sheet, identify profitable products, and embed value-added services into client relationships. Attendees will leave with actionable strategies to coach teams, engage clients in informed conversations, and build deeper, more profitable relationships.

Summary of course content:

By the end of this course, participants will be able to:

- **Understand the strategic role of deposits**
 - Explain why deposits are essential to a bank's financial health and overall balance sheet strategy.
 - Differentiate between types of commercial deposits and their impact on profitability.
- **Analyze product profitability and translate into strategy**
 - Assess which deposit products and services align with the bank's growth objectives.
 - Develop strategies for deposit gathering that complement loan origination efforts.
- **Equip lenders with tools for market success**
 - Identify the most profitable products and services to take to market.
 - Learn how to coach lenders to have informed, value-driven conversations with business owners.
- **Integrate deposits and services into relationship-building**
 - Explore go-to-market strategies for embedding deposits, payments, and other services into client relationships.
 - Understand which services create unique value for lenders and strengthen client loyalty.
- **Align negotiation and relationship management**
 - Balance pricing strategies between loans and deposits for mutual benefit.
 - Add value for business owners by anticipating their needs and offering tailored solutions.
- **Apply insights to bank-specific strategies**
 - Connect deposit and lending strategies to the bank's current position (growth, merger, acquisition or stability).
 - Create repeatable processes for profitable deposit gathering and relationship development.

Appraisals and evaluations

Course description:

This course is designed to promote the participants' understanding of commercial real estate valuations. The course primarily focuses on regulatory requirements and expectations for real estate loan policies; appraiser independence; appraisals and evaluations; reviews; re-appraising and re-evaluating property; value conclusions; loan modifications; third-party service providers; and referrals. Class instruction is based on a facilitation style of teaching. Course materials provide background information and address the most commonly asked questions or issues raised by lenders. Participants will review case study scenarios and provide their solutions or suggestions for resolution based upon the given circumstances.

Course objectives:

- Ascertain whether real estate loan policies meet regulatory requirements
- Maintain appraiser independence
- Gain a better understanding of the magnitude of the real estate market
- Understand regulatory requirements for appraisals
- Recognize differences in different types of value conclusions
- Determine if the most common exemptions from the appraisal requirements apply
- Understand regulatory expectations for evaluations
- Develop criteria for reviewing appraisals and evaluations
- Calculate the supervisory loan-to-value limits
- Identify when to re-appraise or re-evaluate real property collateral pledged on loans
- Distinguish between different types of subsequent transactions
- Understand the lender's responsibilities when outsourcing services to third parties
- Know when to file a referral

Summary of course content:

Loan policy

- Real estate lending standards
- Real estate loan policies

Independence

- Small bank and branch exception
- Loan production staff
- Reporting lines for valuation staff
- Borrower-provided appraisals
- Communication with appraisers
- Approved appraisers list

Real estate market

- Overview of U.S. real estate market
- Commercial real estate loans at banks
- Levels of problem assets
- Underwriting gap between projected vs actual net interest income
- Use of interest-only terms
- Appreciate the need for granular market data

Appraisals and evaluations

- Appraisal requirements
- Value definition differences
 - Market value vs. fair value
 - Liquidation value vs. disposition value
 - Examples of market value and liquidation value
 - “As is” vs. “As-completed” vs. “As-stabilized”
- Appraisal engagement letters
- Appraisal Management Companies (AMCs)
- Market value conclusions for development projects
- Validity of appraisals

Appraisal exemptions

- Transaction thresholds
- Existing credits
- Abundance of caution
- When to consider getting an appraisal even if exempt

Evaluations

- Evaluation criteria
- Overview

Reviews

- Review criteria
- Overview

Supervisory loan-to-value (LTV)

- Real estate lending standards
- Example of other acceptable collateral

Re-appraisal/re-evaluation

- Criteria
- Overview questions

Other

- Re-appraisal/re-evaluation
 - Ongoing portfolio monitoring
 - Renewals and refinancings
 - Reducing or suspending HELOCs
- Subsequent transactions
- Third-party services
- Referrals

CRE valuation management

Course description:

This course is designed to promote the participants' understanding of the scope of commercial real estate lending activities and valuation-related issues. The course primarily focuses on a commonsense approach when considering whether an appraisal provides a credible value conclusion. Class instruction is based on a facilitation style of teaching. Course materials provide background information regarding several types of commercial real estate valuation related issues. Participants will review case study scenarios and provide their solutions or suggestions for resolution based upon the given circumstances.

Course objectives:

- Appreciate the significance of the United States' banking system's exposure to CRE Lending
- Check engagement letters for potential inappropriate instructions or limitations
- Understand the Uniform Standards of Professional Appraisal Practice requirements (USPAP) for comparable sales
- Identify potential inconsistencies in quantitative adjustments
- Recognize unsupported adjustments or common USPAP deficiencies
- Calculate the loan-to-value for income-producing properties
- Participate in three "real world" case studies that reflect multiple valuation concerns

Summary of course content:

Scope of CRE lending

- Banking System Exposure to CRE
- Problem Loans
- Ratings Downgrades
- CRE Prices

Valuation-related issues

- Engagement Letters
- Adjustments to Comparable Sales
- Supporting Information
- Unsupported Discounts
- Deductions and Discounts
- Adjustments Not Supported
- Common USPAP Deficiencies
- Loan-to-Value

Case studies

- 294 Residential Lots
- Projection Issues
- CRE C&D Loan

Fraud: Methods, detection and prevention

Course description:

The course covers the different types of financial crime and fraud schemes typically encountered by financial institutions, particularly those methodologies that utilize lending products. The instructor will discuss applicable criminal statutes and utilize case studies to illustrate the types of fact patterns often used in fraud schemes. A discussion of red flags particular to lending fraud schemes will assist participants to identify and report activity that must be reported to a financial institution's financial crime, security or BSA departments. The material will include schemes involving bank insiders with a focus on potential signs of collusion between bank clients and lenders.

Course objectives:

- Identify red flags for a variety of fraud schemes.
- Identify fraud schemes by bank borrowers, customers, vendors and providers of professional services.
- Identify and report suspicious activity to the appropriate area of the bank.
- Discuss methods of identifying and preventing insider frauds.

Summary of course content:

- Overview
- Understand different criminal statutes that cover fraud schemes;
- Identify red flags of lending fraud schemes;
- Understand requirements for reporting fraud schemes;
- Identify methods of preventing lending-based fraud schemes;
- Identify methods to prevent and detect financial crime and fraud schemes involving insiders

Developing leadership practices

Course description:

This course focuses on developing leadership skills through the Situational Leadership Framework, guiding participants in adapting their leadership style to different contexts. Integrating key concepts from Transformational, Transactional, Servant and Authentic Leadership theories, participants will learn to identify situational variables and apply the most effective leadership behaviors to individual and team settings.

Course objectives:

- Differentiate between task and relationship-oriented leadership behaviors within an organization.
- Understand their leadership behaviors relative to the transformational, transactional, servant and authentic leadership models through self-assessment and analysis.
- Analyze follower and situational characteristics that impact effective leadership decision-making.
- Understand and apply the situational leadership framework to adapt leadership behaviors to various contexts.

ELECTIVES

Profitability: Bank financial analysis and asset/liability management

Course description:

Understanding the components of a balance sheet, and how they drive the income statement, is critical to understanding how commercial lending affects bank performance. Management reporting, including Asset-Liability Management (ALCO) and profitability reporting, are used internally to manage risks, measure progress and drive decision-making. In this course, learn to identify profit drivers that result in positive financial performance and how to develop a strategy that focuses on strategic objectives that drive long-term success.

Deep dive into C&I lending

Course description:

This elective applies key Commercial & Industrial (C&I) Lending concepts through real-world business cases in small group settings. Students focus on identifying cash flow and liquidity challenges to enhance their credit analysis and deliver greater value to clients. The course also covers working capital analysis to assess funding needs, the application of UCA cash flow methods for loan evaluations, and the principles of source and use of funds. Participants will gain access to resources, including a cash flow early warning checklist, a 5-minute cash flow statement analysis, and an Excel template for evaluating the monetary implications of inefficiencies in the cash conversion cycle.

Navigating commercial real estate lending

Course description:

This elective course is designed for professionals in the commercial lending industry who want to deepen their understanding of current trends and best practices in commercial real estate (CRE) lending. The course will cover hot topics in the market, key appraisal considerations, and the intricacies of perfecting liens. Through an interactive Q&A format, participants will have the opportunity to engage with industry experts and network with peers, fostering a collaborative learning environment.

Small business administration lender training: Marketing, loan origination and post-closing

Course description:

The session is designed for financial institutions that have an interest in becoming a Small Business Administration (SBA) lender or increasing SBA lending activity. Participants will gain in-depth knowledge of SBA 7(a) effective marketing strategies, loan origination best practices, loan modifications pre closing and essential post-closing procedures to ensure compliance and maximize loan performance. Bonus: Highlights on SBA 504 lending program and parameters. How to leverage a 504 and 7(a) loan for a project.

An intermediate guide to hotel underwriting and financing

Course description:

This session features a robust primer on hotel underwriting, providing the tools and techniques to identify and understand hotel loans' credit risks. Students will learn best practices for documenting loans, including key information from the franchisor, franchisee and borrower. The session will equip attendees to engage in high-level discussions, structure loan requests, and bridge the gap between initial conversations and detailed underwriting.