



# ABA COMMERCIAL LENDING SCHOOLS

FOUNDATIONAL  
April 19 – 24, 2026

COURSE CATALOG

## Banking, the economy and credit outlook

### **Course description:**

This session examines the current economic and banking environment and its impact on the financial services industry. In addition, we will examine the many challenges facing the industry today such as: How will successful community banks compete and thrive in an increasingly competitive environment?

### **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

## Evaluating the commercial borrower's business strategy

### **Course description:**

A successful business requires borrowers to have a sound business strategy. This course will focus on understanding the key business strategies a borrower should consider to be successful. It will cover some critical areas where businesses can go wrong. The content will include such areas of industry considerations, understanding the business cycle and determining if your borrower has devoted sufficient time to understanding critical challenges that can impact their business strategy.

### **Summary of course content:**

- Risk management
- Lessons learned
- Industry analysis (sources)
- Background information
- Borrower analysis
- Non-Financial credit considerations
- SWOT analysis
- Portfolio analysis
- Opportunities

## The importance of cash flow

### **Course description:**

Commercial lenders must discern with every loan how a borrower will access or generate the required cash necessary to repay loan(s) to the bank in full. This course prepares participants to thoroughly analyze cash flow, which is usually the primary source of loan repayment. Participants will gain an understanding of how borrowers' and guarantors' personal and business financial statements and tax returns aid in underwriting cash flow. Participants will examine the most commonly used lending cash flow analysis methods (including traditional debt service coverage analysis, global debt service coverage analysis and uniform direct cash flow analysis) and discuss the benefits of drawbacks of the application of each method.

### **Course objectives:**

Students will be able to:

- Identify the key sources of cash for loan repayment.
- Understand the role of borrowers' and guarantors' financial statements and tax returns in underwriting cash flow.
- Examine traditional debt service coverage analysis, global debt service coverage analysis, and uniform direct cash flow analysis.
- Discuss the benefits and drawbacks of various lending cash flow analysis methods.

## ABA Commercial Loan Simulation orientation

### **Course description:**

The ABA Commercial Loan Simulation offers students a real-world, decision-making tool focused on educating, collaborating and negotiating between a wide range of commercial loans. The team-based exercises use practical scenarios allowing students to practice blending the art of deal selection with the rigors of loan pricing and credit underwriting while aiming to maximize shareholder value.

## Determining repayment ability: Cash flow, collateral and guarantees

### **Course description:**

Bankers expect commercial borrowers and their owners to be able to repay their loans from the business operations, and lenders are expected to include the collateral and owners-guarantors in the repayment calculation. This course is aimed at ensuring credit analysts, underwriters and lenders are accurate and consistent in calculating repayment ability from global cash flow (GCF), collateral and guarantors. Management guidance for monitoring the accuracy and consistency of repayment ability is also included.

### **Course objectives:**

Students will be able to:

- Define and calculate global cash flow (GCF).
- Review and compare various measures of cash flow (CF).
- Evaluate secondary support from collateral and guarantors.
- Calculate borrower repayment ability from GCF, collateral and guarantors.

### **Summary of course content:**

- Why bankers calculate GCF
- Cash flow over the business cycle
- Cash flow needs differ between mature firm and growing firm
- Comparison of alternative cash flow measures
  - TCF and EBITDA
  - CFO (NCAO) — net cash after operations, NCI-net cash income, and CADA-cash after debt amortization
  - FCF — free cash flow
  - Other — Global cash flow
- Why bankers take collateral for additional repayment support
  - Assets acquired by loan proceeds as collateral
  - Types of collateral
  - Degrees of control over collateral
  - Factors influencing loan-to-value (LTV) applied to collateral asset
- Why bankers expect business owners to guarantee business debts
  - Types of guarantees
  - Personal cash flow underwriting issues and common errors on personal financials
  - How to adjust personal net worth for dubious assets and forgotten liabilities

- Examples that incorporate owner-guarantor cash flows, collateral and guarantor equity into determining borrower repayment ability
- Management check grid for GCF accuracy

## Fundamentals of commercial real estate lending

### **Course description:**

Commercial real estate (CRE) loans continue to be a major portion of bank loan portfolios. Also, many borrowers continue to hold significant amounts of income-producing or rental real estate on their balance sheets. Whether directly financing these assets or including the income stream(s) in your overall credit analysis, it is important to understand key analytical concepts in evaluating real estate cash flow. And with the longer-term structure of these credits, it is important to use the updated cash flow analysis as part of ongoing loan monitoring and updating of collateral values — not in lieu of appraisals, but as interim and supplemental steps between formal valuations.

### **Course objectives:**

Students will be able to:

- Identify the key variables involved in developing CRE cash flow.
- Calculate (from a case study) net operating income (NOI) and cash flow available for debt service (CFADS) for an income-producing property.
- Estimate property value using NOI and an estimated capitalization rate.

### **Summary of course content:**

CRE cash flow

- Key variables, including an imputed management fee and replacement reserves
- How to determine historical and projected vacancy rates
- Where to find key information from tax returns
- Role of capitalization (cap) rates
- Transaction-level stress testing

### **Key risk areas in CRE lending:**

- Overview of risks unique to CRE lending, such as refinancing risk, and re-lease/rollover risk

## Fundamentals of C&I lending

### **Course description:**

An emphasis on growing and effectively underwriting and managing C&I loans is essential to the success of banks of all sizes, especially in today's highly competitive lending environment, yet C&I Lending is still underappreciated by many lenders. This course will clearly define Commercial and Industrial (C&I) Lending and the opportunities this lending line of business can provide for profitable loan portfolio growth, as well as the often-unforeseen risks lenders assume when extending credit to C&I borrowers. This session will explore the C&I underwriting and lending fundamentals including financial statement analysis, business SWOT analysis, collateral evaluation and monitoring, proper loan structuring and risk mitigation.

**Course objectives:**

- Define Commercial and Industrial (C&I) Lending and its opportunities for loan portfolio growth.
- Identify risks associated with extending credit to C&I borrowers.
- Explore fundamentals of C&I financial statement analysis.
- Conduct business SWOT analysis.
- Evaluate and monitor collateral for C&I loans.
- Effectively structure C&I loans and mitigate risk.

## **An introduction to credit risk management: Credit policy and credit culture**

**Course description:**

A bank's Loan Policy is the initial Asset Quality control apparatus. Credit culture describes the rigor employed in the underwriting and loan approval process, and the consistent identification and recognition of potential risk factors. While policy describes what "should be done," a bank's Credit Culture often dictates what actually "does get done." This course discusses credit policy standards and procedures and their interaction with credit culture. It includes tested best practices for topics such as approval of specific credits, loan committee structures, risk rating systems, Board of Director input and involvement, MIS systems, and how they all interact with a Bank's strategic plan, Loan Reviews and bank examinations.

**Summary of course content:**

- Risk rating systems
- Concentration risk controls
- Loan review (internal and external)
- Board MIS

## **Fundamentals of commercial construction lending**

**Course description:**

This course covers the basic elements of construction lending and the factors that impact the credit decision. Is this construction project economically viable? Will the project of the proposed income producing or owner-occupied business building meet the owner's requirements? Will the general contractor (G/C) complete the project on time and budget to the specifications of the architectural plan and owner?

## 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.

### **Course objectives:**

- Broad overview of hot topics in lending regulations.
- How to better prepare for your safety and soundness exam.
- Common findings of what might 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 examiners are focusing on in 2026.

## Underwriting the loan request

### **Course description:**

This session focuses on the factors to consider when underwriting a credit loan request to a business client: Analyze the cash flow, confirm, or set the amount, term, pricing, collateral, guarantees, covenants and conditions to repay the loan based on the identified risks. Case studies are utilized to assist participants in identifying these risks.

### **Course objectives:**

Students will be able to:

- Describe the major risks in a credit request and how to structure a loan to mitigate those risks.
- Determine the proper size of a line of credit.
- Identify the strengths and weaknesses of the collateral and guarantors.

### **Summary of course content:**

#### **Risk pyramid**

- Business risk
- Financial risk
- Structural risk
- Operational risk

#### **Industry issues**

- Current and future environment
- Management's strategy
- Understand the industry dynamics

#### **Underwriting cash flow**

- Simple

- Global
- UCA

### **Collateral evaluation**

- Lines of credit
- Equipment
- Real estate

### **Guarantor evaluation**

- Where to focus
- Common errors

### **Structure and pricing**

- Covenants
- Loan grading
- Understanding pricing factors

## **Developing the credit memo**

### **Course description:**

The course covers the critical elements of constructing a credit memorandum typically associated with commercial lending. This will cover the necessary details that should be included in a formal loan presentation. It will provide a framework to allow the participant to construct and make improvements to their own credit memo. The course will also expand on the reason and rationale behind the use and importance of each component within the memorandum.

### **Summary of course content:**

- Expectations
- Challenges
- Requirements
- Managing Risk

## **Monitoring your commercial loan portfolio**

### **Course description:**

This course will cover a wide array of portfolio risk management activities. Balancing business development and portfolio management is a necessary requirement in today's business banking world. Regulators expect banks to have a robust risk management process in place, while still maintaining profitability. Regulatory oversight also includes evaluating how well the risks associated with the bank's lending activities are accurately identified, communicated to senior management and the board of directors, and, when necessary, whether appropriate corrective action is taken. The program will cover specific aspects of the risk management process, including procedures and reporting tools part of portfolio risk management. It will also include benchmark performance measurements to assess loan portfolio quality.



**Summary of course content:**

- Portfolio Management Defined
- Performance Management Bank Benchmarks
- Assessing and rating loan and portfolio risk
- Strategies for monitoring performing and non-performing loans
- Relationship building

## Influential client conversations

**Course description:**

Sometimes we need to share news that clients might consider “bad” or not meeting their needs. It is critical that we communicate this information in a way that the client understands that we have their best interest at heart. Not doing this could damage our relationship with the client, and we could lose their business. In this session, we will discuss best practices in conversations that will help you make meaningful connections with clients and earn their trust.

**Course objectives:**

Students will be able to:

- Set proper expectations for a client’s request.
- Demonstrate to a client that they are truly listening.
- Respond in a way that the client feels heard.

**Summary of course content:**

- Preparing for a conversation
- Conversation tools
- Crafting question that uncover needs

## Presentation skills for lenders

**Course description:**

Lenders make formal and informal presentations to clients and peers. The challenge is cutting through all the noise to be heard and understood. Failing to do this could hurt client satisfaction and how you are viewed internally. This session will cover the basics of thinking clearly to create a strong message — and articulating your message in a way that gets the intended results.

## Think like a leader

**Course description:**

Leadership today is about adapting to change and empowering teams to thrive in uncertain environments. Effective leaders have a deep understanding of self, prioritize purpose over process, and focus on creating value. In this session, we will introduce you to several components of the leader’s mind. We want you to focus your leadership journey by understanding how today’s leaders cultivate a mindset that drives success and resilience in their teams and organizations.

**Summary of course content:**

- How to cultivate a leadership mindset that prioritizes purpose, drives success, and inspires resilience
- Strategies to adapt to change and lead effectively in uncertain environments
- Insights into self-awareness and personal growth as key elements of effective leadership
- Methods to create lasting value for your organization and stakeholders

## **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 with 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.