

# ABA Commercial Loan Simulation™

© 2026 American Bankers Association. All rights reserved.

This content is proprietary and protected by U.S. and international copyright laws. Unauthorized reproduction, distribution, public display, modification, or creation of derivative works is strictly prohibited. Use of this material in generative AI systems or automated training technologies is prohibited without prior written consent.

# ABA Commercial Loan Sim – Participant Guidebook

---

## Introduction

Welcome to the ABA Commercial Loan Sim, a dynamic, competitive simulation designed to bridge theory with real-world commercial lending. You will take on the role of a bank team, analyzing loan requests, preparing competitive term sheets, managing risk, and navigating real economic fluctuations. Your goal: maximize Return on Equity (ROE) and Return on Assets (ROA) by making sound lending decisions across multiple loan types.

This guidebook provides clear steps to help you succeed — with particular emphasis on understanding and completing Term Sheet decisions.

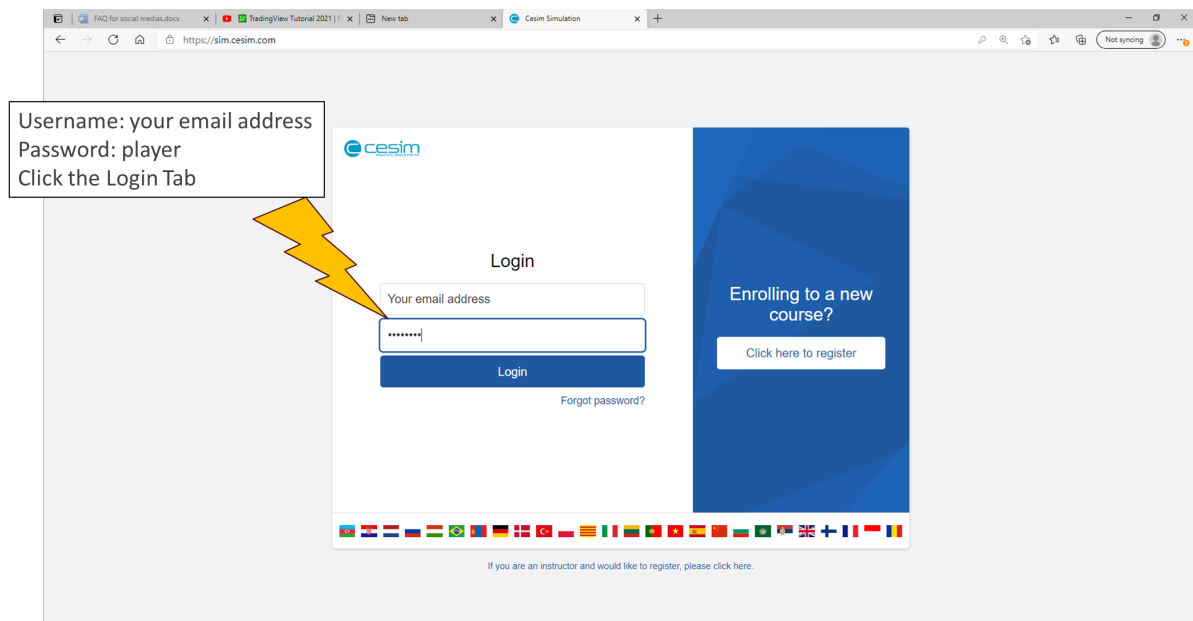
## Step-by-Step Simulation Guide

To access the simulation platform on any browser, please go to [sim.cesim.com](https://sim.cesim.com)

In the space that appears, enter:

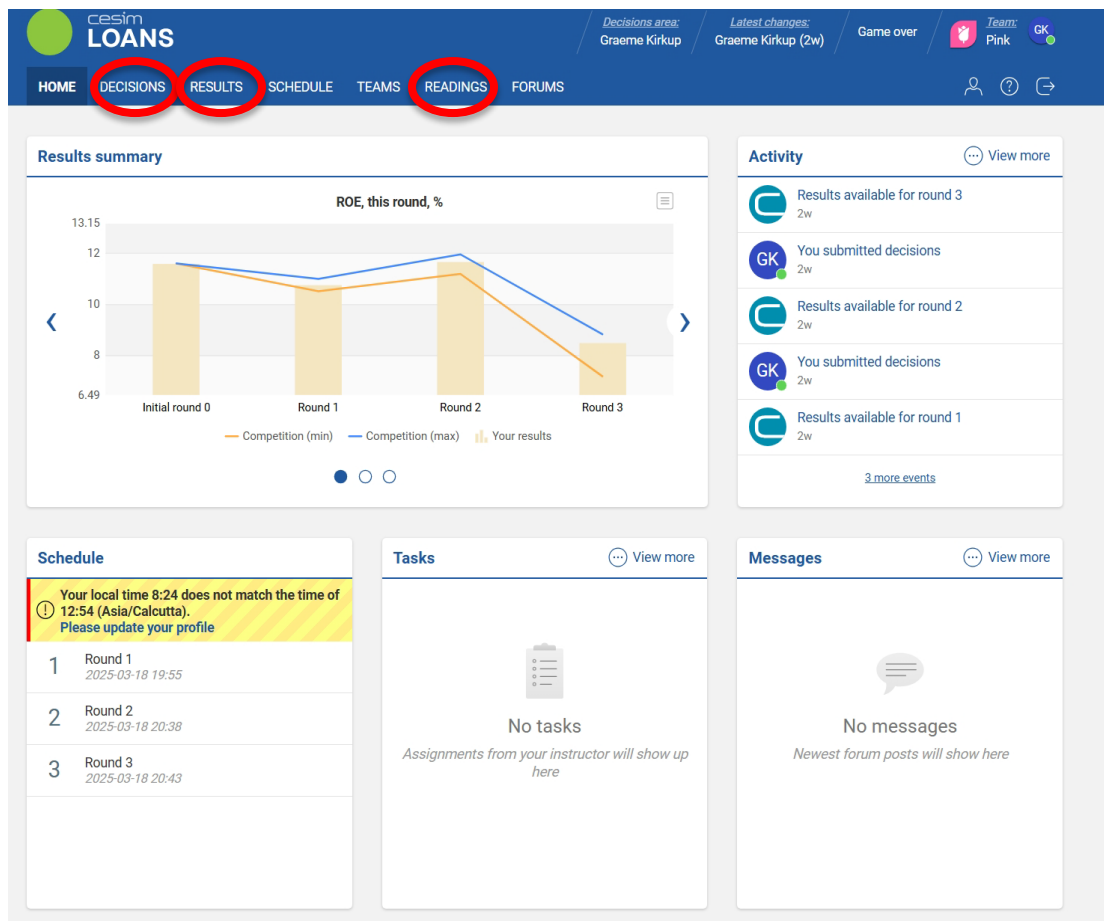
Username: your email address

Password: player



## 1: Review Materials and Understand the Environment (Readings Tab)

- Access Readings in the platform to review:
  - Case description
  - Market outlook



## 2: Review Metrics (Results Tab)

- Understand your performance metrics: ROE, ROA, and loan portfolio health.

## 3: Assess the Market and Economic Outlook

- Visit the Market Outlook section before each round.
- Identify key economic indicators that influence:
  - Interest rate trends
  - Borrower preferences
  - Industry-specific risks
- Evaluate 'curveballs' (e.g. loan failures or recessions).

#### 4: Analyze Borrower Profiles

- Go to the Loans section and select a loan.
- Read the borrower narrative carefully for:
  - Project scope
  - Estimated cost and value
  - Financials
  - Preferences
- Identify red flags or risk indicators.

#### 5: Complete the Term Sheet

- Navigate to the Term Sheet panel.

The screenshot displays the CSM LOANS interface. The top navigation bar includes links for HOME, DECISIONS (highlighted with a red circle), RESULTS, SCHEDULE, TEAMS, READINGS, and FORUMS. Below this, a sub-navigation bar shows Tutorial, Economic outlook, and Loans (also highlighted with a red circle). A warning message states: "WARNING! Your course has already ended!".

The main content area is titled "Trophy Properties" and includes a "Projections" button. It features tabs for "Trophy Properties", "Construction loan", and "Clean Water Corp.". The "Trophy Properties" tab is active, showing a table of loan basics:

Trophy Properties LLC	
<b>Basics of loan request</b>	
Loan amount	\$3 300 000
Project estimated value	\$7 500 000
Project estimated cost	Unknown
Borrower plan to inject equity	\$2 200 000

Below this is a section titled "Trophy properties loan information" with tabs for "Request description", "Property proforma", "Balance sheet", and "Income statement". The "Request description" tab is active, showing "Personal spreads", "CRE Schedule", and "Status updates".

The "About the developer" section provides a detailed narrative about Trophy Properties, an active in-market developer with over 25 years of experience. It mentions that the company has completed over \$75MM of projects and has a strong track record in delivering projects on-time and within budget.

The "Term Sheet" panel on the right contains various fields for loan completion:

- Send term sheet?** Yes (selected)
- Bid was won last round** Yes
- Team Name** Best Bank
- Borrower Name** Trophy Properties LLC
- Loan Amount (\$)** 3 300 000
- Origination Fee (\$)** 50 000
- Max LTV (%)** 60
- Max LTC (%)** 30
- Loan Term (in years)** 8
- Loan Amortization (in years)** 8
- Guaranty Required** Full
- Any Interest Only Period Provided** No (selected), Yes (radio button)
- If Yes, How Long (in years)** 1
- Fixed or Variable Interest rate** Fixed (selected), Variable (radio button)
- Index** NA
- Years Rate is Fixed** 5
- Interest Rate (%)** 4.00
- Are Deposits Required** No (selected), Yes (radio button)
- If yes, choose only 1 type**
  - Primary Operating Account** No (selected), Yes (radio button)
  - Minimum of X\$** 0
- Are Loan Covenants Required** No (selected), Yes (radio button)
- If yes, choose all that apply**
  - Minimum DSCR of X** Not applied
  - Maximum Debt to TNW** Not applied
  - Minimum Guarantor Liquidity** 100 000
- Borrowing Base Certificate** No (selected), Yes (radio button)

- Determine and enter values for:
  - Send term sheet?
  - Loan Amount
  - Origination Fee (\$)

- Max LTV (%)
- Max LTC (%)
- Loan Term (years)
- Loan Amortization (years)
- Guaranty Required
- Interest Rate Type
- Interest Rate (%)
- Interest-Only Period
- Deposits Required
- Loan Covenants
- Use judgment based on borrower needs and economic conditions.

## **6: Collaborate with Your Team**

- Use Team Forum or messages to communicate.
- View the Decision Checklist tab and agree on term sheets.
- Submit decisions via 'Copy as Team's Decision'.

## **7: Submit and Monitor Results**

- After submission, and once period has ended, review round results.
- Analyze loan wins/losses and ROE/ROA shifts.
- Learn from performance for future rounds.

## **8: Rebid or Exit Loans (Round 2+)**

- Review updated financials.
- Rebid strong loans or exit risky ones.
- Adjust terms based on new data.

## **9: Adjust Strategy Based on Results**

- Reflect on loan performance and market conditions.
- Refine strategy and improve for future rounds.

## **Winning Tips**

- Prioritize understanding borrower preferences.
- Don't chase every loan — quality over quantity.
- Use conservative terms when risk is high.
- Review ROE and ROA after every round — these are your scoreboard.

## **Platform Navigation Quick Links**

- Home: View activity, schedule, ROE graph.
- Decisions: Market Outlooks, Loan information and term sheet submission.
- Results: Analyze financial performance and asset performance.
- Teams: Collaborate with teammates.

- Schedule: Check deadlines.
- Readings: Access guides and narratives.

## AI Coach (Guided Support Tool)

- An integrated AI Coach is available within the simulation to support your learning journey and enhance decision-making confidence. You can access the AI Coach directly from the Home page under the Tasks section, where you will first be prompted to review and accept its terms of use. The AI Coach is designed as a developmental guide rather than a solution provider: it will not give direct answers or prescribe exact term sheet decisions. Instead, it helps you think like a commercial lender by asking targeted questions, highlighting relevant risk factors, and encouraging structured analysis aligned with the simulation's objectives. Through adaptive, context-aware guidance, it prompts you to consider key elements such as borrower quality, market conditions, loan structuring trade-offs, and portfolio impact—helping you build sound judgment over time.
- In addition, the AI Coach can support your understanding of core banking terminology, helping clarify concepts and language commonly used in commercial lending, as well as provide guidance on softer skills that are critical for success in a team-based environment—such as effective communication, collaboration, and decision alignment. Importantly, all interactions with the AI Coach remain fully contained within the simulation environment; no data you provide is used to train external AI systems, and the guidance is generated solely based on the simulation's framework and content. Used effectively, the AI Coach serves as a valuable companion—challenging your assumptions, reinforcing best practices, and supporting deeper, more reflective learning throughout each round.

## Support

If you need assistance:

- Reach out to your facilitator or instructor.
- Use the tutorial tab for a walkthrough of the platform.

### Disclaimer:

*This simulation is a learning tool designed to reflect key elements of real-world commercial lending. While it draws on realistic scenarios and decision-making frameworks, certain dynamics have been intentionally simplified or amplified to enhance the educational experience. The simulation aims to mirror the complexity of the lending environment, but it is not a direct replica of actual market operations.*

**Reality**



**Replica**

