

Register  
today!

## Commercial Lending

2019



## Commercial Lending

This course will enable you to understand commercial lending and enrich your knowledge about various related products and services.

The course is focused on the needs of professionals wishing to acquire knowledge of commercial lending in order to enable them to provide technological solutions to banking Industry.

Delivery mode: Classroom and Live Virtual Classroom

Duration: Two full days

Course level: Foundation level

On completion of the corporate banking program, you will have understanding of:

- What is commercial lending
- Commercial lending origination process
- Commercial lending servicing and management
- Commercial lending collection and recovery
- Regulation related to commercial lending

**To register for the course or to know more, please send an email to [info@mvlco.com](mailto:info@mvlco.com) or call +91-9764835350.**

**Get certified! Stay ahead of the competition!**

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All our training programs are also available in-house. To arrange an in-house program please contact us on:

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[info@mvlco.com](mailto:info@mvlco.com)**

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## Course contents

### Introduction

- Concept of lending and lending related credit risk
- Twin goals of lending
- Risk management policy and credit policy
- Brief understanding of loan life cycle: from origination till closure
- Credit risk management
  - Limits, collateral, guarantors, derivatives, on-balance sheet netting
- Loan classification based on
  - Purpose
  - Usage i.e. revolving/non-revolving
  - Security i.e. secured/unsecured
  - Interest type
  - Method of repayment
  - Currencies
  - Business type and size
  - Setting up/working capital

### Loan origination

- Credit risk assessment
- Five “C”s of good credit and 5 “C”s of bad credit
- Qualitative analysis
- Quantitative analysis
- Credit rating
- Credit scoring
  - Application scoring
  - Behavioral scoring
- Credit rating vs. credit scoring
- Internal scoring vs. external scoring
- Risk based pricing and methods of computing interest
  - Risk based pricing
  - Interest rate types: fixed, variable/floating, tiered/stepped, blended, LTV based, index-based rates
  - Prime Lending Rate (PLR) / LIBOR / LIBID / LIMEAN / MIBOR
- Loan underwriting/sanction terms
  - Covenants – positive covenants / negative covenants
  - Using covenants for risk mitigation

### Credit execution and administration

- Loan documentation: loan covenants/terms
- Concept of drawing power/loan availability
- Loan monitoring and review

## Course contents (contd.)

### Loan products and loan processes in detail

- Revolving loans/non-revolving loans
- Term loan, project loan bridge loan
- Open credit lines and asset-based loans
- Working capital loans: overdraft, cash credit
- Pre-shipment loans/post-shipment loans
- Bill discounting and bill purchase
- Factoring, reverse factoring, forfaiting
- Letters of credit/bank guarantees/standby letters of credit
- Introduction to Incoterms/UCPDC/eUCP/URC/URDG
- Securitization, mortgage backed securities, asset backed securities, pass-through-certificates, collateralized debt obligations, collateralized loan obligation, collateralized mortgage obligation
- Capital market syndication

### Loan collection and recovery

- Collection
- Recovery process
- Repossession
- One-time settlement

### Problem loan management

- Prudential norms/delinquency
- Problem loan management process

### Overview of loan/credit risk related regulation

- Basel I/II/III

### Banking arrangements

- Multiple banking/consortium banking
- Loan syndications

### Overview of loan regulation in USA

- Equal Credit Opportunity Act
- Fair Lending Act
- Truth in Lending Act
- Fair Debt Collection Practices Act
- Regulations from other geography UK