

Principles of Loan Structure

Designed to introduce bankers to the fundamental concepts of structuring a loan, Principles of Loan Structure presents the various components of a lending transaction, and using a case study approach, emphasizes the use of structuring techniques to mitigate identified credit risks and transaction risks.

Course Objectives

After completing this course, learners will be able to:

- Define and describe common types of loan facilities and their applications
- Explain ways bankers can obtain additional support in higher risk transactions
- Match loan structure concepts to a borrower's needs and repayment sources
- Evaluate the effectiveness of a proposed loan structure for a given borrower

Course Content

- Uncovering true borrowing needs
- Borrowing for working capital
- Borrowing for asset purchases
- Term loans
- Lines of credit
- Revolving credits
- Evaluating collateral
- Setting covenants
- Structuring guarantees

Course Modules

- Module 1 - Understanding Borrowing Needs
- Module 2 - Structuring Credit Facilities
- Module 3 - Mitigating Risk
- Module 4 - Pricing and Other Issues
- Case Studies Book

Target Audience

Principles of Loan Structure is appropriate for credit analysts and all commercial lenders. It can be used by entry-level learners, or by more experienced bankers who want to build their loan structuring skills.

Principles of Loan Structure (continued)

Delivery Options

This course is designed to be used as a self-study allowing learners to work independently and at their own pace, concentrating on the areas they need most. This approach is effective when there are only one or two learners at a time or when the learners are spread out geographically. However, when multiple learners are involved, the materials are ideal for use in a blended learning approach by combining self-study with periodic review and application sessions to capitalize on the benefits of classroom learning. Finally this course can be used in a purely classroom setting facilitated by an Edge instructor. Depending on the amount of prework assigned, if any, the workshop can be conducted over a 2-3 day period.

Course Materials

Each set of participant materials includes:

- Complete explanations of concepts, examples, and exercises with answer keys
- Review sections at the end of each module, highlighting key concepts and providing self-testing opportunities
- Comprehensive case studies allowing the learner to practice each new skill throughout the course

In addition, an Administrator's Guide is available to benefit the manager, trainer or group leader. The Administrator's Guide includes:

- Pre- and post-tests with answer keys
- Instructions for assigning and administering the course as a self-study
- Suggestions and facilitation outlines for conducting the review and application sessions in a group setting
- Discussion points for review of the comprehensive cases

To learn more about this course or any of the other courses in Edge Development Group's Credit Skills Curriculum, call (412) 343-0105 or visit our website.



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