Problem Loan Management

February 24, 2012 • 9:00am - 4:00pm
The Bankers Center • Baton Rouge LA

According to the Financial Accounting Standards Board ("FASB") 114 (now known as Accounting Standard Codification 310-10-35-2 through 30), a loan is impaired when, based on current information and events, it is probable that a creditor will be unable to collect all amounts due (principal and interest) according to the original contractual terms of the loan agreement. It is implicit in these conditions that it must be probable that one or more future events will occur confirming the fact of the loss. This definition points to loans similar to those matching the definition of a “Doubtful” loan classification. A loan classified as Doubtful have all the weaknesses inherent in those classified Substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable. In order to keep a problem/impaired loan paying their obligations, you may be required to restructure the loan by lowering the interest or extending the terms in order to lower the payments to an achievable level. If this is required, the banker has just created a “Troubled Debt Restructure.” Treatment of impaired loans and Troubled Debt Restructure require experienced portfolio managers who are skilled in recognizing threats and opportunities while managing these loans.

This course will present effective management required to manage Impaired and Problem Loans and strategies to effectively collect them by:

◊ Reviewing Current Economic Factors Affecting Industry, Company and Market Risk
◊ Determining Creditworthiness – Can You Identify the Skeletons In Your Loan Closet
◊ Employing Proper Commercial and Real Estate Loan Management Functions including:
  • Effective Credit Risk Rating
  • Accrual and Non-Accrual Treatment
  • Troubled Debt Restructure
◊ Administering Problem Loan Management techniques designed to reduce potential losses including:
  • Recognizing the Early Signs of Loans that may Become Impaired
  • Performing Early Assessment of Loans and Collateral
  • Assessing the Collateral Position of all Creditors and Their Impact on your Borrower
  • Checking All Types of Insurance Coverage
  • Utilizing Financial Covenants in a Loan Agreement Effectively
  • Capitalizing on Tax Refunds From Loss Carrybacks Which Can be Applied to Your Loan
  • Avoiding Pitfalls that Might Impede Enforcement of Rights
◊ Determining the Amount of Impairment to be Included in the Allowance for Loans and Lease Losses Based upon the Present Value, Observable Market and Fair Value of Collateral Methods
◊ Understanding Accounting Practices Required to Manage a Troubled Debt Restructure

After completion of this session, you will have an orderly process to follow when confronted with an Impaired Loan and have a better understanding of what alternatives are available in order to increase the potential for full repayment.

Who Will Benefit
Directors, Loan Officers, Auditors, Compliance Officers, Credit Analysts and Officers, Loan Administration Officers, Loan Support Personal, and Branch Managers

Registration Fee
$225, per LBA member
$425, per non-member

Workshop Instructor
Jeffery W. Johnson started his banking career in Atlanta where he spent years in Credit Administration, Lending (Commercial, Consumer and Real Estate), Business Development, Loan Review, Management and Training & Development. Now a training professional, Jeffery teaches actively for fifteen state banking associations in the United States, Risk Management Association (RMA) and individual banks nationwide. Jeffery earned a B.A. Degree in Accounting from Morehouse College in Atlanta, GA; MBA degree in Finance from John Carroll University in Ohio; Banking diploma from Pronchow School of Banking at the University of Wisconsin-Madison and a Graduate Certificate in Bank Management from Wharton School of Business of Pennsylvania.
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Registration Form

Name
Mr./Mrs./Ms. __________________________________________
Mr./Mrs./Ms. __________________________________________
Mr./Mrs./Ms. __________________________________________
Mr./Mrs./Ms. __________________________________________
Bank ________________________________________________
Address ____________________________________________
City/State/Zip _________________________________________
Phone ____________________________________________
Fax _____________________________________________

Payment Options

☐ Check    (Made payable to the Louisiana Bankers Association)
☐ Visa     ☐ MasterCard  ☐ American Express
Card # ________________________________ Expiration Date __________
Credit Card Billing address _______________________________________
Name on Card (Please Print) _________________________________________
Signature ___________________________________ Amount to be Charged on Card __________

☐ I am unable to attend. Please send me _______ copies of the manual for :
  ☐ $150 (member fee)  ☐ $350 (non-member fee)
  (includes shipping and handling)
  *Manuals will be shipped after the seminar.
  
  ☐ This training will be covered under SBET (Small Business Employee Training Program).
  Please send me necessary documentation for reimbursement.

Location
The Bankers Center
5555 Bankers Avenue
Baton Rouge, LA 70808

Registration Fee
$225, per LBA member
$425, per non-member

Agenda
8:45 a.m.   Registration
9:00 a.m.   Program Begins
12:00 p.m.  Lunch
4:00 p.m.   Program Adjourns

Cancellation Policy & Registration Deadline
Due to commitments we must make to secure a class, we need your help. If you must cancel your registration, please do so at least 3 business days prior to the seminar date to avoid a $100 cancellation fee. Any registrant who does not cancel will be billed the full registration fee and sent the manual. Substitutions are welcome at no additional charge.

Hotel Information
Residence Inn by Marriott - Towne Center at Cedar Lodge
7061 Commerce Circle, Baton Rouge, LA 70809.
For reservations, call (225) 925-9100 and ask for the “Louisiana Bankers Association special room rate of $109.”

Submit registration and view rosters in the Education Section of LBA’s Website, www.lba.org.