



PENNSYLVANIA
BANKERS ASSOCIATION

2010 PENNSYLVANIA BANKERS ASSOCIATION

SCHOOL OF

Commercial Lending

July 25 - 30 • The Penn Stater Conference Center, State College, PA



Professionals Dedicated to Your Success

“The faculty brought real life scenarios into the classroom, along with their perspectives and then guided discussions with the class to create real world experiences. Those shared ideas and experiences are directly applicable to the work I do every day with clients.”

- 2009 School of Commercial Lending Graduate

SCHOOL OF COMMERCIAL LENDING

The PBA School of Commercial Lending primarily focuses on business development, credit structuring, and the practical application of commercial lending knowledge, as well as client and internal communication. The educational content of this program is similar to 200 and 300-level college course study and is designed for individuals looking to attain a well-rounded business development and commercial lending skill set. Case studies embedded in the curriculum bring real world scenarios to the classroom providing students with opportunities to share ideas and experience. Our faculty members add unexplored perspectives increasing student knowledge and capability.

How will this school prepare students for their commercial lending future?

Upon completion of the PBA School of Commercial Lending, students will have a broad-based understanding of their roles as commercial lenders and be more effective at business development. The school is a stepping stone to achieving senior lender status.

Who should attend?

- Graduates of PBA's Essentials of Commercial Lending Extended Learning Program;
- Commercial lenders wanting to expand their knowledge and skill set;
- Branch managers required to be skilled in commercial lending; and
- Credit analysts who need to understand the practical application of lending skills.

Requirements

High school diploma; and commercial lending and/or credit analysis experience (preferably 2+ years).

Recommended Pre-requisites

AIB™ Accounting, Analyzing Financial Statements, or PBA Essentials of Commercial Lending EXL Program.

2010 CLASS SCHEDULE

| | Monday, July 26 | Tuesday, July 27 | Wednesday, July 28 | Thursday, July 29 | Friday, July 30 |
|---------|---|---|--|---|----------------------------------|
| 8 a.m. | Registration | Understanding & Analyzing the Role of Personal Financial Statements Play in Credit Decisions | Loan Structure Kester | Presenting to the Borrower & The Loan Committee Joyce | |
| 8:15 | (8 a.m. - 8:30 a.m.) | | | | Exam |
| 8:30 | Orientation | | | | |
| 8:45 | (8:30 a.m. - 9 a.m.) | | (8 a.m. - 10 a.m.) | (8 a.m. - 10 a.m.) | (8:30 a.m. - 9:30 a.m.) |
| 9 a.m. | Accounting Refresher Bettner | Grafmyre (8 a.m. - 9:30 a.m.) | | | |
| 9:15 | | Break | | | |
| 9:30 | | | | | Exam Review & Wrap-Up |
| 9:45 | (9 a.m. - 10 a.m.) | Financial Statement Analysis: | | | |
| 10 a.m. | Break | | Break | Break | |
| 10:15 | Accounting Refresher (cont.'d) | Evaluating a Borrower's Performance & Financial Condition Kester | Appraisal Values Owner Occupied Properties Myers | Ethics & Corporate Governance Dusinberre | |
| 10:30 | | | | | |
| 10:45 | (10:15 a.m. - 11:15 a.m.) | | (10:15 a.m. - 11:15 a.m.) | (10:15 a.m. - 11:15 a.m.) | |
| 11 a.m. | Legislative Update Reisteter | (9:45 a.m. - 12:15 p.m.) | Multi-Tenant Properties Myers | Participations & Their Negotiations TBD | |
| 11:15 | | | | | |
| 11:30 | (11:15 a.m. - 12:15 p.m.) | | (11:15 a.m. - 12:15 p.m.) | (11:15 a.m. - 12:15 p.m.) | |
| 11:45 | | | | | |
| Noon | | | | | |
| 12:15 | Lunch | Lunch | Lunch | Lunch | |
| 12:30 | | | | | |
| 12:45 | | | | | |
| 1 p.m. | | | | | |
| 1:15 | How Today's Environment is Driving the Commercial Lending Business Grafmyre | Economic Development Programs Butler Lumber <i>Case Study I</i> Kester | Lending Compliance Hot Buttons Weymers <i>Toy World Case Study II</i> Kester | Loan Workouts Pollard <i>Financial/Ethical Case Study III</i> Pollard | |
| 1:30 | | | | | |
| 1:45 | | | | | |
| 2 p.m. | (1:15 p.m. - 3:15 p.m.) | TBD (1:15 p.m. - 2:15 p.m.) | (1:15 p.m. - 2:15 p.m.) | (1:15 p.m. - 2:15 p.m.) | |
| 2:15 | | | | | |
| 2:30 | | | | | |
| 2:45 | | | | | |
| 3 p.m. | | (2:15 p.m. - 3:15 p.m.) | (2:15 p.m. - 3:15 p.m.) | (2:15 p.m. - 3:15 p.m.) | |
| 3:15 | Break | Break | Break | Break | |
| 3:30 | Preparing for the Sales Call Whipple | Case Study I Group Preparation (3:30 p.m. - 4:30 p.m.) | Case Study II Group Preparation (3:30 p.m. - 4:30 p.m.) | Case Study III Group Preparation (3:30 p.m. - 4:30 p.m.) | |
| 3:45 | | | | | |
| 4 p.m. | (3:30 p.m. - 5 p.m.) | | | | |
| 4:15 | | Case Study I Presentations (4:30 p.m. - 5:30 p.m.) | Case Study II Presentations (4:30 p.m. - 5:30 p.m.) | Case Study III Presentations (4:30 p.m. - 5:30 p.m.) | |
| 4:30 | | | | | |
| 4:45 | | | | | |
| 5 p.m. | | | | | |
| 5:15 | | | | | |
| 5:30 | Dinner on Your Own | Dinner on Your Own | Dinner on Your Own | Dinner on Your Own | |
| 5:45 | (5 p.m. - 6:30 p.m.) | | | | |
| 6 p.m. | | | | | |
| 6:15 | | | | | |
| 6:30 | Read Case Study I | Read Case Study II | Read Case Study III | | |
| 6:45 | | | | | |
| 7 p.m. | | | | | |
| 7:15 | | | | | |
| 7:30 | | | | | |

Director: Albert Jones

Assistant Director: Grant Conway

SCHOOL HONOR STUDENTS

An exam will be administered at the end of the week and students receiving the highest scores will be selected as Honor Students. Their respective Chief Executive Officer will be notified of this achievement and those students will be recognized at the 2011 PBA Spring Summits.

Continuing Education credits may be earned from attendance at this program toward the Institute of Certified Bankers (ICB) Certified Lender Business Banker (CLBB)* certification program. Upon successful completion of this program, students are eligible for attendance at the PBA Advanced School of Banking.

Attention CPAs: This course is also eligible for 33.15 CPE credits from the PA State Board of Accountancy.

* Certified Lender Business Banker (CLBB): applicable to financial services professionals whose primary function and expertise focuses on the provision of credit and financial transaction services to businesses and/or corporations.

CO-SPONSORING STATE BANKERS ASSOCIATIONS



COURSE DESCRIPTIONS

Accounting Refresher

This course provides a basic understanding of the components of a cash flow statement. It will also review how a cash flow statement can be constructed utilizing the balance sheet and income statement. Students will also receive a refresher on how cash flow can determine the ability to amortize debt.

Legislative Update

This course will provide an update regarding current legislative issues greatly impacting the banking business. Students will hear about both passed and proposed regulatory and legislative changes from the Federal and State levels.

How Today's Environment is Driving the Commercial Lending Business

Topics covered include yield curves and how the Federal Reserve's monetary policy affects lending cycles. Hear about how economic trends and how they directly impact the demand for borrowing and the ability to repay debt.

Preparing for the Sales Call

Do you understand how your clients make decisions about their finances? It may be very different than how you decide and present options. To understand how your clients make decisions, you have to assess yourself, assess their need and do your homework. This course will provide tips on how to more effectively use your face-to-face client time.

COURSE DESCRIPTIONS CONTINUED

Understanding & Analyzing the Role Personal Financial Statements Play in Credit Decisions

This course will teach students how to identify assets/liabilities that haven't been disclosed on the PFS by using a tax return and credit bureau report. It will also discuss joint personal financial statements vs. guaranty as well as what borrowers may do to protect their assets in a problem situation and what we as bankers can do to preserve our rights and interests.

Financial Statement Analysis: Evaluating A Borrower's Performance & Financial Condition

To help students use a borrower's financial statements to evaluate the borrower's profitability, sources of profitability, financial condition and cash flows. Students are given an overview of the basic types of financial statements, the components of financial statements, and auditor opinions. Upon completion of this course, students should be able to perform ratio analysis of a borrower's financial statements to assess a borrower's liquidity, asset management, leverage and profitability and understand how to interpret a statement of cash flows.

Economic Development Programs

Students will be exposed to Pennsylvania's economic development programs, such as SBA, 7A, 504 and PETA. They will learn how to access and utilize them for the betterment of the customer and the bank.

Butler Lumber Company Case Study

To provide students with hands-on experience in applying the concepts and tools of financial statement analysis to assess a growing company's performance and financial condition, understand the causes of its increasing borrowing requirements, and evaluate financial alternatives from the viewpoint of both the borrower and lender. The case sets the stage for module on loan structure.

Loan Structure

Covered in this course are issues on how to structure loans according to the borrower's cash flows and repayment ability. Special emphasis is placed upon financing net working capital, short-term versus long-term loans, and evaluating a borrower's debt capacity.

Appraisal Values and Owner/Multi-Tenant Properties

Students will learn acceptable standards regarding appraiser qualification and independence. They will understand how to ensure adequate appraisals are obtained through proper procedures and utilization of an appraiser review program. The course exposes the student to information regarding the evaluation of collateral, a better understanding of the content of an appraisal report and how these reports are created. The class also contains curriculum regarding the lease review process, analysis of rental arrangements, environmental issues and review, documentation issues and valuation of discounted cash flow models.

Lending Compliance Hot Buttons

This course will cover regulators' long look at the bank's commercial lending portfolio size, commercial lending specific compliance issues, FIRREA, flood regulations, appraisals, important file documents for exams and hot topics of the day

Toy World, Inc. Case Study

This case follows up the course module on loan structure to provide students with hands-on experience in assessing a company's borrowing requirements related to a seasonal buildup of current assets. This case is discussed from the viewpoints of the company's management, who must evaluate the trade-off between profitability and risk in deciding whether or not to adopt a level of production schedule, and the company's banker, who must decide whether or not to support the switch to level production by substantially increasing the company's seasonal line of credit. Students are provided with monthly forecasted income statements and balance sheets that provide an opportunity to examine the patterns of current assets, cash flows, and borrowing requirements of a seasonal company. Whereas Butler Lumber Company focuses upon growth in "permanent" current assets, Toy World, Inc. focuses upon seasonal swings in "temporary" current assets.

Presenting to the Borrower and the Loan Committee

Students will learn tips and skills to work with clients in order to prepare for a positive outcome to these questions: How proficiently do you represent your bank across the table from the borrower? Are you creating the win/win relationship? Are you comfortable in how to help the customer save the relationship even when you can't make the loan? Students will also learn what is crucial in establishing personal credibility with the loan committee. They will garner knowledge from the real-life experiences of a seasoned commercial lender on how to effectively manage the difficulties associated with the dual role as a representative for both the bank and the client.

Ethics & Corporate Governance

This course discusses the role ethics plays in an industry where we turn a blind eye and wink at our customers engaged in aggressive "tax-planning" maneuvers? Also discusses what to do when a borrower puts you in an ethical quandary or dilemma in addition to the role of boards in small/medium sized businesses.

Loan Workouts

Understand how to identify problems surrounding a loan before the loan itself becomes the problem. Learn how to monitor and document all issues surrounding a problem loan while working to maximize recovery dollars for the bank.

DISTINGUISHED FACULTY

Mark Bettner

Associate Professor of Management

Bucknell University • Lewisburg, PA

Dean H. Dusinberre, Esq.

Partner

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The Juniata Valley Bank • Mifflintown, PA

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Director of Business Development

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P E N N S Y L V A N I A
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BANKERS ASSOCIATION
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SCHOOL OF COMMERCIAL LENDING

July 25 - 30, 2010

Location

The Penn Stater Conference Center
215 Innovation Blvd, State College, PA 16803

www.pshs.psu.edu/pennstater/pshome.asp

Founded in 1855, Penn State University is spread across 23 branches, with its central administrative and research location on the University Park campus. The school currently enrolls around 35,000 students in several degree programs. The Penn Stater Conference Center's newly renovated rooms are spacious and feature convenient amenities like free high-speed Internet access, work space with data ports, phone with voicemail and a refrigerator.



Registration Information

- \$1,975 PBA Member Tuition/Double Room
- \$2,325 PBA Member Tuition/Single Room
- \$2,975 Non-Member Tuition/Double Room
- \$3,325 Non-Member Tuition/Single Room

Student tuition is for the complete in-residence program and includes lodging, instruction, selected meals and classroom materials. Any registrant withdrawing prior to **June 18** is eligible for a refund of 80 percent; there will be a 20 percent retention of the tuition fee for administrative expenses. For withdrawals after **June 18**, there will be a 50 percent retention of the tuition. No refund will be issued after the school begins. All refund requests must be made **in writing** to the PBA.

Requirements

High school diploma, some commercial lending and/or credit analysis experience (preferably 2+ years).

Strongly Recommended Pre-requisites

AIB™ Accounting, Analyzing Financial Statements, or PBA Essentials of Commercial Lending EXL Program.

Schedule

Sunday, July 25

7 p.m. – 8 p.m. Registration

Monday, July 26

8 a.m. Registration
8:30 a.m. – 5:30 p.m. Classes

Tuesday, July 27 – Thursday, July 29

8 a.m. – 5:30 p.m. Classes

Friday, July 30

8:30 a.m. Exam
9:30 a.m. – 10 a.m. Exam Review & Wrap-Up





PENNSYLVANIA
BANKERS ASSOCIATION

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Harrisburg, PA 17110

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Director

Executive Vice President/Commercial Real Estate
Penn Liberty Bank
Wayne, PA

Grant Conway
Assistant Director

Executive Vice President/Chief Lending Officer
Eagle National Bank
Villanova, PA

Advisory Committee

Gary R. Benfer
Senior Vice President, Loan Administrator
Mifflinburg Bank & Trust Company
Mifflinburg, PA

Robert E. McDonald
Vice President, Regional Commercial Loan Officer
Mid Penn Bank
Harrisburg, PA

Carolyn M. Concannon
Senior Vice President, Chief Credit Officer
AmeriServ Financial Bank
Johnstown, PA

Jack Murdoch
BB Regional Manager, Small Business Capital
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