

2012 PENNSYLVANIA BANKERS ASSOCIATION

School of Commercial Lending

July 9 - 13 • The Penn Stater Conference Center • State College, PA



PENNSYLVANIA
BANKERS ASSOCIATION



Professionals Dedicated to Your Success

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.
- Those completing AIB's Commercial Lending Diploma.

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.

Continuing Education

This program has been submitted for continuing professional education (CPE) credits and Institute of Certified Banker (ICB) credits.



CLASS SCHEDULE 2012

Time	Monday, July 9	Tuesday, July 10	Wednesday, July 11	Thursday, July 12	Friday, July 13
7:30 a.m.					
7:45 a.m.					
8 a.m.	Registration	Understanding &	Loan Structure	Presenting to the	
8:15 p.m.	(8 a.m. - 8:30 a.m.)	Analyzing the Role	(8 a.m. - 10 a.m.)	Borrower & the Loan	
8:30 p.m.	Orientation	Personal Financial	<i>Kester</i>	Committee	Exam
8:45 a.m.	(8:30 a.m. - 9 a.m.)	Statements Play in the		(8 a.m. - 10 a.m.)	(8:30 a.m. - 9:30 a.m.)
9 a.m.	Accounting Refresher	Credit Process		<i>Emby</i>	
9:15 a.m.	(9 a.m. - 10 a.m.)	(8 a.m. - 9:30 a.m.) <i>Grafmyre</i>			
9:30 a.m.	<i>Bettner</i>	BREAK			Exam Review & Wrap-Up
9:45 a.m.		Financial Statement			(9:30 a.m. - 10 a.m.)
10 a.m.	BREAK	Analysis: Evaluating a	BREAK	BREAK	
10:15 a.m.	Accounting Refresher	Borrower's Performance	Ethics & Corporate	Compliance	
10:30 a.m.	Continued	& Financial Condition	Governance	(10:15 a.m. - 11:45 a.m.)	
11 a.m.	(10:15 a.m. - 11:15 a.m.)	(9:45 a.m. - 12:15 p.m.)	(10:15 a.m. - 11:45 a.m.)	TBD	
11:15 a.m.	Economic Development	<i>Kester</i>	<i>Dusinberre</i>		
11:30 a.m.	Program				
11:45 a.m.	(11:15 a.m. - 12:15 p.m.)		LUNCH	LUNCH	
Noon	<i>Grafmyre</i>				
12:15 p.m.	LUNCH	LUNCH			
12:30 p.m.					
12:45 p.m.			Appraisal Values Owner	Participants & Their	
1 p.m.			Occupied Properties &	Negotiations	
1:15 p.m.	How Today's	Why Does it	Multi-Tenant Properties	(12:45 p.m. - 1:45 p.m.)	
1:30 p.m.	Environment is Driving	Matter to Me	(12:45 p.m. - 2:15 p.m.)	<i>Jones</i>	
1:45 p.m.	the Commercial Lending	(1:15 p.m. - 2:15 p.m.)	<i>Staman</i>		
2 p.m.	Business	<i>Hayes</i>		Loan Workouts	
2:15 p.m.	(1:15 p.m. - 3:15 p.m.)	Butler Lumber	Toy World Case Study II	Session	
2:30 p.m.	<i>Grafmyre</i>	Case Study I	(2:15 p.m. - 3:15 p.m.)	(1:45 p.m. - 3:15 p.m.)	
2:45 p.m.		(2:15 p.m. - 3:15 p.m.)	<i>Kester</i>	<i>Jones</i>	
3 p.m.		<i>Kester</i>			
3:15 p.m.	BREAK	BREAK	BREAK	BREAK	
3:30 p.m.	Preparing for the	Case Study I	Case Study II	Loan Workouts	
3:45 p.m.	Sales Call	Group Preparation	Group Preparation	Session Continued	
4 p.m.	(3:30 p.m. - 5 p.m.)	(3:30 p.m. - 4:30 p.m.)	(3:30 p.m. - 4:30 p.m.)	(3:30 p.m. - 5 p.m.)	
4:15 p.m.	<i>Whipple</i>			<i>Jones</i>	
4:30 p.m.		Case Study I	Case Study II		
4:45 p.m.		Presentations	Presentations		
5 p.m.		(4:30 p.m. - 5:30 p.m.)	(4:30 p.m. - 5:30 p.m.)	DINNER ON OWN	
5:15 p.m.		DINNER ON OWN	DINNER ON OWN		
5:30 p.m.	Reception				
5:45 p.m.	(5:30 p.m. - 6:30 p.m.)				
6 p.m.					
6:15 p.m.					
6:30 p.m.	DINNER ON OWN	Read Case Study II	Read Case Study III		
6:45 p.m.					
7 p.m.					
7:15 p.m.	Read Case Study I				

Director: Kathlene Bower

Assistant Director: Stephen Staman

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.

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.

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.

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.

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.

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.

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 model.

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 build-up 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

COURSE DESCRIPTIONS CONTINUED

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.

Participants and Their Negotiations

Students will learn the basic content of a participation agreement, and an introduction to the key terms in participation agreements. Real life examples will be provided to explain the interactions between bankers, both as the lead bank and the purchasing participant.

Loan Workouts

Understand how to identify problems surrounding a loan before the loan itself becomes the problem, as well as identifying the various types of borrower defaults and remedies available to the lender. Discussions of various strategies concerning troubled loans and the different types of loans involved. Review the basic contents and structure of typical workout agreements. Factors to consider regarding internal loan classifications of troubled loans will be discussed.

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 2013 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 CPA's: This course has been submitted for 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 ASSOCIATIONS



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Director of Business Development
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SCHOOL OF COMMERCIAL LENDING

July 9 - July 13, 2012

Location

The Penn State Conference Center, State College, PA

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 State Conference Center's rooms are spacious and feature convenient amenities like free high-speed Internet access, work space with date ports, phone and voice mail and a refrigerator.



Registration Information

\$1,995.....	PBA Member Tuition/ Double Room
\$2,395.....	PBA Member Tuition/ Single Room
\$2,995.....	Non-Member Tuition/ Double Room
\$3,395.....	Non-Member Tuition/ Single Room

Student tuition is for the complete in-residence program and includes registration, room and board, selected meals and classroom materials. Any registrant withdrawing prior to June 6 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 6, 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).

Suggested Course Background

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

Schedule

Sunday, July 8

7 p.m. - 8 p.m. Registration

Monday, July 9

8 a.m. Registration

8:30 a.m. - 5 p.m. Classes

Tuesday July 10 - Thursday, July 12

8 a.m. - 5:30 p.m. Classes

Friday, June 13

8 a.m. Classes

10:15 a.m. - 11:45 a.m... Exam & (W)Rap-Up



P E N N S Y L V A N I A
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PENNSYLVANIA
BANKERS ASSOCIATION

3897 North Front Street
Harrisburg, PA 17110

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SCHOOL OF COMMERCIAL LENDING

2012 Director

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The Muncy Bank & Trust Company
Muncy, PA

Assistant Director

Stephen Staman

Vice President, Lancaster Regional Manager
Metro Bank
York, PA

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Administrator
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Pennsylvania Bankers Association

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REGISTRATION FORM

2012 PBA School of Commercial Lending

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\$1,995 - Member **Double** Room Tuition

\$2,995 - Non-Member **Double** Room Tuition

\$2,395 - Member **Single** Room Tuition

\$3,395 - Non-Member **Single** Room Tuition

Personal Information (please print or type)

Name _____ Nickname for Badge _____

Title _____ Male Female

Bank Name _____

Your Branch Mailing Address _____

City _____ State _____ Zip _____

Business Tel. _____ Business FAX _____

E-mail _____

Home Tel. (for emergency use only) _____ Year of Birth _____

Educational Background: High School Some College Associate Degree Bachelor's Degree Master's Degree

Total Years Bank Experience: 1-2 yrs. 3-4 yrs. 5-7 yrs. 8-10 yrs. 11-15 yrs. 16-19 yrs. 20 or more

Background: Male Female Special needs? No Yes (contact PBA)

TUITION: Student tuition is for the complete in-residence program and includes registration, room and board, selected meals and classroom materials. Any registrant withdrawing prior to June 6 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 6, 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.

DEPARTMENT STATEMENT: The banking industry has always prided itself on maintaining a high professional standard of conduct. Individual bankers are expected to perpetuate this reputation by acting in all things and places in a manner that merits trust and confidence. No less is expected of students attending this school. Those who do not comply may be dismissed from the program. An attendance record will be kept throughout the program.

Photo Release

I hereby grant permission to The Pennsylvania Bankers Association the right to use, reproduce, and/or distribute photographs of me during my tenure at the PBA School of Commercial Lending, without compensation or approved rights, for use in materials created for purposes of promoting the activities of The Pennsylvania Bankers Association.

APPLICANT SIGNATURE: I have read the admission requirements and Department Statement and desire to enroll in the school. I agree to abide by all the requirements for participation in this program including adhering to the scheduled arrival and departure times as set by the directors. I have listed all pertinent information regarding my qualifications for admission.

(please print)

Applicant's Signature _____ Date _____

Immediate Supervisor's Name _____ Title _____

Nominating Officer's Signature _____ Date _____

(To be signed by the president, department head, personnel officer, or other executive authorized by the bank. The submission of this application has been approved by the bank.)

Nominating Officer's Name _____ Title _____

Nominating Officer's Address (if different from attendee; for survey purposes) _____

Mail completed original application and check (payable to Pennsylvania Bankers Association) to:
Pennsylvania Bankers Association, 3897 North Front Street, Harrisburg, PA 17110

THIS INSTITUTION DOES NOT DISCRIMINATE WITH REGARD TO RACE, COLOR, GENDER, AGE OR DISABILITY.