



Consumer & Commercial Loan Documentation Seminar

April 8 - 10, 2024, 9 a.m. – 4 p.m., \$975 per person
Kentucky Society of CPAs, 1735 Alliant Avenue, Louisville

Three-day program!

Consumer Loan Documentation

After the decision to make a consumer loan has been made, the next step is the documentation and closing process. Loan Documentation is critical now due to the increasing amounts of consumer debt nationwide due to individuals relying upon credit to meet normal living expenses. The problem is many consumers are still financially weak. This part of the lending process is essential in order to avoid loan losses due to poor documentation. Many community banks assign this important responsibility to Loan Officers and Loan Administrators. If not performed properly, poor documentation can cause loans to be adversely classified even if the underlying credit is sound or if the loan is performing as agreed.

The purpose of this session is to provide participants with a good understanding of the Consumer Loan Documentation process. Participants will be exposed to the five steps in the loan documentation process, which include:

1. Identifying the Borrower
2. Identifying and Documenting the Collateral
3. Evidencing the Debt
4. Attaching the Collateral
5. Perfecting the Security Interest

Each of the five steps requires certain documents to accomplish their respective purpose. The primary documents to be presented are as follows:

1. The Application
2. Documents required to identify the borrower Under the U. S. Patriot Act
3. Resolution of Authority
4. Regulation B Documents including the Application, Adverse Action Documentation and Appraisal Notification Requirements, Notice to Co-signer
5. Engagement Letters, Appraisals and Evaluations
6. Consumer Promissory Note
7. Consumer Security Agreement
8. Guaranty Agreement
9. Various Compliance Documents relating to real estate loans

10. Other documents required to support the five steps in the documentation process

The course will address the major compliance issues that relate to the lending function including Regulation B and Z and the documents required to be in compliance with these regulations.

Course Objectives

After completing this course, the participant will:

- Recognize the documents required to complete the five steps in the documentation process
- Know how to properly classify and value collateral
- Have a good working knowledge of the purpose of each loan document
- Be able to provide a broad overview of the loan documents' provisions
- Know the rules of attaching collateral
- Know the rules of perfecting the security interest

Commercial Loan Documentation

After the decision to make a commercial loan has been made, the next step is the documentation and closing process. This part of the lending process is essential to avoid loan losses due to poor documentation. Many community banks assign this important responsibility to Loan Officers and Loan Administrators. If not performed properly, poor documentation can cause loans to be adversely classified even if the underlying credit is sound or if the loan is performing as agreed.

The purpose of this session is to provide participants with a good understanding of the loan documentation process. Participants will be exposed to the five steps in the loan documentation process, which include:

1. Identifying the Borrower
2. Identifying and Documenting the Collateral
3. Evidencing the Debt
4. Attaching the Collateral
5. Perfecting the Security Interest

continued

Each of the five steps requires certain documents to accomplish their respective purpose. The participant will develop an understanding of each of these documents and know when to use them. The primary documents to be presented are as follows:

- A. Documents Required to Identify Borrower and Establish Authority
 1. Loan Application
 2. Financial Statements
 3. Credit Memorandum
 4. Typical business structures (Corporations, Limited Liability Companies)
 5. Corporate and Partnership Resolutions
 6. Opinion Letters
 7. Certificates of Good Standing
 8. Articles of Incorporation /Articles of Organization/Partnership Agreement
 9. By-Laws
- B. Review Legal Definition of Collateral Types to Avoid Improper Classification of Collateral
 1. Review of Collateral Definitions
 2. Review of Collateral Valuation Documents
- C. Documents to Evidence the Debt
 1. Promissory Note
 2. Loan Agreements
 3. Proposal Letters
 4. Commitment Letters
- D. Documents to Attached and Support Various Types of Collateral
 1. Security Agreement / Deed to Secure Debt
 2. Hypothecation Agreement
 3. Guaranty Agreement
 4. Subordination Agreement
 5. Landlord's Waiver
 6. Insurance Policies
- E. Documents Required to Perfect the Security Interest
 1. Review of Revised Article 9 of the Uniform Commercial Code
 2. Completing and Filing Uniform Commercial Code Financing Statements
 3. Perfection by Control
 4. Perfection by Possession
 5. Perfection of Attachment
 6. Perfection of Real Estate
- F. Documents Required for Specialized Lending
 1. Loan Participation Documents
 2. Documents required for Construction Loans.

Course Objectives

After completing this course, the participant will:

- Recognize the documents required to complete the five steps in the documentation process.
- Have a good working knowledge of the purpose of each document.
- Be able to provide a broad overview and meaning of each loan documents' provisions.
- Know the rules of perfecting the security interest under the rules of Article 9 of the Uniform Commercial Code and Non-Article 9 rules

Speaker

Jeffery W. Johnson started his career with SunTrust Bank in Atlanta as a Management Trainee and progressed to Vice President and Senior Lender for SouthTrust Bank (a large Southeastern Regional Bank) and Senior Vice President and Commercial Banking Division Manager for Citizens Trust Bank of Atlanta (Community Bank).

Most of his career has been spent in Credit Administration, Lending (Commercial, Consumer and Real Estate), Business Development, Loan Review, Management and Training & Development. He has managed loan portfolios representing a cross section of loan types including: Large Corporate, High Net Worth Individuals, Middle Market Companies, Small Businesses, Real Estate and Non-Profit Organizations and managed several loan officers with portfolio management responsibilities.

Mr. Johnson is now a training professional in the banking industry by leading various seminars covering important topics relating to issues in banking. He teaches actively for fifteen state banking associations in the United States, Risk Management Association (RMA) and individual banks nationwide. He co-authored a training course entitled "Lending to Service and Other Professional Organizations" for RMA in 2001.

For overnight accommodations we suggest:

Holiday Inn Express, 1520 Alliant Avenue, Louisville (502) 240-0035; be sure to mention you are attending a KBA program to receive our rate. **The special rate for KBA will expire 4/01/24.**

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Cancellation Policy

Cancellations received more than 30 days prior to the event will receive a full refund. Cancellations received between 29 days and 10 days prior to the event will be charged a \$50 processing fee. There will be no refund for cancellations received less than 10 days prior to the event. Substitutions are always welcome and encouraged. All cancellations and substitutions must be submitted in written format prior to the event.

Questions

Please contact Paula Cross at (502) 582-2453 or pcross@kybanks.com. For a complete listing of KBA programs, or to register online, please visit www.kybanks.com. Dress is business casual. Check in for the program begins after 8:30 a.m.

General Banking School June 2-7, 2024 Griffin Gate Marriott Lexington

The KBA's General Banking School is designed for employees who possess a current knowledge of banking that sufficiently prepares them for this advanced paced curriculum. The mission of this school is to teach bankers to understand the business of managing a bank company, the financial decisions that must be made, how each bank department is inter-related and the economic environment of the business of banking.

For more details or online registration go to www.kybanks.com.



Registration Form

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\$975 per person (PDF)

Three-day program!

Please copy this form for additional registrations.

REGISTRANT _____	TITLE _____	Method of Payment <input type="checkbox"/> Send invoice <input type="checkbox"/> My check for \$ _____ is enclosed. <input type="checkbox"/> Please charge my credit card \$ _____ as noted below. <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover <input type="checkbox"/> AmEx CARD NUMBER _____ EXPIRATION DATE _____ CARDHOLDER NAME _____ CARDHOLDER'S SIGNATURE _____ SEC CODE NUMBER (3 DIGITS ON BACK OF CARD) _____
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PHONE _____	FAX _____	
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Please mail registration to: Kentucky Bankers Association 600 West Main Street, Suite 400, Louisville, KY 40202 Scan and email registrations to pcross@kybanks.com		