

**GENERAL SERVICES ADMINISTRATION
Federal Supply Service
Authorized Federal Supply Schedule Price List**

On-line access to contract ordering information, terms and conditions, up-to-date pricing, and the option to create an electronic delivery order are available through *GSA Advantage!*, a menu-driven database system. The INTERNET address for *GSA Advantage!* is: www.GSAAdvantage.gov.

FSC Group: 69

Commodity: Instructor-Led Training

FSC Class/Product Code: 6930

SIN 27 400 Instructor Led Training



**Paragon Analysis Corporation
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Lafayette, CA 94549
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www.paragonanalysis.com**

Business size: Small

**Contract Number: GS-02F-0056S
Effective: January 4, 2006 through January 3, 2011**

Pricelist effective through modification FX24 dated March 16, 2006
and FX40 dated October 25, 2006



For more information on ordering from Federal Supply Schedules click on the FSS Schedules button at www.fss.gsa.gov.



CUSTOMER INFORMATION

- 1a. Table of awarded special item number(s) with appropriate cross-reference to item descriptions and awarded price(s).**

SIN 27 400 Instructor Led Training – See attached descriptions and pricing

- 1b. Identification of the lowest priced model number and lowest unit price for that model for each special item number awarded in the contract. This price is the Government price based on a unit of one, exclusive of any quantity/dollar volume, prompt payment, or any other concession affecting price. Those contracts that have unit prices based on the geographic location of the customer, should show the range of the lowest price, and cite the areas to which the prices apply.**

SIN 27 400 Interest Risk Management Price 5,800.00/ Per course

- 1c. If the Contractor is proposing hourly rates, a description of all corresponding commercial job titles, experience, functional responsibility and education for those types of employees or subcontractors who will perform services shall be provided. If hourly rates are not applicable, indicate “Not applicable” for this item.**

Not Applicable

- 2. Maximum order.**

\$1,000,000.00

- 3. Minimum order.**

\$100.00

- 4. Geographic coverage (delivery area).**

48 contiguous states, Alaska, Hawaii, Puerto Rico, Washington, DC, and U.S. territories. Domestic delivery also includes a port or consolidation point, within the aforementioned areas, for orders received from overseas activities.

- 5. Point(s) of production (city, county, and State or foreign country).**

Paragon Analysis Corporation
3385 Stage Coach Drive
Contra Costa County
Lafayette, CA 94549

- 6. Discount from list prices or statement of net price.**

All prices herein are net government prices.



7. Quantity discounts.

5%	for 1 or 2 courses up to 10 days guaranteed annually (with no cancellation fees) Per task order
10%	11 to 19 Days of Training guaranteed annually (with no cancellation fees) Per task order
20%	20 to 29 Days of Training guaranteed annually (with no cancellation fees) Per task order
30%	30 to 39 Days of Training guaranteed annually (with no cancellation fees) Per task order
40%	40 or more Days of Training guaranteed annually (with no cancellation fees) Per task order

8. Prompt payment terms.

0% Net 30 days.

9a. Government purchase cards are accepted at or below the micro-purchase threshold.

9b. Government purchase cards are not accepted above the micro-purchase threshold.

10. Foreign items (list items by country of origin).

Not applicable.

11a. Time of delivery.

3 months ARO.

11b. Expedited Delivery.

30 days ARO.

11c. Overnight and 2-day delivery.

See 11a and 11b.

11d. Urgent Requirements.

When the Federal Supply Schedule contract delivery period does not meet the bona fide urgent delivery requirements of an ordering agency, agencies are encouraged, if time permits, to contact the Contractor for the purpose of obtaining accelerated delivery. The Contractor shall reply to the inquiry within 24 hours after receipt. (Telephonic replies shall be confirmed by the Contractor in writing.) If the Contractor offers an accelerated delivery time acceptable to the ordering agency, any order(s) placed pursuant to the agreed upon accelerated delivery time frame shall be delivered within this shorter delivery time and in accordance with all other terms and conditions of the contract. Ordering Activities may contact the Contractor's representative to effect a faster delivery.

12. F.O.B. point.

Destination.



13a. Ordering address(es).

Paragon Analysis Corporation
3385 Stage Coach Drive
Lafayette, CA 94549
Phone: (925) 287-8675
Fax: (925) 287-9106

13b. Ordering procedures: For supplies and services, the ordering procedures, information on Blanket Purchase Agreements (BPA's), and a sample BPA can be found at the GSA/FSS Schedule homepage (fss.gsa.gov/schedules).

14. Payment address.

Paragon Analysis Corporation
3385 Stage Coach Drive
Lafayette, CA 94549

15. Warranty provision.

Not applicable.

16. Export packing charges, if applicable.

Not Applicable.

17. Terms and conditions of Government purchase card acceptance (any thresholds above the micro-purchase level).

The Government purchase card is not accepted above the micro-purchase threshold.

18. Terms and conditions of rental, maintenance, and repair (if applicable).

Not Applicable.

19. Terms and conditions of installation (if applicable).

Not Applicable.

20. Terms and conditions of repair parts indicating date of parts price lists and any discounts from list prices (if applicable).

Not Applicable.

20a. Terms and conditions for any other services (if applicable)

Not applicable.



21. List of distribution points (if applicable).

Paragon Analysis Corporation
3385 Stage Coach Drive
Lafayette, CA 94549

22. List of participating dealers (if applicable)

Not Applicable.

23. Preventive maintenance (if applicable).

Not Applicable.

24a. Special attributes such as environmental attributes (e.g., recycled content, energy efficiency, and/or reduced pollutants).

Not Applicable.

24b. If applicable, indicate that Section 508 compliance information is available on Electronic and Information Technology (EIT) supplies and services and show where full details can be found (e.g. contractor's website or other location.) The EIT standards can be found at: www.Section508.gov/.

Not Applicable.

25. Data Universal Number System (DUNS) number.

00-575-9688

26. Notification regarding registration in Central Contractor Registration (CCR) database.

Paragon Analysis Corporation has registered with the Central Contractor Registration database. The CAGE code is **1YX68**.



GSA COURSE PRICING SIN 27-400

SIN	Course Title	Duration	Minimum/ Maximum Number of Students	GSA Price
Commercial Credit Analysis				
27-400	Credit Culture and Process: A Consistent Evaluation	2 Days	Minimum: 1; Maximum 30	\$11,040.00
27-400	Understanding Industry, Strategy and Management	2 Days	Minimum: 1; Maximum 30	\$11,040.00
27-400	Financial Statement Analysis	2 Days	Minimum: 1; Maximum 30	\$11,040.00
27-400	Cash Flow Analysis: Necessary Skills	2 Days	Minimum: 1; Maximum 30	\$11,040.00
27-400	Advanced Cash Flow	2 Day version	Minimum: 1; Maximum 30	\$11,040.00
27-400	Advanced Cash Flow	5 Day version	Minimum 1; Maximum 30	\$27,600.00
27-400	Forecasting and Sources of Repayment	2 Days	Minimum: 1; Maximum 30	\$11,040.00
27-400	Asset Based Lending Fundamentals	1 Day	Minimum: 1; Maximum 30	\$5,520.00
27-400	Essentials of Loan Structuring	2 Days	Minimum: 1; Maximum 30	\$11,040.00
27-400	Lending to Law Firms	2 Days	Minimum: 1; Maximum 30	\$11,040.00
27-400	Fundamental Credit Concepts	4 Days	Minimum: 1; Maximum 30	\$23,200.00
Advanced Financial Analysis				
27-400	Introduction to Corporate Finance	3 Days	Minimum 1; Maximum 30	\$16,560.00
27-400	Corporate Finance Applications	2 Days	Minimum 1; Maximum 30	\$11,040.00
27-400	Interest Rate Risk Management	1 Day	Minimum 1; Maximum 30	\$5,800.00
Real Estate Analysis				
27-400	Real Estate Financing for Commercial Lenders	2 Days	Minimum 1; Maximum 30	\$11,040.00
Individual Credit Analysis				
27-400	Introduction to Personal Tax Returns	2 Days	Minimum 1; Maximum 30	\$11,040.00
27-400	Analysis of Complex Personal Financial Statements	2 Days	Minimum 1; Maximum 30	\$11,040.00
Entry Level Training				
27-400	Evaluating Credit Risk	10 Days	Minimum 1; Maximum 30	\$55,200.00
Course Materials				
27-400	Course Materials	per student/ per day	N/A	\$25.00



COURSE DESCRIPTIONS SIN 27-400

The courses offered are in the following groupings, but may be provided individually:

- Commercial Credit Analysis
- Advanced Financial Analysis
- Real Estate Analysis
- Individual Credit Analysis, and
- Entry Level Training.

Following the groupings of courses summary is a description of each of the course offerings provided by Paragon Analysis Corporation.

COMMERCIAL CREDIT ANALYSIS

- Credit Culture & Process: A Consistent Evaluation
- Understanding Industry, Strategy and Management
- Financial Statement Analysis
- Cash Flow Analysis: Necessary Skills
- Advanced Cash Flow
- Forecasting and Sources of Repayment
- Asset Based Lending Fundamentals
- Essentials of Loan Structuring
- Lending to Law Firms
- Fundamental Credit Concepts

ADVANCED FINANCIAL ANALYSIS

- Introduction to Corporate Finance
- Corporate Finance Applications
- Interest Rate Risk Management

REAL ESTATE ANALYSIS

- Real Estate Financing for Commercial Lenders

INDIVIDUAL CREDIT ANALYSIS Introduction to Personal Tax Returns

- Analysis of Complex Personal Financial Statements

ENTRY LEVEL TRAINING

- Evaluating Credit Risk



DETAILED COURSE DESCRIPTIONS SIN (27-400)

CREDIT CULTURE & PROCESS: A CONSISTENT EVALUATION (SIN 27-400)

Course Overview

Application of a systematic approach to credit analysis provides a more complete understanding of the risks to repayment and enhances the ability to communicate risk. This course presents the **Repayment Analysis Framework**, the general analytical framework for all Paragon Analysis programs, as the overall process for analyzing a credit. If the course is offered on a bank-wide basis, then the support and participation of senior management is critical to the successful application of the concepts. This course is recommended as the initial seminar within a training program.

Learning Objectives

-  Analyze the qualitative and quantitative issues using a consistent framework.
-  Identify and evaluate the primary and secondary sources of repayment.
-  Determine the key credit risks and mitigating factors.
-  Draw a conclusion regarding the capacity to repay as scheduled.

Target Audience

All Lenders

Specific Course Topics

-  Credit Culture and **Repayment Analysis Framework**
-  Evaluation of Industry, Strategy, and Management
-  Evaluation of Operating Performance, Balance Sheet, and Cash Flow
-  Forecasting Performance and Sensitivity Analysis
-  Identification of the Primary and Secondary Sources of Repayment
-  Determination of Key Credit Risks and Mitigating Factors
-  Risk Ratings
-  Loan Structuring
-  Communication of the Analysis

Duration

Two (2) days with pre-course work requiring approximately four hours to complete.



UNDERSTANDING INDUSTRY, STRATEGY, AND MANAGEMENT (SIN 27-400)

Course Overview

A complete understanding of the historical and the future performance of a company is dependent upon understanding the industry in which the company operates, evaluating the company's strategy, and determining management's capability to successfully implement the strategy. This course ties all three qualitative areas together in an effort to determine the capacity to repay.

Learning Objectives

- Clearly identify the industry and evaluate industry drivers and trends.
- Identify key characteristics companies must have to be successful in their industry.
- Evaluate management's skills and ability to develop and implement appropriate strategies given the identified industry trends and success factors.

Target Audience

All Lenders

Specific Course Topics

- Objectives of Qualitative Analysis
- Industry Analysis
 - Industry Definition
 - Forces Driving Industry Competition
 - Industry Success Characteristics
 - Industry Attractiveness
- Strategy Analysis
 - Assessing Strategy: the Value Chain and Competitive Advantage
 - Strategy Evaluation: the Dupont Model
 - Comparison with Industry Success Factors
- Management Analysis
 - Analysis of Management's Historic and Forecasted Ability and Capacity
- Communication of the Analysis

Duration

Three (3) days with approximately three hours of pre-work.



FINANCIAL STATEMENT ANALYSIS (SIN 27-400)

Course Overview

The ability to get behind the numbers when completing a financial statement analysis is critical to understanding the capacity of a borrower to repay. This course focuses on the analysis of the income statement and balance sheet. The instruction goes beyond the traditional trend and ratio analysis. The conclusions developed focus on understanding the capacity of the company to continue to generate profits combined with an understanding of the overall financial position of the borrower.

Learning Objectives

- Apply consistent analytical process to financial statement evaluation.
- Understand how accounting issues impact interpretation of results.

Target Audience

All Lenders

Specific Course Topics

- Analytical Process
- Income Statements Analysis
 - Trend Causes
 - Ratio Analysis
 - Key Accounting Issues
 - Recurring vs. Non Recurring Earnings
- Balance Sheet Analysis
 - Liquidity
 - Working Capital Analysis
 - Fixed Asset Efficiency
 - Leverage
 - Deferred Taxes
 - Off Balance Sheet Liabilities
- Operating and Financial Flexibility
- Communication of the Analysis

Duration

Two (2) days



CASH FLOW ANALYSIS: NECESSARY SKILLS (SIN 27-400)

Course Overview

This foundational course introduces the cash flow analysis necessary to begin to analyze a credit. The direct cash flow method is used with a focus on construction, cash contributions due to profit versus working capital changes, and analysis of the capacity to meet future capital expenditure requirements, taxes and debt service.

Learning Objectives

-  Understand the benefits and shortfalls of various cash flow presentations.
-  Differentiate between cash necessary to support on-going operations versus cash available for debt service.
-  Incorporate sustainable cash flow into measurable, cash flow coverage ratios.

Target Audience

Lenders who are new to cash flow analysis or who need to update cash flow analysis skills.

Specific Course Topics

-  Cash Flow Basics: Sources and Uses of Cash
-  Comparison of Cash Flow Presentation Formats
-  Cash Flow Construction
 - Deferred Taxes
 - Current Maturities of Long Term Debt
 - Capital Expenditures
-  Cash Flow Analysis
 - Profit
 - Working Capital Changes
 - Sustainable versus Non-Sustainable
-  Cash Flow Coverage Ratios
 - Profit Based Coverage
 - Fixed Charge Coverage
-  Communicating the Analysis

Duration

Two (2) days



ADVANCED CASH FLOW (SIN 27-400)

Course Overview

This course focuses on issues not evident in a FASB #95 cash flow statement that can change the lender's view of a company's capacity to generate cash flow. The class will demonstrate how the footnotes provide a better understanding of the company's future off-balance sheet obligations, liquidity and actual results. The course introduces a cash flow definition that focuses on future debt repayment while considering the company's necessary and on-going operational needs.

Learning Objectives

- Understand how accounting affects cash flow and interpretation of results.
- Assess earnings sustainability in relation to working capital and capital expenditures.
- Develop forecasts driven by key cash flow drivers.

Target Audience

Experienced lenders who require an enhancement of their cash flow analysis skills.

Specific Course Topics

- Cash Flow Basics and Construction Review
- Accounting Issues Impacting Cash Flow
- Cash Flow Analysis
 - Cash Flow Definition
 - Earnings Sustainability
 - Working Capital Analysis
 - Growth and Efficiency Impacts
 - Debt Service Coverage Analysis
- Forecasting Cash Flows
 - Cash Flow Driver Analysis
 - Sensitivity Analysis
- Communicating the Analysis

Duration

Two (2) to Five (5) Days plus approximately four hours of pre-work.



FORECASTING AND SOURCES OF REPAYMENT (SIN 27-400)

Course Overview

The purpose of the course is to move forecasting from a number massaging exercise into the creation of a “Most Likely Case” scenario based upon the integration of industry, business strategy, management and historical performance analysis. Using extensive case studies, the course introduces the concept of a most likely case within a range of probable performance scenarios. The course builds the skills necessary to identify and to assess the sources of repayment and to create sensitivity forecasts that incorporate risk analysis.

Learning Objectives

- 1 Understand the purposes of different types of forecast scenarios.
- 2 Integrate credit risk analysis into scenario development.
- 3 Correctly identify primary and secondary sources of repayment of the forecast.

Target Audience

All commercial lenders responsible for structuring, underwriting and managing commercial credit risk. The course is designed for individuals familiar with the fundamentals of industry analysis, financial accounting, financial statement analysis and cash flow analysis.

Specific Course Topics

- 1 Forecasting Analysis
 - **Repayment Analysis Framework**
 - Utilization of “Management’s” Forecast
 - Development of a “Most Likely Case” Scenario
- 2 Primary Sources of Repayment: Defining and Identifying
- 3 Key Credit Risks and Mitigating Factors
- 4 Sensitivity Analysis
 - Development of Various “Sensitivity” Scenarios
 - “Primary Source Break Even”
- 5 Secondary Sources of Repayment

Duration

Two (2) days



ASSET BASED LENDING FUNDAMENTALS (SIN 27-400)

Course Overview

Many times bankers underwrite transactions that have a significant reliance on asset quality, although the transaction may not be considered to be an “asset based” transaction. Or a lender makes the assumption that a “hard asset” lender will be their secondary source of repayment without understanding the basics of asset based lending. This course develops an understanding of the risks associated with financing assets, particularly working capital assets.

Learning Objectives

- Identify asset based transactions.
- Evaluate and understand the risks of financing A/R, inventory and fixed assets.
- Understand the key role loan documentation and auditing play in asset based structures.

Target Audience

This course is designed for the commercial lender with at least two years of lending experience. The participant does not need to have any asset based finance experience.

Specific Course Topics

- Profile of Asset Based Borrowers
- Asset Based Financing Market
- A/R Evaluation
 - Dilution
 - Ineligible A/R
- Inventory Evaluation
 - Valuation and Risk Profile
 - Inventory Systems
- Fixed Assets
- Asset Based Loan Structures
- Documentation and Auditing Issues

Duration

One (1) day plus four hours of pre-work.



ESSENTIALS OF LOAN STRUCTURING (SIN 27-400)

Course Overview

The final component of the **Repayment Analysis Framework** is loan structuring. The primary tenant of this course is the protection of the primary and secondary sources of repayment. An appropriate loan structure should go well beyond the loan type; it involves the integration of loan type, amortization schedules, covenants, events of default, and collateral/guarantees which together create a “structure” that protects the primary source of repayment and ensures value in the secondary sources when necessary.

Learning Objectives

-  Integrate the loan structure and the identified credit risks.
-  Create the maximum benefit to the bank with the minimum number of covenants.

Target Audience

Experienced and inexperienced lenders who are competent in cash flow construction and analysis.

Specific Course Topics

-  Loan Structure Process and Goals
-  Loan Type, Purpose and Sources of Repayment
-  Corporate Structures
-  Capital Structures and Their Impact on Loan Structure
-  Collateral Issues
 - Rights to Collateral
 - Fraudulent Conveyance
-  Guarantees and Credit Enhancements
-  Covenants
-  Events of Default
-  Syndication Issues
-  Understanding Key Bankruptcy Issues Before Structuring a Loan

Duration

Two (2) days



LENDING TO LAW FIRMS (SIN 27-400)

Course Overview

The LENDING TO LAW FIRMS class will teach a lender how to evaluate the financial health of a law firm, identify the critical risks associated with lending to a law firm, recognize the key characteristics that signify a potentially successful law firm and finally, develop an appropriate loan structure to ensure the capacity to access the primary source of repayment. The seminar will also focus on identifying the numerous opportunities to provide products and services to a law firm, it's partners and associates.

Learning Objectives

- ➊ Analyze the financial health of a law firm and determine the financing requirements
- ➋ Develop an appropriate loan structure to ensure capacity to generate the primary source of repayment.

Target Audience

Experienced and inexperienced lenders who are competent in basic credit underwriting and loan structuring.

Specific Course Topics

- ➊ Types of Law Firms
- ➋ Legal Structure of Law Firms
- ➌ Operating Strategies of Law Firms
- ➍ Industry Dynamics of the Law Firm Industry
- ➎ Management Analysis of a Law Firm
- ➏ Account Practices of Law Firms
- ➐ Financial Statement Analysis of Law Firms
- ➑ Cash Flow Analysis of a Law Firm
- ➒ Loan Structure and Covenants Associated with Law Firm loans
- ➓ Guarantees and Credit Enhancements

Duration

Two (2) days



FUNDAMENTAL CREDIT CONCEPTS (SIN 27-400)

Course Overview

This course provides a high level view of how to determine the credit worthiness of a company. The course addresses the issues a lender must consider in order to come to a conclusion regarding whether or not to underwrite a transaction. Paragon's *Repayment Analysis Framework* is covered to provide the participant with the basic tools and an analytical model.

Learning Objectives

- Enhance non-lender understanding of how companies are analyzed.
- Provide knowledge of what influences the credit decision process.

Target Audience

Individuals involved in the credit management, cash management, operations or other non-underwriting functions who need to understand how underwriting is done. Familiarity with financial statements is required although collage level accounting is not required.

Specific Course Topics

- Underwriting in Different Markets
- Qualitative Analysis
 - Industry
 - Strategy
 - Management
- Quantitative Analysis
 - Income Statement
 - Balance Sheet
 - Cash Flow
- Understanding Forecasts
- Determining Sources of Repayment
- Loan Structure and Covenants
- Credit Decision Rational

Duration

Four (4) days



INTRODUCTION TO CORPORATE FINANCE (SIN 27-400)

Course Overview

The ability to distinguish one banker from another has diminished as companies have more options available to them at competitive pricing and terms. The commercial lender must develop skills to advance from the role of “banker” to the role of financial advisor in order to differentiate himself from the competition. The course provides a lender with a basic knowledge of the corporate finance concepts underlying valuation and capital structure.

Learning Objectives

- Understand value creation from management’s perspective.
- Establish the agenda of the CEO.
- Determine an appropriate capital structure for each client.

Target Audience

This course is for an experienced commercial banker seeking to “add value”. Each participant should have a strong foundation in financial statement analysis and cash flow analysis.

Specific Course Topics

- Corporate Finance Mathematics
- Valuation Techniques
 - Market Multiple Approach
 - Debt Capacity Approach
 - Discounted Cash Flow
 - Free Cash Flow
 - Weighted Average Cost of Capital
 - Terminal Value
 - Value Drivers
- Capital Structure
- Transfer of Ownership
- Corporate Finance Relationship Planning
 - Determination of Client Agenda
 - Corporate Finance Solution Recognition

Duration

Three (3) days



CORPORATE FINANCE APPLICATION (SIN 27-400)

Course Overview

Moving beyond the theories, this program builds on the *Introduction to Corporate Finance* seminar and provides a practical forum to apply the concepts. In addition to the case study, each participant should be prepared to present the application of the concepts to an actual client. The instructor provides critical feedback in preparation for an actual client presentation.

Learning Objectives

-  Review corporate finance concepts important to valuation and capital structure.
-  Apply valuation and appropriate capital structure concepts in a client setting.
-  Translate the training experience into a revenue generating opportunity.

Target Audience

This course is designed for an experienced commercial banker who has taken the *Introduction to Corporate Finance* class or who has a strong foundation in valuation techniques, net present value, and internal rates of return. This is not intended as an introductory class. Participants will be challenged to apply concepts verbally in class presentations on day one.

Specific Course Topics

-  Presentation of Client Cases and Solutions
-  Application of Corporate Finance Concepts
 - Corporate Valuation
 - Debt Capacity Analysis
 - Appropriate Capital Structure

Duration

Two (2) days plus pre-work requiring the identification, the solution analysis and the completion of a presentation for a current client.



INTEREST RATE RISK MANAGEMENT (SIN 27-400)

Course Overview

The ability to manage interest rate exposures is critical for successful financial management of a firm. The use of various interest rate risk management tools such as swaps, options, forwards all provide a basket of tools available to the corporate finance manager. This introductory course will focus on how the various interest Rate Risk Management tools work and the application of each under various circumstances.

Learning Objectives

- ➊ Review the basics of various common interest rate risk management tools used today to include swaps, options, caps, collars, and forward contracts.
- ➋ Apply the products to various financial management scenarios given various client objectives.
- ➌ Compare and contrast to risks and benefits associated with the various interest rate risk products.

Target Audience

This course is designed for the commercial banker or bank examiner who is familiar with financial statement analysis and commercial Loan underwriting. A basic knowledge of the international capital markets would be helpful, but not necessary. The course is intended to be an introductory course.

Specific Course Topics

- ➊ History and Development of Interest Rate Risk Management Products
- ➋ Interest Rate Swaps
- ➌ Interest Rate Options
- ➍ Interest Rate Caps and Collars
- ➎ Future Contracts
- ➏ Compare Risks and Benefits Associated with Interest Rate Risk Management tools
- ➐ Business Application of Interest Rate Risk Management tools

Duration

One (1) days plus four (4) hours of pre-work.



REAL ESTATE FINANCING FOR COMMERCIAL LENDERS (SIN 27-400)

Course Overview

Although commercial real estate lending is a specialized field, numerous commercial lenders find themselves having to propose financing for land, office, warehouse space, or other real property transactions. The course is designed to provide an account officer with the skills necessary to structure a real estate loan.

Learning Objectives

- Identify key real estate financing issues.
- Evaluate credit worthiness for several types of real properties.

Target Audience

Experienced lenders who have been active in loan structuring.

Specific Course Topics

- Calculation and Evaluation of Real Estate Cash Flows
 - Net Operating Income Calculation
 - Required Debt Service Coverage Ratio
 - Real Estate Financing Underwriting Criteria
- Approaches to Valuation
 - Income Approach
 - Market Approach
 - Replacement Cost
- Loan Underwriting
 - Construction Loans
 - Income Properties
 - Owner User Properties
- Structuring Real Estate Loans
 - Construction Financing
 - Permanent Financing
- One Form of Action Laws and Real Estate Financing
 - Judicial and Non Judicial Foreclosure
 - Leasing Issues

Duration

Two (2) days



INTRODUCTION TO PERSONAL TAX RETURNS (SIN 27-400)

Course Overview

The course introduces U.S. personal tax return analysis in credit underwriting. The focus is on using the tax return to create a cash flow statement and determining what are the recurring versus the non-recurring items. Although most lenders are familiar with personal tax returns, many lenders are unfamiliar with the various schedules and how they contribute to the evaluation of an individual's credit worthiness.

Learning Objectives

- Understand the numerous tax return schedules purposes and uses.
- Create a personal cash flow statement incorporating the information gathered from the tax return schedules.

Target Audience

Small and middle market or personal lenders who are new to tax return analysis or need to update tax return analysis skills. No level of tax return knowledge is required.

Specific Course Topics

- Tax Returns versus Financial Statements
- Structure of the 1040 Form
- Schedule B – Interest and Dividend expenses
- Schedule C – Profit and Loss from Business (Sole Proprietorship)
- Schedule D – Capital gains and Losses
- Schedule E – Supplemental Income and Losses
 - S Corporations
 - Partnerships
 - Rental Property
 - Trusts and Estates
 - Schedule K-1
- Personal Cash Flow Analysis
- Communicating the Results

Duration

Two (2) days



ANALYSIS OF COMPLEX PERSONAL FINANCIAL STATEMENTS (SIN 27-400)

Course Overview

Whether making a decision to lend to an individual for a home or to a privately-held company, lenders will place some, if not all, weight on the strength of the principals' financial position. This course will develop the skills necessary to analyze complex personal financial statements, particularly those high net worth individuals. The course moves beyond analyzing historical tax returns to forecasting an individual's future ability to provide either cash flow or collateral support.

Learning Objectives

- Analyze the capacity of the individual to generate recurring cash flows.
- Determine the true value of the individual's assets and liabilities supporting the credit.

Target Audience

Lenders, including community lenders, relying on the net worth or guarantee of an individual.

Specific Course Topics

- Approach to Personal Financial Statement Analysis
- Cash, Cash Equivalents and Marketable Securities Analysis
- Personal Property Analysis
- Analysis of Closely Held Companies
 - Forms of Ownership
 - Evaluating Cash Flows
 - Restricted Stock
 - Rule 144 Loans
- Real Estate Analysis
 - Appraisals
 - Section 1031 Exchanges
- Pensions and Trusts Impact on the Loan Underwriting
- Analysis of Personal Cash Flow
- Calculation of Personal Net worth

Duration

Two (2) days



EVALUATING CREDIT RISK (SIN 27-400)

Course Overview

Evaluating Credit Risk is a comprehensive entry-level, credit analyst training program. The program's key strength is the analysts' regular practice of writing their credit analysis combined with the final requirement that each participant analyze and write-up a credit recommendation using the sponsoring bank's format. This program has proven to be a cost effective alternative to an "in – house", bank credit training program.

Learning Objective

Using the *Repayment Analysis Framework*, this course will provide a lender with the skills necessary to efficiently analyze a credit and concisely communicate the risks associated with underwriting a credit transaction. The case studies will have a specific market focus – either corporate, middle market or community banking.

Target Audience

This program is designed for the entry or junior-level account officer involved in commercial lending. Each participant is required to have at least three months of on the job experience in the sponsoring bank and college level accounting. The program is limited to 25 participants.

Instruction Methodology

The program will include a combination of pre-work, lectures on key concepts, group analysis of case studies reflecting actual lending situations, exercises, complex after-class assignments and analysis of a final case study.

-  The *after-class assignments* provide a vehicle for the participant to test their understanding of the concepts and to practice presenting their analysis. Additionally the assignments allow the instructor to gauge which participants may require additional attention. The instructor evaluates each after-class assignment and provides written feedback to each participant.
-  Completion of a *final case study* will be required. Each participant will analyze a complex case study and write an analysis using the bank's credit recommendation format or Paragon's recommended format. The instructor will review the *final case study* exercise with a detailed evaluation forwarded to the participants and their supervisors.

Duration

Fourteen (14) days. Classes will start at 8:30 am and will typically run to 5 p.m., plus evening and weekend *after-class* assignments