



Lincoln University

BA 345 – Commercial Banking and Lending

COURSE SYLLABUS 2018

Instructor: Prof. Albert Loh
Lecture Schedule: Wed, 9:00 AM – 11:45 PM
Credits: 3 units / 45 lecture hours
Level: Mastery 2 (M2)
Office Hours: Mon and Wed 11:45am to 12:30pm or By appointment
e-mail: aloh@lincolnuca.edu

Textbooks: *Commercial Lending, A Decision Tree Approach*, Published by American Bankers Association, 2013, 7th Edition, ISBN: 978-0-899-82683-0.
Supplemental materials (such as periodical, article, or case study) will be provided in class

Last Revision: January 13, 2018

COURSE DESCRIPTION

An in-depth study of the commercial lending business. Borrowing requirements and financial structure for debt financing needs of business. Topics include: loan interviewing and credit investigation, financial analysis, loan structuring and negotiation, loan documentation and closing, problem loans and follow-up. (3 units)

Prerequisite: BA 140 or BA 303

EDUCATIONAL OBJECTIVES

This course introduces students to the different types of financing available to meet a range of customer needs. Principles of lending, analysis of quantitative and qualitative factors, and application of credit assessment and control are the foundations leading to lending decisions. This course also covers effective stewardship through regular monitoring of management information, covenants, and the best value of security.

COURSE LEARNING OUTCOMES¹

	Learning outcomes	Program Learning Outcomes	Institutional Learning Outcomes	Assessment activities
1	Analyze financial and non-financial information in commercial lending.	PLO 2	ILO 1b, ILO 2b, ILO 4b	Classroom exercise and mid-term and final examinations.
2	Understand the requirements of corporate banking customers and package solutions to meet their financial and banking needs.			
3	Understand the issues involved in lending to different types of businesses and assess the associated risk	PLO 4	ILO 4b, ILO 5b, ILO 6b	Classroom exercise and mid-term and final examinations.
4	Understand the be able to take charge of legal and practical issues relevant to collateral security to support commercial loans.	PLO 5	ILO 4b, ILO 5b	Classroom exercise and mid-term and final examinations.
5	Able to apply methods of monitoring, controlling, and recovering non-performing loans.			

INSTRUCTIONAL METHODOLOGY

This is a direct classroom instruction course.

The course will be conducted in the form of lectures and discussions on each topic shown in the class schedule below.

Assignments and projects require students to actively use resources of the library. Detailed guide to business *resources of the library* as well as the description of Lincoln University approach to *information literacy* are available at the [Center for Teaching and Learning](http://ctl.lincolnuca.edu) website (ctl.lincolnuca.edu).

COURSE REQUIREMENTS AND EVALUATION

While in class, students are expected to conduct themselves in a professional manner. Professionalism includes regular attendance, participation in class discussions, civil conduct, and ethical behavior, etc. If a student is observed coming to class late often, being disrespectful to peers, texting or using mobile devices, or carrying on personal conversations during lecture, the professionalism portion of the grade will be reduced based on a demerit system. The course begins with each student having the full 50 points. Tardiness without valid reasons greater than 1 time will result in 5 points deduction. Behavioral offenses such as texting, using of mobile devices, or engaging in disorderly conduct in spite of reminder or warning will result in 10 points deduction.

¹ Detailed description of learning outcomes and information about the assessment procedure are available at the [Center for Teaching and Learning](http://ctl.lincolnuca.edu) website (ctl.lincolnuca.edu).

Higher education is about learning how to learn. So in acquiring new knowledge, always pay attention to the learning objectives of each chapter or topic. In addition, you will enhance your understanding by solving the chapter problems to be assigned in class. Of course, you are welcome to bring questions to class for discussion by reading ahead of each classroom lecture. Achievement is assured when done repetitively.

Your performance in this course will be evaluated under the following model:

Mid-Exam 150 points	A = 361 – 400
Final Exam 200 points	B = 301 - 360
Professionalism: 50 points	C = 241 - 300
Total 400 points	D = 201 - 240
	F = < 200

The mid-term and final exams include multiple choice questions and problems that are similar to the term assignments. They are designed to test both theory and problem solving. There will be no "extra credit" work during or after the semester.

The key to success in this course is communication and interaction. Thus, we will have to work as a team. First, we will create a positive learning environment where everyone can participate without fear. Second, relevant reading and problem assignments will be presented and discussed in class. When in doubt, ask.

SCHOLASTIC DISHONESTY

Scholastic dishonesty will not be tolerated. Students who violate rules of academic dishonesty are subject to disciplinary penalties, including failure in the course and/or other actions from the University.

COURSE SCHEDULE

Week	Topics
1	Course Introduction and Financial Statement Analysis
2	Revision topic: Ratio Analysis and Tax Returns
3	Chapter 1: Lending Process and Business Development Call
4	Chapter 2: Credit Investigation and Risk Assessment of Market, Industry and Management
5	Chapter 3: Loan Policies and Procedures
6	Chapter 4: Loan Packages and Credit Write-ups
7	Examination review
8	2-Hour Mid-term Exam (Closed Book)
9	Chapter 5: Loan Structuring
10	Chapter 6: Sources of Alternative Repayment
11	Chapter 7: Loan Documentation
12	Chapter 8: Loan Pricing and Negotiation
13	Chapter 9: Non-performing Loans
14	Examination Review

15	2-Hour Final Exam (Closed Book)
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ADDENDUM: SUPPLEMENTAL COURSE MATERIALS

The PowerPoint slides are designed to give students a head start in learning course materials in a concise and coherent fashion. They are not intended to substitute, but complement, the textbook and classroom lectures. Don't just read; you need to absorb and understand the body of knowledge through a synthesis of critical thinking and problem solving skills. Thus attending classroom lectures and completing exercises and assignments are critical to your success.