

## **Commercial Loan Department Manager - Job Standards**

Job Standards include: (Note: this is a representative list only - complete list provided with purchase)

### KNOWLEDGE OF WORK:

Understands the nature and principles of business success: clients/customers; location; cash flow; inventory management; receivables management; production dynamics -- capacity, utilization, productivity, margin, volume sensitivity; human resource management, marketing, financial management and related business dynamics

Knows how to analyze a business operation: financial statement, cash flow report, financial proforma, business plan document, production variables, inventory management, space utilization, technology utilization, short and longer term goals, research & development initiatives

Understands the role of finance in the success of a contemporary business operation: cash flow management, long and short term financing, equity, retained earnings, profit/loss consequences, projected cash generation to service debt

Understands and can apply all the contemporary commercial lending techniques to secure the financial institution's interest in a commercial loan, including: conveyances, mortgages, liens, accounts receivable lending, inventory lending, securing the financial institution's position as a creditor under various distress scenarios -- Chapter 13, Chapter 7, foreclosure, insurance claims, workmen's liens, and so forth

### QUALITY OF WORK:

The quality of the Commercial Loan Department will be judged by the quality and success of its overall loan portfolio: delinquency ratio; proper documentation; liens of any nature properly prepared, filed and recorded; periodic inspection reports properly conducted and written report on file; current financial statements on file as well as independent auditor's annual statement; and other required loan-monitoring processes that provide an ongoing assessment of the quality of the overall loan portfolio

The thoroughness of loan processing: complete and comprehensive loan application; thorough investigation of facts -- borrower's strengths, weaknesses, threats and opportunities; independent reports to assess the likelihood of repayment as scheduled.

### QUANTITY OF WORK:

Number and dollar amount of commercial loan applications processed -- received, approved, deferred, declined -- within a given period of time

Commercial loan inspection work completed within a given period of time: visits to borrowers businesses; actual physical inventories taken; financial statement analysis and summary reports; adjustments processed to limit/extent credit arrangements; meetings with principals of borrower companies; analysis of business trends for each borrower to assess potential loan deterioration/collection problems

### PLANNING AND ORGANIZATION:

Has an established process and procedures for processing any commercial loan; does not deviate from accepted practice regardless of pressure exerted

Schedules all closings and disbursements and lets the Cash Management Department know daily of cash flow requirements to fund commercial loans

Develops a plan for loan inspection and follows plan

Prepares a report to management, at least \_\_\_\_\_, to report all commercial lending activity, problems, resolution of lending problems, delinquency, and so forth