

A comprehensive and practical live online workshop to enhance your understanding of risks in commercial real estate lending including: construction, investor properties and owner-occupied real estate.

Fundamentals of Commercial Real Estate Lending



**Caribbean Information &
Credit Rating Services Limited**

Background

With working from home now the new normal, CariCRIS has introduced virtual learning so that we can continue to facilitate the high-quality credit risk workshops that Caribbean risk professionals have grown accustomed to from us over the past 15 years. Our live online workshops are being provided to you at reduced prices cognisant of the difficult economic times, but with no sacrifice to the quality and comprehensiveness of the workshop content and classroom experience. Further enhancing your value for money is that you are now able to benefit from this positive learning experience from the comfort of your own home or office, and without the added burden of travel and accommodation costs and the time involved.

Our Live Online Workshops – How it works

The structure of our virtual learning programmes is designed to keep the same levels of engagement and networking as our in-person workshops. The workshops will be facilitated by highly knowledgeable and experienced instructors, who have successfully delivered their respective workshops both online and in-person over several years. Registered participants will join the workshops using standard virtual conferencing software and the workshop material will be presented live by the facilitator. Participants will be allowed to ask questions real time, there will be practical case studies to be completed in groups, and the number of participants will be capped to allow for an interactive, discursive style of training, just as in the classroom-based workshops. One-day courses will be split over two half-days and two-day courses over four half-days, to ensure a high level of engagement throughout the sessions and to give participants the flexibility to get other things done during the course of a workday.

About CariCRIS

CariCRIS is the Caribbean's first regional credit rating agency. Our mission is to contribute to the development of a vibrant, integrated Caribbean capital market by setting the highest standards of credible independent analysis and opinion to enable informed financial decisions. Our technical consultant, CRISIL Limited, is the world's fourth largest rating agency and an associate company of Standard & Poor's (S&P), the world's leading index provider and the foremost source of independent credit ratings across the globe. CariCRIS has successfully delivered first-class training to over 1,000 credit and risk professionals across the Caribbean over the past 15 years.

About the Course

This three half-days workshop on ‘Fundamentals of Commercial Real Estate Lending’ provides an introduction to real estate lending and techniques. The focus of the class is on prudent lending practices in construction, investor properties and owner-occupied real estate.

Course Overview

Many times, bankers are asked to underwrite various types of commercial real estate including: construction, investor and owner-occupied properties. In addition, some of these properties might have a special purpose use such as a hospital, hotel or restaurant that have their own unique underwriting risks

This course provides a framework to understand the risks and apply thoughtful and prudent underwriting standards.

Learning Objectives

Some of the skills taught in the program include:

- How to evaluate CRE risks associated with commercial real estate transactions both investor and owner occupied.
- Understanding and identification of key underwriting differences between construction/income property loans, owner occupied real estate and commercial loans secured by real estate.
- Understanding and identification of the general risks in real estate lending and how they can differ from commercial lending underwriting risks.
- Strategies lenders can adopt to mitigate real estate lending’s specific risks. Identifying and understand the components of real estate analysis, including lease income, rent rates, vacancy factors, rent roll, operating expenses and operating income.
- Understand the elements that go into a triple net lease.
- Analyzing a basic income property cash flow.
- Stress testing key elements of an income property cash flow.
- Understanding NOI, debt service coverage ratios, cap rates, and loan to value concepts in determining appropriate loan amounts.
- Quantifying loan repayment sources in terms of debt service coverage and loan to value.
- How to calculate and analyze the debt yield.
- Understanding the importance of appraisals.
- Understand and identify the key elements of real estate appraisals.
- Identify the general characteristics and key underwriting considerations of retail properties, apartment projects, office buildings, lot development, self-storage facilities, and industrial and warehouse properties.
- How to distinguish between class A, B and C real estate properties.

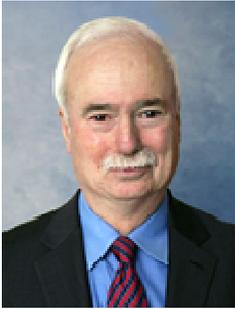
Who should attend?

This workshop should be of particular interest to:

- Commercial lenders, credit analysts and small business lenders, loan review specialists, special assets officers, lending managers and credit officers.
- Relationship managers from commercial banks, credit unions and other lending institutions.
- Risk analysts in banks, credit unions and other financial institutions.
- Board members and Credit Committee members of financial institutions.
- Banking and financial sector regulators.

Participants do not need to have any real estate lending experience.

Profile of the Facilitator



Thomas P. Carlin

An authority on credit risk, Mr. Thomas P. Carlin is Managing Partner at Eensight. Tom has worked with major banks over the last twenty years, designing and teaching credit related topics including: business lending for branch bankers, commercial lending skills, problem loan identification and workouts, consumer lending skills, accounting for bankers, financial statement analysis, cash flow analysis and loan structuring. His audiences include business bankers, branch lenders, recent graduates going through the organizations basic credit training program and middle market lenders with many years of experience. Tom has designed programs in credit analysis for Citibank, Wells Fargo, Capital One, Chase Manhattan Bank, First Tennessee, Flushing Savings Bank, Union Bank, and The Bank of China. He has designed e-learning programs for banks such as US Bancorp and the Bank of Colorado.

Prior to Eensight, Mr. Carlin was a Regional Director for Omega Performance Corporation. He was also a Vice President with Bankers Trust in New York where he was responsible for marketing credit and trade finance products to corporate clients and correspondent banks worldwide. Mr. Carlin has a Masters of International Management degree from The Thunderbird School of Global Management and a Bachelor of Arts Degree from Villanova University.