

MOODY'S ANALYTICS | Primary Element of Business Lending Exit

Understanding and Communicating Credit Solutions 🔍 📄 📁

Putting It All Together

- Introduction ✔
- What You Need to Know** ✔
- What You Need to Do ✔
- How This is Useful ✔
- Questions You Should Ask ✔
- Knowledge Check

The ultimate goal of underwriting is to identify a borrower's needs and match them to the bank's products and services while understanding and mitigating the risks associated with repayment. To this end, you should know:

Assessing management is of primary importance.

[Learn more](#)

Assessments are performed in five crucial areas within the overall analysis of credit risk. These are:

1. credit policy;
2. financial risk;
3. management risk;
4. market risk; and
5. facility risk.

[Learn more](#)

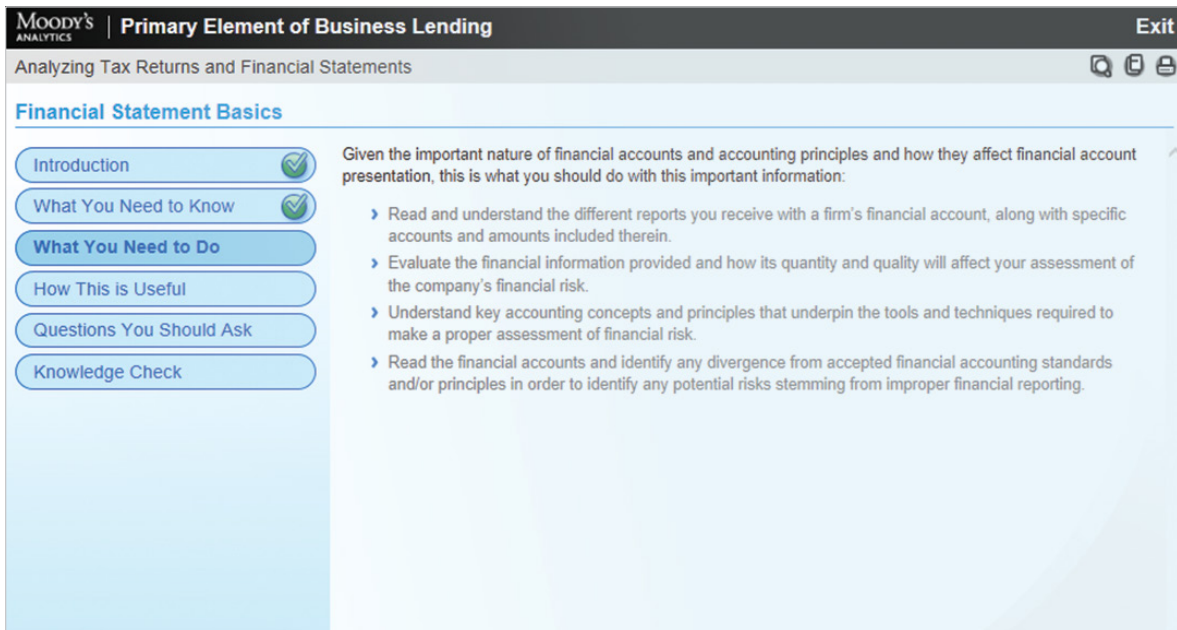
Financial risk is assessed with two interdependent tests. The first is the liquidity test, which determines if a business is generating sufficient cash from normal, day-to-day operations to cover all operating expenses, including the payment of interest and scheduled debt payments. The solvency test is the second of these two key assessments. This test is designed to establish if there is adequate cash from all sources (primarily liquidation of assets in distressed circumstances) to satisfy all obligations, including interest and principal on outstanding debt.

Primary Elements of Business Lending provides insights to the world of business lending and an overview of the credit risk assessment activities that support it. This 8-10 hour eLearning course is either for those who are new to credit or non-lenders who need to understand the business of lending.

You learn how to:

- » Understand business types, legal structures, and the reasons why commercial enterprises borrow money.
- » Identify qualitative risks that arise in a borrower's competitive marketplace.
- » Utilize quantitative analysis techniques that are useful in assessing a firm's financial risk.
- » Understand key issues and risks relating to commercial properties as components of business practice.

- » Recognize common loan types and structures.



Moody's Analytics learning solutions help transform work performance, providing you with the skills and tools to apply complex concepts and make sound credit decisions.

With Moody's Analytics eLearning:

- » You gain in-depth understanding of credit theory and sector-specific factors from our relevant and current content.
- » You concentrate your studies on the areas where you have knowledge gaps, through our pre-course diagnostics and comprehension checks.
- » Program sponsors can monitor participation, assess performance, and access critical detail to support measuring ROI.

Who is taking this course?

- » Loan officers and relationship managers
- » Credit analysts and underwriters
- » Branch managers, client-facing staff of businesses

In today's environment, it is essential for those in financial institutions to have a solid grounding in the principles of credit, whether they are novice lenders or other staff who need to understand credit risk.

Moody's Analytics offers an eLearning curriculum designed to help those who are new to

credit to establish an understanding of business lending basics. Primary Elements of Business Lending focuses on businesses and their borrowing needs, including the analysis of companies, management, and the marketplace. It helps you interpret financial statements and tax returns. It then teaches you to integrate these assessments into the credit process. Our program combines the flexibility of the web, Moody's Analytics proven training techniques, and industry-standard analytical tools to optimize training relevance and keep learners motivated. It is a comprehensive introduction to credit and businesses' borrowing needs, including the analysis of companies, management, and the marketplace.

Primary Elements of Business Lending

Understanding Businesses & Their Borrowing Needs

Business Types

Legal Structures

Why Businesses Borrow

Evaluating the Company, its Management, and its Marketplace

Business Life Cycle Stages

Management Integrity, Competence, and Scope

The External, Competitive Marketplace

Analyzing Tax Returns and Financial Statements

Key Tax Return Types and Evaluation

Financial Statement Basics

Ratio Analysis

Evaluating Owner-Occupied Commercial Real Estate

Owner-Occupied Property Types and Uses

Cash Flow-Generating Capacity

Contribution to Successful Business Operations

Understanding and Communicating Credit Solutions

Common Loan Types

Collateral and Other Credit Enhancements

Putting It All Together

This course can be completed in 8 to 10 hours.



LEARN MORE

Learn more about Moody's Analytics industry-leading learning solutions. Contact us at elearning@moodys.com or visit us at www.moodysanalytics.com/learning.

www.moodysanalytics.com/learning

CONTACT DETAILS

Visit us at moodysanalytics.com or contact us at a location below.

AMERICAS

+1.212.553.1653
clientservices@moodys.com

EMEA

+44.20.7772.5454
clientservices.emea@moodys.com

ASIA (EXCLUDING JAPAN)

+852.3551.3077
clientservices.asia@moodys.com

JAPAN

+81.3.5408.4100
clientservices.japan@moodys.com