

Alabama Bankers Association

2022 CREDIT Conference

March 1 -2

**RENAISSANCE BIRMINGHAM
ROSS BRIDGE GOLF RESORT & SPA**



2022 Credit Conference

TUESDAY, MARCH 1

Consumer Lending Part 1 & 2

featuring David Kemp

Sound credit decisions by community bank lenders require a high degree of perception and skill. To reach this level of sophistication, your lending personnel must constantly rethink existing approaches, research new ideas, and update their knowledge. This session led by David Kemp will provide essential knowledge and skills for your lending professionals and will also help establish a network for continued support long after the conference concludes.

Key topics to be covered include:

- Lending Compliance
- Introduction to Consumer Lending
- Taking the Loan Application and Interviewing
- Investigating the Application
- Risk Analysis
- Lending to Self-Employed Borrowers
- Business Development
- Loan Documentation
- Collections and Bankruptcy

Determining the Level of Risk is the Key to Construction Lending

featuring Richard Hamm

Construction loans for commercial real estate (CRE) remain a major part of commercial bank lending. Many community banks attempt to use versions of their residential formats and policies to administer commercial construction loans. This generally, however, does not adequately control the situation due to several important differences between residential and commercial projects.

This program provides an overview of the key steps involved in effectively administering commercial construction loans.

- What is construction risk and how is it mitigated?
- Differences between residential and commercial construction loans
- What is High Volatility CRE (HVCRE)?
- Issues with contractor qualifications, construction contracts and budgets
- Seven items that determine how you handle a specific loan
 - The overall degree of risk and key issues driving risk
 - The type of project (full construction vs. renovation, etc.)
 - The loan approval and related conditions or contingencies
 - The term sheet or commitment letter written to the customer

- Your bank's policies and procedures
- The construction loan agreement
- The events and issues that arise, including results of inspections
- Other key documentation (Title insurance, Survey, Bonding)
- Funding and draw controls
 - Inspections
 - Lien waivers and lien updates
 - Disbursement methods
 - Monitoring usage of budget contingency
 - Line item transfers
- Completion of the project and (if applicable) stabilization

Mitigating Tomorrow's Loan Problems Today

featuring John Barrickman

The devastating impact of the COVID-19 virus on the economy makes it appropriate to step back and objectively assess the potential for problem loans in the bank's loan portfolio. Many borrowers survived the impact of COVID with the assistance of PPP and the flexibility of community bankers working with challenged borrowers. Many of these borrowers will struggle as the economy rebounds as they rebuild working capital and replace fixed assets. This is the point when senior lenders, credit officers and loan review officers earn their salaries by proactively taking steps to mitigate the potential for problem loans in the bank's loan portfolio.

This session will address the following topics:

- Has Your Bank Created an Environment Conducive to the Development of Problem Loans?
- Assessing Your Bank's Vulnerability to the Three Deadly Sins of Portfolio Credit Risk Management
- Identifying Potential Problems (Lines of business, Industries, Borrowers, Lenders)
- Tools to Quickly Identify Potential Problem Borrowers
- Questions You Should be Asking Your Borrowers Today
- Steps Your Bank Should be Taking Now to Reduce the Potential for Portfolio Credit Problems

Regulatory Trends and Market Impacts from a Credit Perspective

featuring Stewart Thigpen

Topics for this session will include a discussion of current commercial lending activities and the risk appetite in the market including areas where potential problems may loom on the horizon. Thigpen is a financial institution specialist with Steve H. Powell & Company. After graduating from



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Georgia College and State University, Stewart began his banking career in a community bank. After his start into banking, Stewart joined Steve H. Powell & Company in 2000.

Credit Turbulence: Pandemic Style

featuring Mike Allen

The COVID-19 pandemic has introduced new challenges for all financial institutions. For some, the next generation of problem loans are residing on their balance sheet. The disruptive nature of this pandemic has shown us all just how fragile our environment and economy are. Allen will address the impact of these challenges and offer some suggestions for how you might want to tackle them in your bank. Key discussion points will include underwriting considerations, portfolio risk management practices and troubled asset considerations in midst of continued uncertainty.

WEDNESDAY, MARCH 2

The Successful Strategy of Using Appraisals & Evaluation

featuring Jason Pruitt

Most financial institutions use appraisals to value the majority of their real estate loans. However, banks who employ a dual strategy of appraisals when required and compliant in-house property evaluations when allowed have the competitive advantage. This session will help your financial institution create a successful strategy implementing both efficiently, while remaining compliant and driving non-interest income.

Mortgage Assistance Alabama

featuring Carrie Hamaker

Overview of the Statewide Mortgage Assistance Alabama Program that will soon be available to eligible homeowners preventing delinquencies, defaults and displacements. Discussion will include how to participate as a servicer. Carrie Hamaker joined the Alabama Housing Finance Authority in 2018 and has more than 19 years of mortgage lending management experience. As the single family administrator for Alabama Housing Finance Authority she oversees the homeownership programs for low to moderate income Alabamians. Hamaker is knowledgeable in all areas of the mortgage industry including sales, production, operations, and underwriting. A qualified and certified HUD Direct Endorsement Underwriter, she also holds the Staff Appraisal Review designation.

The Five Cs of Credit: Why Character Stands Out Now

featuring Dev Strischek

The first four Cs — capacity, conditions, collateral, and character — evaluate a borrower's ability to repay, but character forces the lender to examine closely the borrower's willingness to repay, especially since the rise in fraud that accompanied the Great Recession and the more recent Pandemic Recession. Knowing your customer has become more challenging in an environment in which personal contact has been supplanted with remote, unobtrusive data gathering through credit reports, centralized underwriting and approval, and hunter-skinner processes.

Areas to be discussed include:

1. Capacity measured by ability to repay from cash flow
2. Conditions evaluated in terms of how borrowing needs change over the business cycle and what makes some industries more vulnerable to downturns than others
3. Collateral analyzed in terms of relative liquidation values
4. Capacity considered in terms of the borrower's equity cushion and the degree of relative leverage possible
5. Character assessed in terms of willingness to repay as evidenced by payment history as well as tips for fraud prevention
 - Demographics of fraudsters
 - Fraud prevention measures rated in terms of effectiveness
 - Recommendation for a fraud control program to offer borrowers

The intent is to provide bankers with a simple method for evaluating creditworthiness of borrowers and emphasis on character because of the rise in fraud losses in recent years.

Hotel Information

Rooms are available at a rate of \$179 per night.
The room block expires on Jan. 27, 2022. To make reservations, call the hotel at (800) 468-3571 and reference the Alabama Bankers Association.
Or, [click here to make reservations online.](#)

The hotel is located at
4000 Grand Ave., Birmingham, AL.

2022 Credit Conference Agenda

Tuesday, March 1

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| 8:30 a.m. | Registration |
| 9 - 10 a.m. | Consumer Lending Part 1 |
| 10 - 10:15 a.m. | Break with vendors |
| 10:15 - 11:15 a.m. | Consumer Lending Part 2 |
| 11:15 a.m. - 12:15 p.m. | Lunch with vendors |
| 12:15 - 1:15 p.m. | Determining the Level of Risk is the Key to Construction Lending |
| 1:15 - 2 p.m. | Mitigating Tomorrow's Loan Problems Today |
| 2 - 3 p.m. | Regulatory Trends and Market Impacts from a Credit Perspective |
| 3 - 3:15 p.m. | Break with vendors |
| 3:15 - 4:15 p.m. | Credit Turbulence: Pandemic Style |
| 4:30 - 5:30 p.m. | Reception |

Wednesday, March 2

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| 7 - 8 a.m. | Breakfast with vendors |
| 8 - 8:45 a.m. | The Successful Strategy of Using Appraisals & Evaluation |
| 8:45 - 9:45 a.m. | Economic Development Panel |
| 9:45 - 10 a.m. | Break with vendors |
| 10 - 10:45 a.m. | Mortgage Assistance Alabama |
| 10:45 - 11:30 a.m. | The Five Cs of Credit: Why Character Stands Out Now |
| 11:30 a.m. | Adjourn |

Register online at www.alabama.bank/credit

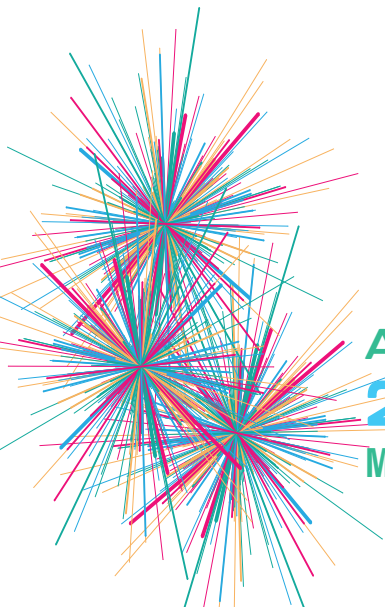
QUESTIONS? Call us at (334) 244-9456 or email ldunn@alabama.bank.

EARLY BIRD MEMBER RATE (by Jan. 31, 2022) is \$495 / **REGULAR RATE** is \$595 / **NON MEMBER RATE** is \$795

CANCELLATION POLICY: ABA will process a \$100 per person administrative fee for all cancellations, regardless of when they are received. Cancellations received in writing 10 days prior to the event are eligible to receive a refund (minus the \$100 per person administrative fee). No refunds can be offered after 10 days prior to the event.

ALABAMA BANKERS ASSOCIATION

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