

**COVER SHEET FOR HOME STUDY PROBLEM
SOUTH CAROLINA BANKERS SCHOOL**

FIRST-YEAR CLASS- 2023 School Session

HOMESTUDY PROBLEM III

Based on Lectures in **Credit Portfolio Management**

Instructor **Mr. Kevin Futrell**

Submitted by: Name _____

Bank _____

Bank's Mailing Address _____

ZIP CODE

List the other members of your class with whom you worked in preparing this solution:

I certify that this home study problem is my original work and that all writings by any other person, business, or organization, including my own bank, have been carefully documented. I have not shared my completed work with any other SCBS student nor have I read the completed work of any other students.

Signature: _____

Due Date **February 7, 2024**

Date Submitted _____

Date SCBS Received _____

Date Returned to Student _____

ATTENTION STUDENT: UPLOAD TO SCBA's PORTAL OR MAIL HOME STUDY PROBLEM TO:

South Carolina Bankers School
Post Office Box 1483
Columbia, S.C. 29202

OR EXPRESS/REGISTERED MAIL TO: 2009 Park Street, Columbia, SC 29201

Credit Portfolio Management
Home Study Assignment

Section I – Credit Process & Monitoring

1. Choose one of the following Credit Process Weaknesses and discuss why it creates a weakness within the Credit Portfolio.
 - a. Low Equity/High Loan-to-value requirements
 - b. Low Debt Service Coverage requirements
 - c. Weak or non-existent Covenant requirements
2. Based on your selection above, explain what adjustments you would make to minimize the weakness recognizing that dramatic changes would likely impact the bank's loan production.
3. Based on your selection above, describe the monitoring process you would recommend to identify, assess and monitor the risk to the Credit Portfolio.

Section II – Concentrations & Monitoring

1. Choose one of the following Concentrations and discuss why it creates a weakness within the Credit Portfolio
 - a. C&I industry concentrations
 - b. CRE property type concentrations
 - c. Borrower concentrations
2. Based on your selection above, explain what adjustments you would make to minimize the weakness recognizing that dramatic changes would likely impact the bank's loan production.
3. Based on your selection above, describe the monitoring process you would recommend to identify, assess and monitor the risk to the Credit Portfolio.

Section III – Credit Underwriting

1. Choose one of the following Credit Underwriting considerations and discuss why it is important, identifying the risks.
 - a. Know your borrower and guarantors
 - b. Consider economic conditions and industry
2. Choose one of the following Credit Underwriting considerations and discuss why it is important, identifying the risks.
 - a. Obtain current and sufficient financial information
 - b. Loan structuring