



SELF-PACED
E-LEARNING

12-15
HOURS

Consumer Lending

Evaluate consumer credit applications and make sound credit decisions

OVERVIEW

In today's stringent regulatory environment, a profitable consumer credit portfolio requires skilled lenders who understand the nuances of consumer lending. This course ensures your lenders are equipped with the skills they need to make sound consumer loan decisions by effectively evaluating loan requests, identifying risks, and monitoring loans and consumer lines of credit.

WHO SHOULD ENROLL

Anyone responsible for making consumer credit decisions, including consumer lenders, personal bankers, consumer credit underwriters, and branch managers.

RESULTS AND BUSINESS BENEFITS

Upon completion, participants will be able to:

- Assess a consumer credit request, perform a preliminary analysis, and gather the documents needed for analysis
- Evaluate a borrower's credit history, repayment sources, collateral, and financial capacity to handle additional debt
- Select the best type of consumer credit for the request
- Assess risks to repayment, make a sound credit decision, and structure and document the loan

LEARNING MODULES

1

Assessing
the Credit
Opportunity

2

Repayment
Source Analysis

3

Verifying Income
with Tax Returns

4

Home Equity
Lending

5

Making the
Credit Decision

6

Documenting
and Managing
the Loan

Optional:
Consumer Lending Regulations

1

Lending
Regulations,
Part 1

2

Lending
Regulations,
Part 2



E-LEARNING BY OMEGA PERFORMANCE

Omega Performance E-Learning courses, accessible online at any time, are developed to be highly interactive—maintaining high learner interest that enhances understanding and application of the material. Concepts are presented in conjunction with related definitions, explanations, formulas, and real-world examples to ensure that individuals of all learning styles find the subject matter accessible and user-friendly.



Learning Module Descriptions

1 ASSESSING THE CREDIT OPPORTUNITY

- Describes the consumer credit environment
- Introduces types of consumer credit
- Compares types of consumer credit and borrower profiles to match the best products to the customer's needs
- Introduces the Decision Strategy™ for consumer lending, an organized approach to making sound consumer credit decisions
- Outlines the steps in the preliminary evaluation of the credit request and the applicant to ensure that they meet basic criteria
- Explores the logical links between the purpose, amount, repayment source, and terms of the request

2 REPAYMENT SOURCE ANALYSIS

- Outlines how to review the borrower's financial history and credit score to determine a borrower's past payment habits
- Examines the details on a borrower's application related to liabilities and expenses
- Reviews expenses listed on the application and searches for any unlisted liabilities using tax returns
- Explores a borrower's assets and income as detailed on the application
- Explains the factors considered in selecting appropriate loan collateral or other support
- Presents the formulas used to gauge debt servicing capacity, including the debt to income ratio and residual income calculation

3 VERIFYING INCOME WITH TAX RETURNS

- Indicates how and where to verify income sources and some expenses using tax returns
- Provides formulas and job aids to assist lenders in calculating a borrower's cash income from business interests, investments, rentals, and royalties
- Assists in calculations of debt ratio and residual income when using tax returns

4 HOME EQUITY LENDING

- Explores the types of home equity credit available to customers
- Reviews potential loan structures, including advances and payments, and common pricing alternatives
- Enumerates the advantages and disadvantages of home equity credit
- Applies analytical strategies to the home equity lending process, including loan to value (LTV) ratio and debt to income (DTI) ratio
- Explores how to calculate the maximum amount for which a borrower may qualify

5 MAKING THE CREDIT DECISION

- Synthesizes information to make a sound credit decision
- Presents the risk factors to consider in making a credit decision
- Addresses methods of mitigating credit risk using loan structure and conditions
- Outlines the steps to effectively communicate the credit decision and structure to the customer

6 DOCUMENTING AND MANAGING THE LOAN

- Identifies the common loan documents and their purposes
- Explains proper documentation and provides documentation checklists for a variety of loan types
- Addresses loan management topics including early warning signs of trouble, and actions the organization can take to reduce loan losses

Optional: Consumer Lending Regulations is a refresher on how regulations apply to the lender's job. This course is not a replacement for your organization's formal compliance training, and is offered only to participants taking **Consumer Lending**.

CONSUMER LENDING REGULATIONS

1 LENDING REGULATIONS, PART 1

- Introduces the topic of lending regulations and how they impact lenders
- Includes in-depth information on the following regulations:
 - Community Reinvestment Act
 - Equal Credit Opportunity Act
 - Truth in Lending Act and TILA/RESPA disclosures
 - Fair Credit Billing Act
 - Consumer Protection in Sales of Insurance Regulations

2 LENDING REGULATIONS, PART 2

- Includes in-depth information on the following regulations:
 - Fair Credit Reporting Act
 - Fair and Accurate Credit Transactions Act (FACT Act)
 - Fair Debt Collection Practices Act
 - FTC Credit Practices Rule
 - Bank Secrecy Act and Anti-Money Laundering
 - Servicemembers Civil Relief Act
 - Military Lending Act

FIND OUT MORE ABOUT OMEGA PERFORMANCE TRAINING

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