

MARYLAND BANKING SCHOOL

BANK STUDY PROJECT

FIRST YEAR 2024

BANK CREDIT

INSTRUCTOR: Thomas W. Lofland

Select a loan – Consumer or Commercial that “went sour” in your Bank. Write up the case in two to five pages from either you own experience based on files and interviews with your own loan officers. Cases will be treated completely confidential by the instructor, so you need not change names, unless it is absolutely necessary to do so.

Your write-up should seek to analyze such things as:

- Why the loan looked okay at the time it was made.
- What particular factors most contributed to the loan’s disintegration?
- What, if any, mistakes did the bank make along the way.
- What good actions by the bank helped create some salvage?
- Policies and/or administrative principles that the case highlights.
- Anything else by the way of lessons learned from this case is worthwhile by products of your investigation.
- Whatever you think appropriate to such a post-mortem.

Remember that in this real-life project, you have the super-keen perception of hindsight. Recite fact, minimizing “editorial” comments, and don’t step on anyone’s toes or whitewash them either (even yourself if from personal experience). True critical analysis should always be constructive in nature. You may use some financial statements, loan applications, credit reports, spread sheets or ratio statistics for background, but be brief in the overall presentation. Seek to highlight or outline the salient fact and features rather than all the “sad stories” associated with such misfortunes.

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BANK STUDY PROJECT

FRESHMAN YEAR 2024

Consistent with the title of the course, your treatment should try to be from the perspective of the Bank President, Board of Directors, Senior Loan Officer, Credit Policy, or the Loan Committee, etc., rather than simply a credit case narrative. You are interested in the bank's interaction with the customer as much as if not more than, simply the customer's bad deeds or luck.

Seek a current loan situation for this case.