

# Commercial Real Estate Lending II: Underwriting

**March 3, 2023 | Oconomowoc, WI**

*Hosted by RMA and its Wisconsin Chapter*



## Course Overview

**Commercial Real Estate Lending II: Underwriting** provides a best practices approach to quantifying cash flows of various styles of CRE property for underwriting. Topics include:

- 1) the analytics necessary for a unified analysis for loan consideration
- 2) the lease review process
- 3) alternative methods to reach a valuation
- 4) testing loan performances
- 5) creating a loan structure that preserves cash flow.

This course is designed for practicing commercial loan officers and other lending or credit professionals who need to understand more complex real estate lending concepts. Participants are expected to have a basic understanding of commercial real estate lending or loan underwriting or to have completed RMA's Commercial Real Estate Lending I: Introduction.

### Duration

7.5 Hours

### Level

Intermediate

### Delivery

Instructor-Led

### Topic

Real Estate

## Audience

Chief/Senior Lender, Credit Administration/Department, Credit Policy Officer, Loan Review/Administration, Portfolio Management Officer, Relationship Manager/Lender, Underwriter/Analyst

## Modules

- Module 1: Understanding CRE Loan Performance
- Module 2: Calculating NOI and Analysis Measures
- Module 3: Identifying Common Features of Commercial Lease Agreements
- Module 4: Valuation Approaches
- Module 5: Testing Cash Flow
- Module 6: Extraordinary Lease Terms & Interim Valuation Techniques
- Module 7: Loan Structure
- Case Study: Riverside Station

## Objectives

Upon completion of this course, learners will be able to:

- Name risks to CRE loan performance and apply strategies to discover and quantify these risks.
- Interpret the economic and business characteristics of a lease and explain how those characteristics influence both expected net cash flow and lending risks.
- Apply best practices for loan structure terms and covenants to support the primary drivers of CRE performance
- Describe an appraiser's valuation process for commercial real estate property, including variances that can be caused by property performance, and the challenge in using market valuation for owneroccupied properties.
- Analyze extraordinary lease terms and apply effective-rent analysis to quantify their impact on cash flow and value.
- Perform breakeven, stress, and sensitivity analyses to test loan performance under adverse conditions.

**Register now by visiting <https://bit.ly/RMA-CREL2> or scan this QR Code:**



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