

Federal Reserve Board of Governors

# Course Description for Real Estate Lending Seminar

Last Revised: January 16, 2019

## Real Estate Lending Seminar

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### Course Overview

Real Estate Lending Seminar (RELS) is designed to provide a systematic approach to analyzing real estate acquisition, development and construction lending facilities. The course reviews various types of real estate projects and the unique risks. Topics include real estate underwriting standards, developer cash flow analysis, appraisals and appraisal policy guidelines, financing different types of real estate, real estate related accounting issues, problem real estate loan management, classification standards and issues and local economic conditions affecting real estate lending. RELS is an interactive forum, where participants are encouraged to share in classroom discussions and case studies.

### Overview of Curriculum

#### Day 1

- Types of Commercial Real Estate
- Commercial Real Estate Risk Management Framework
- The Real Estate Decision Strategy
- Loan Policies & Procedures
- Opportunity Assessment
- Ownership Structures

#### Day 2

- Market and Property Assessment
- Assessment of Primary Source of Repayment
- Real Estate Valuation

#### Day 3

- Global Financial Assessment
- Loan Structure and Covenants
- Risk Rating
- Construction Loan Analysis

#### Day 4

- Construction Loan Analysis (*continued*)
- Real Estate Loan Documentation and Portfolio Management
- Residential Lending

### Type of Participant Targeted

RELS is for individuals whose typical job assignments involve the credit quality evaluation of loan portfolios. The typical participant will have some exposure to real estate credits, along with three to five years of regulatory experience.

## **Prerequisites**

None

## **Class Size and Instructors**

The minimum class size is 15 participants and the maximum is 25. The seminar is instructed by are presented by professional instructors from Omega Performance and Federal Reserve Bank field examiners. Omega instructors provide a unique combination of real-world experience with professionally trained instructors. A System examiner will serve as a facilitator and instructor reinforcing System supervisory policy statements and relaying practical examination perspectives on an as-needed basis during group work and discussion.