

FINA 4397/SECTION 25090
CREDIT ANALYSIS
SPRING 2015, T 6-9 PM, 104 MH

Instructor: CHARLES GUEZ, Ph.D.

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Office Hours: By Appointment

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A. REQUIRED READING:

- Book:**
- 1. Bank Management
Timothy W. Koch and S. Scott MacDonald,
South-Western Cengage Learning, 8th Ed.**
 - 2. Wall Street Journal, MUST read everyday**

REQUIRED TOOL: BRING TI II B PLUS FINANCIAL CALCULATOR TO EVERY CLASS,
INCLUDING EXAMS. BRING RED SCANTRON FOR ALL EXAMS.

IMPORTANT ITEM:

GUEST LECTURERS ARE INVITED FOR THE BENEFIT OF THE STUDENTS, AND WILL TEACH MOST OF THE CLASSES. THESE ARE VERY IMPORTANT AND SUCCESSFUL BUSINESS EXECUTIVES WHO VOLUNTEER THEIR TIME AND EXPERTISE. CLASSES ON THOSE DAYS ARE MANDATORY AND THE SUBJECT MATTERS DISCUSSED IN THOSE PRESENTATIONS WILL BE INCLUDED IN YOUR FINAL SCORE.

B. COURSE OBJECTIVES : Study every aspect of making a Commercial Loan.

C. Academic Honesty:

The University of Houston Academic Honesty Policy is strictly enforced by the C. T. Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the University of Houston Student Handbook, <http://www.uh.edu/dos/hdbk/acad/achonpol.html>. Students are expected to be familiar with this policy.

D. Accommodations for Students with Disabilities:

The C. T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.

E. STUDENT EVALUATION

1. **Summaries:** After each session, students will send a SUMMARY of the presentation. Tests will be given throughout the semester. Will cover most recent material covered from book and class. (215 points).
2. **Project:** Individual research project by each student on Dodd-Frank Regulation of 2010. Due last day of class. (1 project- 100 points)
3. **Home works:** 45 points
4. **Contribution and Professional Conduct:** (40 points)

In accordance with the University’s Student Handbook, students in this class are expected to conduct themselves in a manner that is conducive to a learning environment (<http://www.uh.edu/dos/hdbk/slpolicies/expectations.html>). The contribution and professional conduct grade in this class is based upon the following tenets of the Handbook:

- **Be respectful:** Respect the learning/classroom environment and the dignity and rights of all persons. Be tolerant of differing opinions.
- **Be Courteous/Considerate:** Extend courtesy in discourse. Please do not interrupt speakers. Avoid distractions such as cell phones, beepers, and irrelevant discussions.
- **Be informed:** Familiarize yourself with the course and instructor expectations. Read the course Syllabus and other information posted on Blackboard.
- **Be punctual:** Attend classes regularly and on time. Instead of closing your notebook early, listen carefully to information given near the end of class; summary statements and instructions may be important. Moreover, leaving class early distracts from a lecture.
- **Be Participative/Curious:** Contribute and participate in class discussions; display interest during class by raising thoughtful and relevant questions that enrich discussions.
- **Be communicative:** Interact with the instructor and discuss assignments, grading and subject matter. Express complaints and concerns in a calm and respectful manner.

F. Assignment of Grades

Your grade in this course will be based upon the total number of points you earn during the semester. The following distribution for the assignment of grades will be strictly adhered to.

A	400-370	C+	319-307
A-	369-360	C	306-290
B+	359-347	C-	289-280
B	346-330	D	279-240
B-	329-320	F	230-0

CREDIT ANALYSIS, REVISED, 1/12/15, SPRING 2015
FINA 4397, SECTION 25090, T 6-9, ROOM 140 MH

SCHEDULE

- 1/20/15 B/S, AND I/S OF A BANK, ©, x, OK
JEFF DUNN, EVP, BANK OF TEXAS
ORIENTATION, x
CHAP 1: BANKING & THE FIN'L SERVICES INDUSTRY, x, **DR. GUEZ**
- 1/27/15 CHAP 2: GOV'T POLICIES & REGULATION, **DR. GUEZ**
CHAP 3: ANALYZING BANK PERFORMANCE, **DR. GUEZ**
- 2/3/15 CHAP 4: MANAGING NONINTEREST INCOME & NONINTEREST EXPENSES
CHAP 6: PRICING FIXED INCOME SECURITIES
CHAP 7: ASSET-LIABILITY MANAGING INTEREST RATE RISK: GAP
CHAP 8: MANAGING INTEREST RATE RISK: DURATION
DR. GUEZ, INTEREST RATE RISK
- 2/10/15 ASSETS LIABILITIES MANAGEMENT, x
MIKE McELRAY, EVP AND CFO, INTEGRITY BANK, ©
- 2/17/15 THE CREDIT DECISION
JIM RECER, EVP, BBVA/COMPASS, x
ERIC ENSMANN, EVP, BBVA/COMPASS, ©, X
CHAP 13: OVERVIEW OF CREDIT POLICY
CHAP 14: EVALUATING COMM'L LOANS & MANAGING CREDIT RISK
CHAP 15: EVALUATING CONSUMER LOANS.
- 2/24/15 CREDIT DECISION: CASE STUDY, x, OK
ADAM BRENNEN, SVP, AMEGY BANK, ©
- 3/3/15 CASE STUDY 1,
BILL BOBBORA, CADENCE BANK, ©, PHILLIP BANNON, CADENCE BANK, ©
DR. GUEZ
- 3/10/15 CASE STUDY 2,
BILL BOBBORA, CADENCE BANK, ©, PHILLIP BANNON, CADENCE BANK, ©
DR. GUEZ
- 3/24/15 BANKING ROUNDTABLE: CHALLENGES FACING THE BANKING INDUSTRY, ©
PANELISTS: Charles "Mack" Neff, Integrity Bank, Roland Williams, Post Oak Bank,
- 3/31/15 REAL ESTATE: COMMERCIAL DEVELOPMENT LOAN, OK
IRMA L. CARVAJAL, JPMORGAN, ©, OK
- 4/7/15 STRUCTURING: TERM VS. W/K LINE, x
MARK WAYNE, SVP & MGR, AMEGY BANK, ©, OK
- 4/14/15 UNDERWRITING
CHRISTIAN CORTS, VP, BB&T, ©, OK
WHAT HAPPENS WHEN LOANS GO BAD
KEITH MORTON AND PATRICK MIKKELSEN, CAPITAL ONE BANK. OK, OK
- 4/21/15 MOCK LOAN COMMITTEE
OK APRIL BAILEY, AMEGY BANK, ©, OK IFEOMA HARPER, JPM ©, OK MIKE JIANG, BANK OF TEXAS, ©
- 4/28/15 LETTERS OF CREDIT
ALEX LARA, JP MORGAN-CHASE©, x, OK
- 4/28/15 Student project due: Recent Developments in Dodd-Frank Regulation

This Syllabus may be modified as needed during the semester. Any changes will be posted on Blackboard.