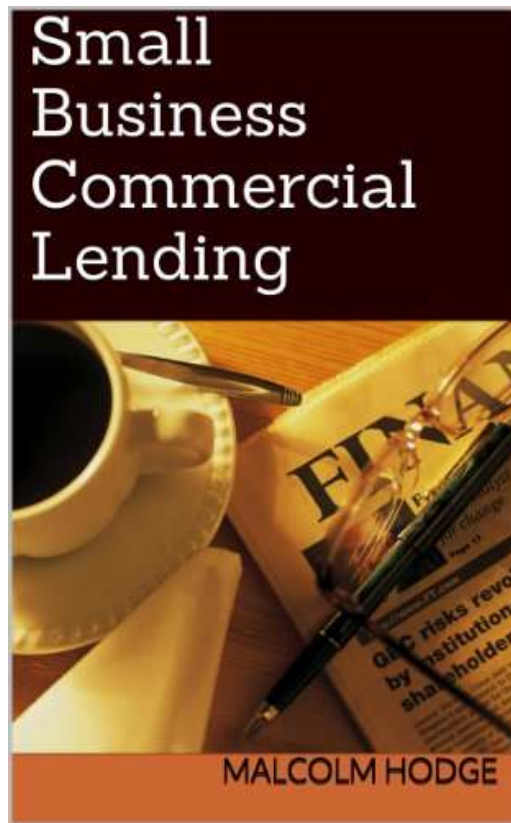


Introducing a Book:
Small Business Commercial Lending
Author: Malcolm Hodge
Kindle Edition



Courtesy: https://www.amazon.com/Small-Business-Commercial-Lending-Malcolm-ebook/dp/B00DBG0I84/ref=sr_1_3?dchild=1&keywords=Small+business+commercial+lending&qid=1625416713&s=books&sr=1-3

Small Business Commercial Lending by **Malcolm Hodge** is highly recommended to all those who seek employment in banks and plans to have **banking** as their career. It is a useful book for all the employees of banks, especially for those who may be assigned or are already assigned responsibility for commercial lending. The focus of the book is on small business commercial lending. Small businesses are an essential business sector even in the so-called developed nations with impressive economy and living standards. It is more so in countries like India, where business activity is small business is oriented. Schemes to support self-enterprises for women are becoming

very popular in India. Frequent visits to banks for suitable loan by businesspersons are common, and in almost every branch there is a business activity oriented section.

Small Business Commercial Lending by **Malcolm Hodge** has, among other things, focus on the acronyms and commercial lending slang, commonly used by the bank staff. Beginners will have great difficulty in understanding and using the words and phrases that form part of the acronyms and commercial lending slang. Customers will always have difficulty in understanding these terms and their implications as applied to their loan applications, etc. We all will find this book very useful. The author correctly points out that these acronyms and commercial lending slang are “just a different world, and often more confusing world”.

Small Business Commercial Lending by **Malcolm Hodge** has several chapters/sections.

1. Commercial Lenders – A Brief Description presents Commercial Lenders as “a risk-averse community”. Correct decisions over 99% are demanded. Character of the people who request for credit is an important part of the decision process. Do the customers who seek loan have a history of making sound business decisions? This section shows us an effective path to understand commercial lending.

2. So You’re a Freshly Minted Commercial Loan Officer (or want to be one) ,,, Now What? How to attract and bring in low risk customers and make money both for the customers and the bank (the lender) is the main focus here. The author presents the Five Cs of Credit: Character, Capacity, Capital, Collateral, and Conditions.

3. How to Build a Client Base. This section presents an “outline to develop business clients for your bank.” Identifying the Target Market is an important element here. You need to understand the strengths and weaknesses of your bank as well.

4. Formulating & Executing Your Plan. Start with an ordinary (“mediocre”) that may be well executed rather than beginning with a “great” plan. More often than not, enthusiasm among the beginners is to organize a great or grand plan, which could easily end in failure and loss to the bank. This section/chapter gives interesting examples and very useful suggestions and steps for success. Please read this section/chapter several times to absorb the suggestions and to practice them.

5. The Underwriting Process in Greater Detail.

6. Spreading Financial Statements.

7. Napkin Analysis. This helps the bankers “to quickly determine the risk profile of the prospective client.” You could write it even on the back of a restaurant napkin! An interesting, encouraging, and enlightening chapter.

8. Financial Statement Analysis.

9. Loan Covenants. What are Loan Covenants? Why do banks have loan covenants? Which Covenants should be used? Like other chapters, this chapter also presents essential elements of the

topic and train the bankers how to use the loan covenants, etc. Every piece of information given in this chapter is important.

10. Guarantor/Individual Analysis.

11. Overall Account Management.

12. Workout Loans

13. Some Examples of Commercial Lending Horror. There are many horror stories reported every month or every year in Indian newspapers. Some of these are sad stories, some are stories of financial and industrial villains!

14. A Tiger Doesn't Change Its Strips.

15. Concentrations.

16. Contractors.

17. If You Don't Understand It.

18. Interim Financial Results.

19. Loans Outside of Your Market Area.

19. Trust Your Instincts.

20. Pillars of the Community. “Character and integrity are wonderful traits in a borrower but they do not trump other basic lending fundamentals.”

21. Specialized Collateral.

22. Money Masks Mistakes.

23. Owner vs. Manager.

24. Words To Live By.

Most of the chapters offer real life examples, narrate the story, identify the result and lessons we can learn from them – all relating to Small Business Commercial Lending.

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