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**Introducing a Book:**

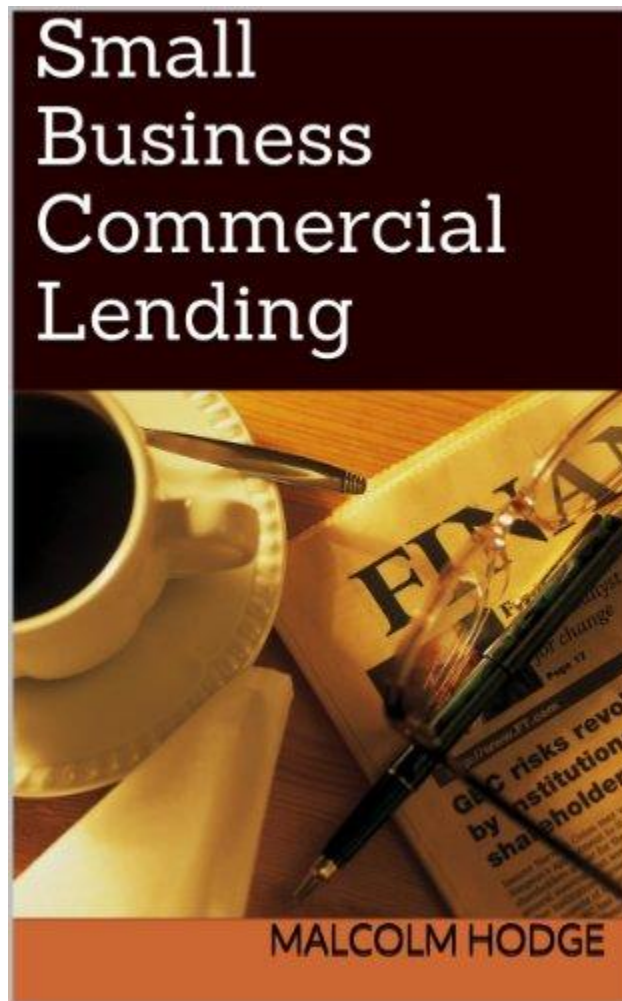
*Small Business Commercial Lending*

**Author: Malcolm Hodge**

**Kindle Edition**

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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=1634248414&s=books&sr=1-3](https://www.amazon.com/Small-Business-Commercial-Lending-Malcolm-ebook/dp/B00DBG0I84/ref=sr_1_3?dchild=1&keywords=Small+Business+Commercial+Lending&qid=1634248414&s=books&sr=1-3)

*Small Business Commercial Lending* by Malcolm Hodge focuses on training individuals as commercial lenders. In the Indian context we may say that the focus is on banking employees

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Introducing a Book: *Small Business Commercial Lending*

Author: Malcolm Hodge

insurance companies, and chit fund companies, etc. to train them as efficient commercial lenders. Analytical skills, effective communication through written reports and oral presentations are taken as the basic skills. The book *Small Business Commercial Lending* by Malcolm Hodge has the following sections:

### **Commercial Lenders - A Brief Description**

This section includes suggestions to look at the character of the people or the company making the request whether they are able to make sound financial decisions, are they in a position or business that would enable them to return the loans they receive, etc. They need to remember that both the banks and the clients need to make money.

### **So You're a Freshly Minted Commercial Loan Officer (or want to be one) ...Now What?**

This section discusses the Five Cs of Credit: Character, Capacity, Capital, Collateral and Conditions (state of the economy and the borrower's industry).

### **How to Build a Client Base**

A Commercial Lender needs to identify his or her target market - let the target market be medium size - neither too large nor too small. Geographical area also needs to be identified and specified. In India, the banks delimit each of their branch's domain. Sometimes they also identify specific business variety as the targets.

### **Formulating & Executing Your Plan**

Several items such as identification of centres of influence, existing client referrals, networking groups, speaking engagements, etc. are suggested. What is most important step is executing a plan (it could be mediocre) efficiently. Collecting financial documents from the credit seeker is a very important step. Analysis of the financial statements submitted is another important step. Payment history, financial judgments, bankruptcy if any in the past, etc. are all important elements of analysis. Accuracy and completeness of application submitted are also very important.

### **The Underwriting Process in Greater Detail**

#### **Spreading Financial Statements**

#### **Napkin Analysis**

#### **Financial Statement Analysis**

#### **Loan Covenants**

#### **Guarantor/Individual Analysis**

#### **Overall Account Management**

#### **Workout Loans**

#### **Some Examples of Commercial Lending Horror Stories**

**A Tiger Doesn't Change its Stripes**

**Concentrations**

**Contractors**

**If You Don't Understand It**

**Interim Financial Results**

**Loans Outside of your Market Area**

**Trust Your Instincts**

**Pillars of the Community**

**Specialized Collateral**

**Money Masks Mistakes**

**Owner vs. Manager**

**Words to Live By**

Perhaps one could start reading the last section **Words to Live By** of this book. This section has sayings from great writers, poets and philosophers on banking, etc. Some are funny statements, some are humorous, and critical. But all these carry insightful statements about loan and repayment of loan, etc.

This is a very useful book for all who work in banks and other types of financial corporations. A Commercial Lender is in every branch of these corporations and banks. Sometimes there may not be any separate commercial lender, but the assistants and assistant managers, etc. may perform these duties. This book is very helpful for all of us who want to borrow money for various activities.

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M. S. Thirumalai, Ph.D.

[msthirumalai2@gmail.com](mailto:msthirumalai2@gmail.com)