

Loan Security Perfection – Principles, Practices & Case Studies

2 Days

COURSE OVERVIEW

This intermediate loan security course aims at raising competencies of loan administration staff and corporate banking relationship managers on the review of draft legal documentation and ensuring documentation/registration of the collateral proposed in the credit/loan application have been properly completed prior to loan drawdown. Participants will acquire the knowledge and techniques on reviewing legal documentation, the registration of security and implementation of loans using checklist in ensuring compliance.

LEVEL

Intermediate

WHAT WILL I GET OUT OF IT?

At the end of the program, participants will be able to:

- Apply the principles and practices pertaining to different types of collateral;
- Differentiate types of security documentation and key clauses in each of the documentation – mortgage, pledge of fixed deposit, charge, debenture (fixed & floating), lien, hypothecation, assignment, letter-of-se-off;
- Review of legal documents as well as the registration of the collateral; and
- Ensure documentation/registration of the collateral proposed in credit/loan application have been properly completed prior to loan drawdown using a checklist approach.

WHO'S IT FOR?

- Credit Admin executives and managers
- Relationship managers
- Branch managers
- Credit audit managers

COURSE CONTENT

Day 1

Unlocking the logic behind the loan security (collateral)

- The meaning of the term security (collateral) in lending business
- Lending and security (collateral) in Singapore
- Different types of collateral such as fixed deposit, shares, machinery, land & building, export credit risk insurance
- Quasi security such as guarantees, letters of intent/comfort/awareness
- What are pledge of fixed deposit, mortgage, charge, debenture (fixed & floating charges), lien, hypothecation, assignment, letters of set-off
- Workshop 1: What are the major considerations of a pledge of fixed deposit? Do you need to register the pledge of fixed deposit? What is garnishee order?
- Related insurance coverage on security Legal opinion on accepting corporate or personal guarantees from foreign corporations or foreigners

Case study: taking collateral (security) – depends on the nature of lending

Day 2

Examining various types of security and key clauses including lender's rights and reviewing legal documentation and implementation of drawdown using checklist in ensuring compliance

- Different types of security documentation and key clauses in each of the documentation – mortgage, pledge of fixed deposit, charge, debenture (fixed & floating), lien, hypothecation, assignment, letter-of-se-off
- Lender's rights under different types of security documentation and key legal implications (highlight)
- Registration vs. non-registration of charges/mortgages?
- Corporate mandates/common seal required for execution of security documents
- Duties of a security agent
- Specimen of some legal documents: facility letters, legal mortgage on a third party property
- Workshop 2: What are the major considerations in a facility letter?
- Review of legal documentation, e.g., mortgages, fixed deposit, letter of guarantee, assignment of insurance, contracts, escrow account (based two selected samples for discussions)
- Checklist to ensure full implementation of all legal documentation, registration of security, conditions precedent and other terms before loan drawdown

Case study: review of a mortgage document – comments on the document pertaining to lender's protection