Forward to the Fundamentals

RMA's First Step in Assessment
If eMentor were a child, it would be an overachiever. More than a premier source of industry information, eMentor continues to demonstrate its superior usefulness as a blended learning solution for a broad range of bank training needs. Now included in the subscription price are self-scoring tests on each section of commercial lending for U.S. and Canadian banking. (The commercial real estate test is for U.S. banking only.)

The Knowledge Base
Ever since eMentor was launched in January 2002, trainers have benefited from the knowledge base of core credit concepts digested from RMAs open enrollment classroom series. Originally labeled “Business Processes,” this section of eMentor presented a lending life-cycle model for organizing the fundamentals of credit, beginning with commercial lending and expanding to include commercial real estate and basic concepts in middle market lending. Since the product’s redesign in July 2006, we have consolidated our materials under the more apt label “Best Practices,” which now includes articles from The RMA Journal promoting banker-to-banker perspectives on credit and lending issues.

Subscribers Lead the Way
During a recent analysis of usage patterns in eMentor, we noticed that certain institutions were systematically using the knowledge base. After interviewing several administrators and supervisors, we discovered that our best practices were being assigned as a component of a training program, and these very same supervisors were often creating their own tests to validate whether their trainees had met their learning goals.

Our focus group, comprising a cross-section of eMentor subscribers (community banks, large-asset-size banks, and government regulatory agencies), recommended that RMA create self-scoring tests with the help of subject matter experts also trained in question creation. And so we proceeded.

About the Fundamentals
Our self-scoring Fundamentals Exams now allow our subscribers to assign, track, and validate trainees’ progress in their mastery of the core knowledge areas in commercial credit risk. The Fundamentals Exam consists of 180 questions in commercial lending and 83 questions in commercial real estate. (See the chart for a complete list of subject areas.) Every administrator can invite any registered user of eMentor to take the tests. The exams are entirely self-paced. As recommended by our focus group, passing scores are calculated as 80% correct responses. If the trainee doesn’t attain a passing score, he or she is provided with links to the knowledge base of eMentor for further review. A trainee may retake the exam up to three times. If the trainee still does not pass the exam, a supervisor may reassign the exam or suggest other methods for the remediation of training needs. All supervisors can generate reports that provide detailed data on test assignments and success rates.

Supervisors can preview all questions for each module along with the correct answer and rationale. Once a trainee has taken a test, the supervisor will be able to review how the trainee answered every question. This detailed feedback has allowed our subscribers to chart detailed learning plans for their trainees.

The Fundamentals Exam is the entry point to RMA’s assessment product family. It is the first stage in mastering core commercial lending and commercial real estate knowledge, thus preceding RMAs Diagnostic Assessment. (See the chart for fuller details.)

Conclusion
User surveys have continually confirmed the importance of eMentor’s best practices in blended learning solutions. These best practices have been used to provide a foundation for new hires fresh out of school, for new “experienced” hires from other institutions, and for employees recently promoted and new to commercial lending. In all cases, subscribers have eagerly exploited eMentor as a cost-effective solution to their training needs.

RMA will continue to enhance the training potential of its premier knowledge base. Please watch for future articles on our newest training addition to eMentor, eCases, as well as our planned suite of e-learning modules and our Assessment Center, all available to our subscribers via eMentor.

For more information about RMA’s e-products, please contact Dominic DiBernardi by e-mail at ddbernardi@rmahq.org.
## About RMA

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Visit [www.rmahq.org/rma/ementor](http://www.rmahq.org/rma/ementor) to learn more about how eMentor can help you work smarter, connect with your customers, and keep on top of the competition.

As a credit leader, you’re responsible for making sure your bank’s credit quality is high. Can you call up the hard data you need to make sound credit decisions, or are your resources all over the map? When reputations are on the line—yours and your bank’s—every decision counts.

Find Out More About eMentor

### eMentor Features

- **Self-paced.**
- **Access via personal computer.**
- **Online.**

Get all the industry intelligence you need in one place: eMentor. It’s your first stop on the road to success.

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## Fundamentals Exam

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<th>Minimum years of credit risk experience</th>
<th>Objective</th>
<th>Format</th>
<th>Delivery</th>
<th>Exam creation/scoring</th>
</tr>
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</table>

### Expertise areas

- **Commercial Lending (US and CA in English/French):**
  1. Getting to the Customer
  2. Analyzing Non-Financial Risks
  3. Understanding the Numbers (divided into two modules)
  4. Structuring the Deal
  5. Pricing the Deal
  6. Presenting the Deal
  7. Closing the Deal
  8. Monitoring the Relationship
  9. Dealing with Problem Loans

- **Commercial Real Estate (US):**
  1. Getting to Know the Real Estate Customer
  2. Analyzing Non-Financial Real Estate Risks
  3. Understanding Real Estate Underwriting
  4. Understanding Real Estate Appraisals
  5. Structuring Real Estate Loans
  6. Pricing the Deal
  7. Presenting the Deal
  8. Closing Real Estate Loans
  9. Monitoring Real Estate Loans
  10. Dealing with Problem Real Estate Loans

### Preparation

- Required reading (read through every page per module in eMentor).

### Administration

- eMentor administrator assigns users to take the exam through eMentor.
- Scoring is revealed to user, but correct/incorrect responses are revealed only to institutional administrator.

### Cost

- Included in eMentor subscription price prorated by institution’s asset size.

## Diagnostic Assessment of Credit and Lending Skills

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Identify training supervisor areas of mastery/weakness of application skills based on core credit knowledge.</td>
<td>Multiple-choice exam.</td>
<td>Online. Access via personal computer. Self-paced.</td>
<td>Practicing bankers define application skills.</td>
</tr>
</tbody>
</table>

### Expertise areas

- **Diagnosing (US):**
  1. Financial Accounting
  2. Risk Assessment
  3. Financial Statement Analysis
  4. Cash Flow Analysis
  5. Loan Structuring and Pricing
  6. Documentation and Compliance
  7. Early Detection of Potential Loan Problems
  8. Real Estate

- **Diagnostic Assessment (CA in English and French):**
  1. Financial Accounting
  2. Financial Statement Analysis
  3. Cash Flow Analysis
  4. Industry, Business and Management Risk
  5. Loan Management
  6. Loan Structuring
  7. Legal Documentation Issues (except Quebec)
  8. Legal Documentation Issues (Quebec)

### Preparation

- No preparation.

### Administration

- Administrator purchases number of “seats” and assigns them to examinees.

### Cost

- Included in eMentor subscription price prorated by institution’s asset size.

## Credit Risk Certification

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Validate higher-level evaluation and application skills.</td>
<td>Multiple-choice exam.</td>
<td>Computer-based. Administered at designated Vue Pearson test centers with required pre-registration. Fixed time: five hours.</td>
<td>Practicing bankers define professional expertise.</td>
</tr>
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### Expertise areas

- **Dimensions (US and CA; CA English only):**
  1. Evaluating the Client’s Industry
  2. Assessing Management Strategies
  3. Financial Assessment of the Client
  4. Strength and Quality of Cash Flow
  5. Collateral
  6. Loan Structuring and Documentation
  7. Problem Loan Awareness and Actions

### Preparation

- No preparation.

### Administration

- Individual applies for Credit Risk Certification and, if accepted, is given access to the practice test and registration information that allows for self-scheduled examinations during the spring and fall windows.

### Cost

- Included in eMentor subscription price prorated by institution’s asset size.

- **For stand-alone online version:**
  - **RMA members:** US $150
  - **Nonmembers:** US $225

- **For eMentor version:**
  - **RMA members:** US $200

- **US $495** for RMA members and **US $695** for nonmembers (per person).