MASTERING COMMERCIAL LOAN DOCUMENTATION

From term sheet to closing, gain confidence in every step of loan documentation.

Presented by Clint Hooppaw | Highpoint Advisors LLC

Modules and Learning Objectives

Module 1: The Documentation Mindset

In this module, attendees will:

- Recognize the strategic importance of loan documentation and how documentation quality directly affects institutional risk, credit quality, and enforceability.
- Identify the most common documentation errors, omissions, and assumption gaps that create downstream problems in commercial lending.
- Reframe the documentation role from administrative task execution to a key risk-management and mitigation role.
- Assess where documentation breakdowns most often occur in their own institution and begin building a shared vocabulary for diagnosing and addressing those gaps.

Module 2: Entity Types & Borrower/Guarantor Obligations

In this module, attendees will:

- Identify common commercial borrower entity types and understand how each affects documentation requirements.
- Understand how entity structure determines who has authority to sign loan documents and what authorization documentation is required.
- Recognize the role of guarantors in commercial lending and understand how guaranty obligations differ based on entity structure and transaction type.
- Identify the documentation required to establish borrower and guarantor identity, authority, and obligation.

Module 3: The Core Loan Document Suite

In this module, attendees will:

- Understand the purpose and function of each core commercial loan document, including the promissory note, mortgage, security agreement, assignment of leases and rents, and UCC financing statement.
- Identify the specific elements within each document that operations and lending staff should review for accuracy and completeness.
- Recognize how documentation errors and omissions undermine the institution's collateral position and enforceability.
- Apply a structured document review approach that builds confidence without overstepping appropriate roles.

Module 4: Loan Document Checklists

In this module, attendees will:

- Understand how comprehensive checklists prevent documentation errors, reduce closing delays, and strengthen the overall loan documentation process.

- Identify the relationships between different document requirements and recognize how gaps in one area create problems in another.
- Use the checklist as a communication tool that keeps internal teams, borrowers, and third parties aligned throughout the documentation and closing process.
- Apply the checklist as an accountability tool that assigns clear ownership, tracks progress, and surfaces issues before they become problems.

Module 5: Doc Prep Systems vs. Attorney-Prepared Documents

In this module, attendees will:

- Understand the distinction between document preparation software systems and attorney-prepared loan documents, and when each is appropriate.
- Recognize the benefits and limitations of document preparation systems, including standardization, efficiency, and the risk of errors in complex or non-standard transactions.
- Identify the types of transactions that warrant attorney preparation or review, and understand the institution's responsibility regardless of how documents are prepared.
- Apply a structured review approach to documents prepared by either method, focusing on accuracy, completeness, and consistency with loan approval terms.

Module 6: New Loans, Renewals, Modifications, Waivers & Forbearances

In this module, attendees will:

- Recognize how documentation requirements differ across transaction types, including new originations, renewals, modifications, waivers, and forbearance agreements.
- Identify the specific documentation required for each transaction type and understand the legal and operational implications of getting it wrong.
- Understand the risks associated with informal modifications or undocumented waivers, and apply best practices for capturing changes in writing.
- Apply a consistent review approach to each transaction type that protects the institution's legal position and ensures enforceability.

Module 7: Guaranty Requirements & Risk

In this module, attendees will:

- Understand the types of guaranties used in commercial lending — including personal, corporate, limited, and carve-out guaranties — and when each is appropriate.
- Recognize how guaranty requirements are determined by entity structure, loan type, and institutional policy, and what happens when guaranty coverage is incomplete.
- Identify the key provisions within a guaranty agreement that affect its enforceability, including payment versus collection guaranties, waivers of defenses, and spousal consent requirements.
- Understand the impact of guarantor relationships on institutional risk, and develop strategies for communicating guaranty requirements to borrowers clearly and professionally.

Module 8: Monitoring & Enforcing Loan Terms

In this module, attendees will:

- Understand how loan covenants, reporting requirements, and post-closing conditions are documented and why ongoing monitoring is essential to credit quality.

- Identify the most common covenant violations and post-closing documentation failures, and understand the operational steps required to address them.
- Apply a structured approach to tracking covenant compliance, financial reporting deadlines, and collateral monitoring requirements across a multi-loan portfolio.
- Recognize the documentation required when a borrower fails to meet loan terms, including default notices, cure periods, and reservation of rights letters.

Module 9: Integration & Career Application

In this module, attendees will:

- Develop a personal action plan for implementing course concepts within their institution, including specific priorities, timelines, and measures of success.
- Identify how mastery of loan documentation fundamentals creates a foundation for career advancement into senior operations, credit, relationship management, or leadership roles.
- Recognize the strategic value accurate and complete documentation brings to their institution and commit to one behavior, one tool, and one change they will apply immediately.

Resources & Templates

Attendees will be provided with the following templates and resources they can implement right away:

- Loan Document Checklist Template
- Entity Documentation Checklist
- Guaranty Requirements Reference Guide
- Covenant & Post-Closing Tracking Template
- Document Preparation System vs. Attorney-Prepared Comparison Guide
- Commercial Loan Documentation Glossary