



# Loan Participations

October 2014

**D**uring the 2007-2009 financial crisis, as the number of troubled loans grew, lenders who had purchased or sold loan participations in those troubled loans faced the additional challenge of coordinating loan workouts with a lead lender or a participant who had their own ideas as to how to deal with the problem loan. More often than not, a participant's involvement in choosing an appropriate course of action was dictated by the terms of the participation agreement or the financial condition of the lead lender. In some cases, it was a lender's reliance on participations that contributed to the lender's insolvency and ultimate failure. To avoid a recurrence of the problems that lead lenders and participants faced during the great recession, it is essential that lenders learn from their mistakes and structure participations appropriately.



With this in mind, Aldrich & Bonnefin is pleased to invite you and your commercial lending staff to our Seminar covering the fundamentals of loan participations, as well as a checklist for the review of a form of participation agreement both as an initial matter and in the face of a troubled loan. This Seminar will also provide an excellent networking opportunity for lenders seeking to sell loan participations and lenders seeking to purchase participations.

## HIGHLIGHTS

### Regulatory Issues Affecting Loan Participations

- Lending limits
- Appraisal requirements
- Customer identification program

### Structuring and Documentation

- Contributions and collections
- Lead lender's duties and liability
- Administration of the loan

### Dealing With a Problem Loan in a Participation

- Who makes the decisions
- Dealing with the parties' failure to agree

### Loan Participations Among Affiliates

- Regulation W
- State law requirements

Speaker



**Eric G. Baron, Esq.**, a principal of Aldrich & Bonnefin, PLC, has been serving Bankers' Compliance Group members for over 23 years. Mr. Baron specializes in commercial and real estate lending, commercial loan workouts, letter of credit transactions, loan participations, loan syndications, as well as environmental law, bankruptcy issues and employment law matters. Prior to becoming an attorney, Mr. Baron worked as a commercial loan officer with a regional bank in Washington D.C.



Our **Loan Participations Seminar** will be held from **8:30 a.m. - 3:00 p.m.** in the following locations. **You will need to note the specific location you are attending as hotels can vary from month to month.**

LOCATIONS:	DATE:	HOTEL INFO:	PARKING:
MONROVIA	Thursday, October 2 Registration closes at noon on 9/26	<b>Courtyard Marriott</b> 700 W. Huntington Drive, (626) 357-5211	Free self-parking is available.
SANTA CLARA	Wednesday, October 8 Registration closes at noon on 10/2	<b>Santa Clara Marriott (NEW LOCATION)</b> 2700 Mission College Blvd., (408) 988-1500	We validate for self-parking only.
SAN FRANCISCO	Thursday, October 9 Registration closes at noon on 10/3	<b>Palace Hotel</b> 2 New Montgomery St., (415) 512-1111	We validate for hotel valet-parking only.
ONTARIO	Tuesday, October 14 Registration closes at noon on 10/8	<b>Ontario Doubletree</b> 222 North Vineyard Ave., (909) 937-0900	Free self-parking is available.
SACRAMENTO	Thursday, October 16 Registration closes at noon on 10/10	<b>Sheraton Grand Sacramento Hotel</b> 1230 J St., (916) 447-1700	Validated self-parking is available in garage on 13th Street, between I and J Streets. Valet-parking not validated.
GARDEN GROVE	Friday, October 17 Registration closes at noon on 10/14	<b>Anaheim Marriott Suites</b> 12015 Harbor Blvd., (714) 750-1000	Free self-parking is available.
SANTA BARBARA	Wednesday, October 22 Registration closes at noon on 10/16	<b>Four Seasons Resort, The Biltmore</b> 1260 Channel Dr., (805) 969-2261	Free self-parking is available.
WOODLAND HILLS	Thursday, October 23 Registration closes at noon on 10/17	<b>Warner Center Marriott</b> 21850 Oxnard St., (818) 887-4800	We validate for self-parking only.
LOS ANGELES	Friday, October 24 Registration closes at noon on 10/20	<b>LAX Airport Marriott</b> 5855 West Century Blvd., (310) 641-5700	We validate for self-parking only.
SAN DIEGO	Monday, October 27 Registration closes at noon on 10/21	<b>Marriott Mission Valley</b> 8757 Rio San Diego Dr., (619) 692-3800	We validate for self-parking only.

**REGISTRATION:** To register for this Seminar, please contact your institution's Main Contact, or if you are authorized, log in at <http://register.bankerscompliancegroup.com/subadmin> and select "Register for Events." We recommend that you register as soon as possible as registrations are accepted on a first-come, first-serve basis. If you haven't registered online with us before, contact Paige Tyler at 800-742-3600 or [PTyler@ABLAWYERS.COM](mailto:PTyler@ABLAWYERS.COM) for assistance or to obtain a username and password.

**REGISTRATION FEES FOR NON-MEMBERS:** Non-member registration fee is \$750 for the first person attending from an institution and \$450 for each additional person from the same institution. To attend this Seminar, pre-registration and confirmation is mandatory. **Non-members may pay by credit card or check.** To pay by credit card, follow the credit card instructions during the online registration process. Major credit cards are accepted. To pay by check, make checks payable and mail to **Aldrich & Bonnefin, PLC, P.O. Box 19686, Irvine, CA 92623-1029** and indicate the event you are registering for. Non-member registration fees (less \$50) will be refunded only if cancellation notice is received **5** business days prior to the Seminar date.

**MATERIALS:** For this Seminar, Standard Procedures Manual #14, "Loan Participations," will be updated. Only those attendees designated by their institution will receive a Manual. All registered attendees will receive a Discussion Outline. Members Only may purchase additional copies of SPM #14 during August for \$25.00 per copy plus applicable sales tax.

**FOOD:** A continental breakfast will be provided. You will be on your own for lunch.

**ATTIRE:** Dress accordingly as the temperature in ballrooms can fluctuate.

**DISABILITIES:** If you require special accommodation in order to fully participate in the Seminar, please call Paige Tyler at 800-742-3600 to discuss your specific needs.

#### **ACCREDITATION**

**MCLE:** Aldrich & Bonnefin, PLC certifies that this activity conforms to the standards for approved education activities prescribed by the rules and regulations of the State Bar of California governing MCLE. This activity has been approved in the amount of **4.75** hours.

**CRCM:** Certified Regulatory Compliance Managers must submit a request for approval directly to the Institute of Certified Bankers in order to receive continuing education credit ([www.icbmembers.org](http://www.icbmembers.org) and click on "Submit Continuing Education Credits"). This activity **may** be eligible for **6** continuing education credit by the ICB.

**CPE:** Aldrich & Bonnefin, PLC follows Continuing Education (CE) regulations as outlined in the California Accountancy Act. CE may be obtained for Certified Public Accountants and Public Accountants. This activity is eligible for **4.75** hours of CPE Continuing Education credit.