

BankingToday 2.0

Lending activities

Updates edition 2009 – February 2012

Blended learning material co-developed by Compendio and Crealogix

Technical coaching: CYP, Center for Young Professionals in Banking

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www.bankingtoday.ch

www.compendio.ch
www.crealogix.com

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Corrections and new content (February 2012)

The banking sector is constantly evolving, which means that Banking Today 2.0 training course content needs to be updated annually. We believe it is essential to offer up-to-date learning material.

In view of this commitment, Compendio Bildungsmedien will publish an updated and revised edition of Banking Today 2.0 at the beginning of every school year.

This present update provides the most current information possible to those who purchased the first 2009 edition.

- This edition will be updated and published in early February for three consecutive years on the Banking Today website (www.bankingtoday.ch).
- This method ensures that all modifications and additions to learning content are available to students preparing for final examinations in spring and summer.

Tip: For study purposes, we recommend that you review these new modifications and additions as soon as possible and incorporate them into the learning material. This will give you an initial overview of the changes and make it easier to retain them.

	Financing 1: Introduction to credit
Page 55 Last paragraph	Explanations for Annuity On the basis of the numbers in figure 37, almost half the repayment of the interest due is missing at the beginning of the credit (and not more than half as incorrectly stated).

	Financing 2: Asset-based lending, credit against receivables, guaranteed credit and unsecured credit
Page 47 Figure 29	Amend content as follows: Verifying credit capacity <ul style="list-style-type: none"> • Balance sheets and income statements from previous 3 financial years, including cash flow statement • Budget • Liquidity plan and statement • Investments • Business plan • Trade register certificate • Current orders (order book) Verifying credit standing <ul style="list-style-type: none"> • One-on-one meetings, visit of company premises • Company organisation chart • CV, diplomas, plus other information on CEO and board of directors • Debt collection statements • Presentation / company web site • Current market and competitive situation

	Financing 3: The mortgage business
<p>Page 14 Chapter 1.4</p>	<p>Since 1 January 2012, a revised property law has been in force for land. It has brought in many changes. For the text of this course book, the following aspects are important:</p> <ul style="list-style-type: none"> o Creation of an electronic land registry o Abolition of ground rent as a contractual mortgage o Innovations regarding the legal encumbrance known as "builder's lien" o Introduction of the registered mortgage note <p>Electronic Land Registry</p> <p>The details on the land registry are still valid. However, the following information should also be added.</p> <p>The land registry is currently managed on paper. Over the next few years, this is set to gradually change. The electronic management of the land registry will be introduced with the electronic land registry information system (egris), which will enable the banks and other interested parties to obtain fast and up to date, reliable information on the legal relationships associated with a lot of land. The costly acquisition of an extract from the land registry will no longer be necessary. It will take a few more years until such an electronic land information system is fully functional.</p>
<p>Page 22 Figure 11 and subsequent note</p>	<p>Abolition of Ground Rent</p> <p>Figure 11 on the types of contractual mortgages should be amended as follows:</p> <ul style="list-style-type: none"> o The very rare "Ground rent [Gült]" type of contractual mortgage has been deleted and not replaced. <p>There also two new contractual mortgage rights, the conventional mortgage and the mortgage note.</p>
<p>Page 23 Statutory mortgage rights with entries in the land registry</p>	<p>Builder's Lien</p> <p>The following new additions are significant to builder's lien:</p> <ul style="list-style-type: none"> o Under the new law, builder's lien also applies for demolition work, scaffolding and excavation safety work.
<p>Page 26 and page 28 Chapter 2.3</p>	<p>o Furthermore, the entitled party now has four months rather than the previous three months from completion of the building work in which to lodge his or her entitlement to the mortgage right.</p> <p>Introduction of Registered Mortgage Note</p> <p>The information on mortgage notes in chapter 2.3 is still valid. However, information on the registered mortgage note, introduced on 1 January 2012, must also be added.</p> <p>The following information replaces the section "Overview of Proposed Changes - the registered mortgage note"</p> <ul style="list-style-type: none"> o The previous mortgage note is a security. Its creation and retention are therefore costly and expensive. The new registered mortgage note is paperless. It is created by the entry in the land registry and it is also transferred by means of changes in the land registry. o These properties make the registered mortgage note great value for money. The costs of preparation, retention and transmission between the land registry, notary and bank are all no longer necessary. Other advantages include the fact that there is no risk of loss, doing away with the expensive declaration of invalidity in the event of loss. o The previous mortgage note in paper form will continue to exist. Existing mortgage notes can be converted, or they may be left as they are. Furthermore, it will still be possible to create mortgage notes in paper form. <p>Electronic notarisation</p> <p>The creation of a mortgage note is associated with a strict notarisation formula. This also applies to the registered mortgage note. There is a new option of electronic notarisation. This means that notaries can create electronically notarised documents such as mortgage notes and sign them with an electronically certified signature.</p>

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	Trade finance
Page 30 Section 3.1.1	Revocable letters of credit are no longer issued today. You may therefore delete the section on "The revocable letter of credit".
Page 42 Section 4.1.3	Explanations of the benefits of leasing. For companies, leasing also has tax advantages , because leasing rates can be treated as a business expense. This tax effect does not apply to the leasing of consumer goods.