FORDHAM UNIVERSITY
GSB-FINANCE

Fall 2026

Course:	**FNBU 4443 COMMERCIAL CREDIT & BANKING** ***Mondays 6:30pm –9:15 pm***
Start Week:	**08/31/2026**
End Week:	**12/14/2026**
Room:	**TBA**

Instructor:	Chris Droussiotis
Office hours:	by appointment – Thursday 4:00-5:00pm
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Course Overview

Commercial Credit & Banking provides students with a comprehensive foundation in how financial institutions assess, price, and manage credit exposure across retail, corporate, and institutional markets. The course integrates core investment concepts, risk–return dynamics, time value of money, expected loss modeling, LGD, default rates, and portfolio theory tools such as CAPM and VaR. Students also gain a working understanding of the U.S. banking system, including investment and commercial banking functions, credit markets, macroeconomic forces, and the regulatory framework shaped by the Federal Reserve, the financial crisis, Dodd-Frank, and Basel guidelines.

Building on these fundamentals, students explore real-world credit portfolio management through topics such as CAMELS ratings, internal credit scoring, underwriting principles, syndication, loan trading, private credit, and structured products including CLOs and interest rate and credit default swaps. The course applies these techniques through case studies—such as JP Morgan, Silicon Valley Bank, Metanext CLO Fund, Home Suites, Celerity Technology, Spirit Airlines, and Hyatt Hotels—developing students' ability to evaluate borrowers, analyze financial statements, estimate debt capacity, and understand risk, recovery, and valuation across multiple lending contexts.

Learning Objectives (LO)

Upon successful completion of this course, you will be able to:

1. Explain the fundamental principles of credit risk, including risk–return dynamics, expected loss modeling, LGD, and default probability.
2. Interpret how the U.S. banking system, credit markets, macroeconomic conditions, and regulatory frameworks (Dodd-Frank, Basel guidelines) influence credit decision-making.

3. Analyze the creditworthiness of consumers and corporations using financial statements, ratio analysis, solvency and liquidity metrics, and industry risk assessments.
4. Evaluate retail credit tools such as FICO scores, mortgage mathematics, consumer credit protections, and real estate lending practices.
5. Assess corporate loan structures, credit facilities, covenants, collateral, and debt capacity across various industries and borrower types.
6. Apply portfolio management concepts—such as CAMELS ratings, exposure measurement, syndications, and reserves/ACL—to manage credit risk at the portfolio level.
7. Model structured finance products include CLOs and multi-tranche credit structures, performing LGD, default, and return analysis.
8. Examine the role of credit derivatives (e.g., CDS, TRS) in hedging and transferring credit and market risk.
9. Critically evaluate real-world credit failures and case studies (e.g., SVB, Archegos, structured credit breakdowns) to identify root causes and risk management lessons.

Apply industry-standard credit underwriting, monitoring, and reporting practices relevant to roles in banking, private credit, and enterprise risk management

Required Textbook:
"Credit Risk Management and Analysis", C. Droussiotis & S. Shelly, First Edition. To access the textbook and set up Active Learning go to: https://store.cognella.com/92011

Materials to be provided by the instructor:
Various additional handouts, articles of interest, case studies, lecture notes and spreadsheets can be found at the instructor's web page at **www.ProfessorDrou.com**.

Course Outcomes:

After completing this course, the student should be able to:

- Gain comprehensive knowledge of broad concepts of credit and financial analysis.
- Use most of the tools available to build cash flow projections
- Learn most of the techniques to value privately and publicly traded
- Reinforce lot of the fundamentals discussed above towards understanding today's economic environment in which credit decisions are made.
- Understand Capital Markets including Debt and Equity issuances.

Course Objectives:

- Understand and explain the financial statements (10K and 10Q).
- Effectively utilize basic operating assumptions and drivers to run financial models.
- Provide systematic approach to assess the strength of a specific borrower.
- Understand credit risk inherent in a wide range of corporate debt instruments.
- Able to rank the default risk of each borrower.

- Reinforce a lot of the fundamentals discussed above towards understanding today's economic environment in which credit decisions are made.
- Understand how companies access Capital Markets such as equity offerings (IPO), bond issuance and loan syndications.

Course Overview:

The Course is divided into four parts consisting basic historical financial analysis, debt structures and capacity, risk management and financial modeling. Each part, which will be taught in two sessions, is a self-contained unit that will normally comprise one segment of a course in credit analysis.

Throughout the course, we will be using the theoretical concepts and apply them to a specific company that will be assigned to each student at the first class. We will analyze each of the respective companies' financial statements and financial decisions that were made at the time. We will examine each company's value creation throughout the semester.

In the last 3 to 4 classes before the exam week, students will be assigned specific companies to perform credit analysis.

The schedule of lectures can be found on the professor's website at www.professordrou.com

Grading:

Homework	15%
Class Attendance/Participation	10%
Project	15%
Total	100%

Course Requirements (Assignments)

Graded Homework Problems (20%):
Graded Homework Problems give you an opportunity to demonstrate your mastery of the topics covered in the course and solidify your knowledge of finance theory through the practical application of the concepts, models, and theories, discussed in class. Students are required to submit a set of Graded Homework Problems. Homework and due dates will be posted on Canvas. The student could wish to submit their homework via Cognella's **ACTIVE LEARNING** platform.

Individual Project (15%):
Each student will be assigned to a publicly traded company. See Exhibit A for Project's description.

Attendance (5%):
Attendance (both in class and online) will be recorded.

Midterm Exam (30%):

There will be a Midterm Exam that will be based on the textbook (chapters 1-4 and 10-11 and the spreadsheets taught in class.

Final Exam (30%):
The Final Exam will include some of the concepts from the midterm including equity valuation, Return and TVM. Most of the exam though will focus on textbook chapters 15-17 and partial chapter 9. The students need to study spreadsheets analysis covered in class including the Alexandria Hotel projections and DCF analysis, Hyatt stock valuation, LBO and Capital Markets financial model, and return and bond analytics spreadsheet. The exam will be taken during the Exam Period. It will be opened books taken online.

The students need to study the various spreadsheet analysis covered in class including the Celerity Technology Company case study; the Alexandria Hotel WACC analysis and Hyatt Corporation enterprise valuation methods.

Grading Scale:

A	93 - 100	C+	77 - 79
A-	90 - 92	C	73 - 76
B+	87 - 89	C-	70 - 72
B	83 - 86	D	60 – 69
B-	80 - 82	F	Below 60

The Lecture outlined can be found on the Professor's website www.professordrou.com

ACADEMIC INTEGRITY POLICY
Students enrolled at Fordham University are expected to maintain the highest standards of academic honesty. Students have the responsibility to each other to make known the existence of academic dishone9sty to their course instructor, and then, if necessary, the department chairperson/school director or the academic dean of their college. Course instructors have the added responsibility to state in advance in their syllabi any special policies and procedures concerning examinations and other academic exercises specific to their courses. Students should request this information if not distributed by the instructor. Academic dishonesty includes, but is not necessarily limited to, the following:

- **Cheating** – Giving or receiving unauthorized assistance in any academic exercise or examination. Using or attempting to use any unauthorized materials, information or study aids in an examination or academic exercise.
- **Plagiarism** – Representing the ideas or language of others as one's own
- **Falsification** – Falsifying or inventing any information, data or citation in an academic exercise.
- **Multiple Submissions** – Submitting substantial portions of any academic exercise more than once for credit without the prior authorization and approval of the current instructor.

- **Complicity** – Facilitating any of the above actions or performing work that another student then presents as his or her assignment.
- **Interference** – Interfering with the ability of a student to perform his or her assignments

Sanctions: Any student found guilty of academic dishonesty will, for the first offense, receive one or a combination of the following penalties:

1. No credit (0) or F (failure) for academic exercise.
2. Reduced grade for the course.
3. An F (failure) in the course that is identified on the student's permanent record card as permanent and cannot be removed.
4. Recommendation for academic probation to the dean's office. In cases of interference and complicity, when the student is not registered in the affected course, the incident may be recorded on the student's permanent record. In any case, the incident and penalty will be recorded in the student's file maintained in the campus Office of Enrollment Services.

For a second offense of academic dishonesty, a student will be subject to any combination of the above sanctions and, with concurrence of the academic dean, one of the following:

1. Suspension from the University for one year. Readmission will be contingent upon the approval of the academic dean.
2. Dismissal from the University.