From Your Chapter President

As we close out my first year as chapter president, I would like to thank all of you who supported us this past year by attending our events or volunteering your time. We have more great events coming with the next event focusing on banking in a rising interest rate environment. It has been a while since banks have had to compete in this environment so don’t miss a chance to have a refresher or learn from our expert speakers.

In addition to the upcoming general membership meetings, the RMA has plans to increase our student membership. Over the past several years there have been numerous articles about the “talent gap” in banking and the decreasing number of those entering the industry. We have recently held a few events at universities and bankers had an opportunity to talk to students. We aim to continue these events to promote banking and help these students find a career in banking. I look forward to another year as your president and growing the RMA and banking within Oklahoma.

Chapter President
Josh Merry
K-1 Caution: Are Distributions Really the Way to Measure Pass-Through Cash Flow?

By John Cassis, CRC for the April 2017 RMA Journal

When bankers use the figures on K-1s, they have not received any information of superior quality related to that business. The ideal scenario is to receive actual financial statements or tax returns on all of an individual’s real estate and business holdings.

Unfortunately, it is often neither practical nor appropriate to obtain this level of information. Many individuals value their privacy and legitimately feel that such a request would be overreach on the banker’s part. And if competition for the lending business is a concern, as it so often is, then it’s best not to attempt this.

But just because we can’t get financial statements on a pass-through entity doesn’t mean we’re relegated to the distributions and contributions from the K-1. We can also request a schedule of income, expenses, and debt service. When provided on real estate, this is typically referred to as a real estate schedule.

Obtaining this type of schedule is typically not a challenge, and it is usually part of a standard financial package request. The guarantors will usually be very familiar with their property’s activities and thus have this information readily available. They will also be familiar with the fact that the cash flow is much higher than the pass-through profit.

If some persuasion is needed, the banker can appeal with words to the effect of “We know you’re earning a lot more cash flow than the K-1s are showing. Can you please provide the real estate schedule so we can show your actual repayment ability?” (This author has never had this request for a real estate schedule denied, even in the most competitive of situations.)

Most companies formed as single-member LLCs do not show as pass-throughs (PTs), but rather present full income statements within the personal tax return. This provides the benefit of full cash flow information – before current portion of long-term debt (CPLTD) – without the guesswork. However, for a company with multiple owners, if we do not have either financial statements or a cash flow schedule, we are left to choose from three options: 1) distributions and contributions from the K-1, 2) the sum of all PTs, and 3) nothing.

Given the damage that distributions and contributions typically cause to the integrity of a global cash flow (GCF). I actually view this information as worse than having nothing at all. While I believe that distributions and contributions are nice to know, I do not view them as integral to completing a repayment analysis. (For more on this subject, see Part 1 of this article.)

If you’re faced with just taking either the sum of all PTs or distributions and contributions, remember that the sum of all PTs at least equals tax-basis net income and thus forms the foundation of any cash flow measure. In comparison, distributions and contributions usually have no relation to cash flow at all.

If given the choice of a cash flow measure to use for a PT, we would want to use cash flow after debt service. Earnings before interest, depreciation, and amortization (EBIDA) as a repayment measure should be used only for businesses that are obligors on the debt. Cash flow after debt service is equal to earnings after interest expense but before depreciation and amortization (EBDA) minus CPLTD. The good news is that the sum of all PTs gives us the “earnings after interest expense” component of EBDA.

To read the full article and know the preferred options in constructing a GCF with multiple entities, please visit our website: http://www.rmahq.org/thermajournal/

Follow The RMA Journal on Facebook or Twitter.

Credit Risk Certification (CRC)

Why CRC?

In today’s rapidly changing financial services industry, you need practical, day-to-day knowledge that will help you excel in your profession. You need the latest skills—skills that are current and complete. And you need the demonstrated ability to serve a diverse base of clients. Plus, you need all of your knowledge, skills, and abilities to be validated by a respected organization like RMA.

For more information, visit http://www.rmahq.org/crc.
UCO/ RMA Luncheon

Date of Event: 10/14/16 11:30-1:30p

Location: UCO Carl Albert Room in the Nigh Center in Edmond, OK

Hosted By: RMA Academic Committee Co-Chair Ashley Colston and Co-Chair Lexie Garrison in cooperation with Steve Black, Ph.D. Professor and Chair of the UCO Finance Department and the UCO Finance Club President Haley Morris and Vice President Nick Volkhin

Summary of Event: The objective of the Event was to introduce top Students in the College of Business at UCO to RMA, the RMA Academic Program, Local Bankers, and Career opportunities in Banking. Students were invited to the event based on their membership in the Finance Club and those students with top GPA Status. There were 22 students in attendance and 10 RMA Bankers (2 per table). The event began with presentations by RMA Academic Committee Co-Chairs and followed by Table Discussions with RMA Rankers in the industry.

UCO Finance Club President Haley Morris kicked off the event with an introduction to the event and thanking everyone for their participation.

RMA Academic Program Co-Chair Ashley Colston of Arvest Bank followed with an introduction of the RMA Bankers present (detailed list and contact information attached) and followed with a presentation and overview of the RMA and the Mission of the organization as well as key statistics about RMA Membership. The primary focus of the presentation was

Photo Above, Left to Right (back) UCO Professor R. Barry Ellis, Ph.D., CFA, Nick Volkhin Finance Club Vice President, Jonathan Baustert UCO Finance Club Treasurer, Steve Black, Ph.D. Professor and Chair of the UCO Finance Department, (front) Haley Morris UCO Finance Club President, and Julie Cumbie Ph.D., Associate Professor.
the RMA Academic Program and benefits of the FREE Student Membership. Benefits include RMA Credit Essentials Certificate (new in 2016) which allows Students to earn a certificate to demonstrate their knowledge in commercial credit online. Other various student membership benefits include RMA study packs for research papers, eMentor, RMA’s online training courses to supplement school curriculum, and Chapter meetings and events.

**RMA Academic Program Co-Chair Lexie Garrison of Valliance Bank** capped the event with an Introduction to Banking discussing Banking as a Career with statistics for Banking Nationwide and in Oklahoma. Topics discussed included Banking Employment Statistics, Pay Scale of various Banking positions, Types of Banks, Career Options in Banking, and Commercial Lending. The final focus of her presentation had a focus on Credit Analysis as a Career including discussion of Skills needed as a Credit Analyst and overview of what is in a Credit Memo. She wrapped up the presentation with discussion on the Benefits of Banking as a Career and a humorous discussion on “unspoken ‘benefits’ “to being a Banker.

After the presentations, the Students and RMA Bankers were given time to Network and Discuss Banking, RMA, RMA Academic Program, Internships and other opportunities, as well as Background and Career Paths of the RMA Bankers.

Photo Above (left to right): RMA Academic Program Co-Chair **Ashley Colston** of Arvest Bank and UCO Finance Club President **Haley Morris**.

Photo Above (left to right): UCO Student, **Debbie Hatchett**, BOK, SVP, OKC Corporate Banking Underwriting Manager, UCO Student, **Rich Hawk**, BOK, VP, Corporate Banking.

Photo to the Right (left to right): **V. Sivarama Krishnan**, Ph.D., MidFirst Bank Endowed Chair & Professor, UCO Department of Finance College of Business and **Nick Davis**, MidFirst, AVP, AZ Credit Analyst, **Kayla Ramirez** UCO Student.
Photo Above (left to right): Jade E. Davis UCO Student, Chris Vinson 1st National Bank, SVP, Commercial Lender, UCO Professor R. Barry Ellis, Ph.D., CFA, UCO Student, Cassidy Speyers, MidFirst, Oklahoma Commercial Underwriting Manager, UCO Student.

RMA Bankers
Lexie Garrison, Valliance, SVP, Senior Credit Officer - 15 years
Ashley Colston, Arvest, VP, Credit Analyst Manager - 9 years
Bryan Wilkes, Arvest, AVP, Credit Analyst III, - 6 years
Debbie Hatchett, BOK, SVP, OKC Corporate Banking Underwriting Manager - 35 years
Rich Hawk, BOK, VP, Corporate Banking - 17 years
Olena Lifset, BOK, VP, Senior Credit Products Underwriter – 10 years banking; 4 years mgmt. consulting
Chris Vinson, 1st National Bank, SVP, Commercial Lender – 20 + years
Nick Davis, MidFirst, AVP, AZ Credit Analyst - 15 years
Cassidy Speyers, MidFirst, Oklahoma Commercial Underwriting Manager - 27+ years
Everett Bradford, MidFirst, VP, Sr. Credit Officer – 30 years

RMA Student Application:
Online Student Member Application: https://pweb.rmahq.org/PersonifyEbusiness/Default.aspx?TabID=339&productId=32103&rateCode=STD1YR&_ga=1.15274486.1331170246.1414706910

RMA Credit Essentials Certificate:
For information on the RMA Credit Essentials Certificate, see the following link: http://landing.rmahq.org/Global/FileLib/Academic_Program/Credit_Essentials_Certificate_Brochure.pdf

RMA Academic Program Committee:
If you are interested in joining the Academic Committee, please contact Ashley Colston at acolston@arvest.com for details on how you can help build your resume AND facilitate events YOU will enjoy and find beneficial as a budding young professional.
Bankers and Bagels

Hosted By: RMA Academic Committee Co-chair Ashley Colston and Co-chair Lexi Garrison in cooperation with Steve Black Ph.D. Professor and Chair of the UCO Finance Department, and Haley Morris the UCO Finance Club President.

Date of Event: Thursday, February 23rd, 2017 from 7:30 AM – 9:15 AM

Location: UCO Center for Transformative Learning.

Summary of Event: The objective of this event was to create an informal type of environment to encourage students of the college of business at UCO to engage with professionals of the RMA. There were 26 students in attendance and 5 RMA Bankers. The event started with each banker in attendance giving a brief biography about themselves and their current and past experience, followed by a mingling session. This gave the students the opportunity to decide exactly who they were interested in asking questions to, and having a slightly less intimidating conversation with the bankers.

UCO Finance Club President Haley Morris started the event with an introduction to the agenda and thanking everyone for their attendance and participation.

RMA Academic Program Co-chair Ashley Colston of Arvest bank followed with an introduction of the RMA bankers in attendance. Ashley then provided information about the RMA student membership. Ashley also mentioned the possibility of working with Dr. Steve Black (Chair of the Finance Department at UCO) to introduce a college credit course that will prepare students to sit for the credit essentials certification.

Each Banker gave their biography. This portion of the event was followed by bagels and refreshments provided by the RMA. This event was wrapped up by a mingling session where the students and bankers could discuss Banking, the RMA, the RMA Academic Program, Internships, and other opportunities.

RMA Bankers
Lexie Garrison, Valliance, SVP, Senior Credit Officer - 15 years
Ashley Colston, Arvest, VP, Credit Analyst Manager - 9 years
Nick Davis, MidFirst, AVP, AZ Credit Analyst - 15 years
Kyle Nation, Valliance, VP, Commercial Lender - 12 years
Jaime Ortiz, Arvest, Credit Analyst III - 3 years tax preparation; 2 years credit analyst
Economic Update Event

Chad Wilkerson (Branch Executive of the Kansas City Federal Reserve’s Oklahoma City branch office) presented the fall Economic Update event on December 20th in Tulsa and Megan Williams (Associate Economist & Manager of the Kansas City Federal Reserve’s Oklahoma City branch office) on December 21st in Oklahoma City. The Federal Reserve Bank of Kansas City discussed the structure and functions of the Federal Reserve System, current economy and implications regionally and nationwide. Fourth quarter data has shown continued solid U.S. economic expansion with increased inflation but still below the Committee’s 2 percent longer-run objective.

Job growth in the United States has diverged, with Oklahoma in a jobs recession resulting in a total nonfarm employment growth of -0.9% change year-over-year for the state of Oklahoma. State GDP has fallen in the past three quarters, and in four out of the last five. Oklahoma’s economy has been hurt by low commodity prices, as well as spillover to some other related industries. However, conditions in real estate, banking, and labor markets have held on fairly well with some cautious optimism.

Women in Banking: Healthy Eating on a Hectic Schedule

Health industry experts presented in Tulsa and Oklahoma City on December 8th and December 9th respectively about healthy eating on a hectic schedule. These industry experts provided advice for balancing healthy eating practices with busy schedules. As we all know, this advice is very helpful since long work hours, meetings, and other obligations can wreak havoc with our food habits despite our best intentions.

Sharon Stroud, Certified Nutritionist, Lifestyle Educator, and now Healthy Eating Coach presented the event in Tulsa. She has over 32 years of experience in the natural foods industry. Sharon received her Certified Nutritionist certification in 1985 from the National Institute of Nutritional Education/American Health Science University while working for Akin’s Special Foods. She received her Lifestyle Educator certification from Metagenics in 2008 while working for Whole Foods Market. She has extensive knowledge of whole foods and food preparation. Sharon began Sharon’s Nourishing Kitchen in October of 2015.

Karen Massey RD/LD presented the event in Oklahoma City. She has been the Community Nutrition Coordinator for INTEGRIS Health since 1990. As such, Karen’s primary role is helping people (employees, outpatients, members of the surrounding community) prevent or delay chronic disease by making healthier food choices. Karen provides education to a number of INTEGRIS resources including Senior Health Services, PACER Fitness Services, Health Essentials programs, plus an array of community programs and organizations that serve populations who may be at risk for developing chronic disease.
Regulatory Update Panel

The RMA Oklahoma Chapter had the opportunity for the FDIC, OCC, and the Federal Reserve to speak in Tulsa and Oklahoma City on September 27th at the Tulsa Country Club and September 28th at The Petroleum Club. The speakers spoke about current regulations and regulatory trends going forward. After the presentations, the regulatory panel answered questions from the audience.

Speakers
Doug Gray is the Managing Examiner in the Examination and Inspections department at the Federal Reserve Bank of Kansas City’s Oklahoma City Branch. He has managed a staff of examiners responsible for community bank safety and soundness examinations and served as one of the Tenth District’s Market and Liquidity Risk Coordinators for the past 8 years. Doug is also currently the Tenth District’s Partnership for Progress district coordinator.

David Wright joined the FDIC in 1990 and currently serves as the DCP Field Supervisor for the Oklahoma City/Lubbock Territory. Prior to his selection as FS, he was a Senior Compliance Examiner and served the Dallas Region as Acting DCP Assistant Regional Director and as Review Examiner, in addition to spending time as the Acting Supervisory Examiner for the Oklahoma City/Lubbock Territory. In between his two FDIC careers, he helped start a new regulatory consulting company in Springfield, Missouri, for which he served as a principle for five years and developed client relationships with more than 100 banks.

Carey Phillippi was appointed Assistant Deputy Comptroller for the Eastern Oklahoma Field Office of the Office of the Comptroller of the Currency (OCC) in Tulsa in 2011. He serves as the managing officer in charge of the field office, with responsibility for the regulatory supervision of federally chartered National Banks and Thrifts in Eastern Oklahoma.

Brian Wall is the Assistant Deputy Comptroller for the Oklahoma City Field Office. Brian was the Field Office Analyst in the Dallas, TX Field Office for 5 years before becoming a team leader in the Dallas Field Office where he was responsible for the training and development of the pre-commissioned examiner staff. Prior to joining the OCC, Brian worked for a small community bank in Southern Kansas.

Credit Risk Certification Luncheon

Lisa McBride, Director of Member Relations of Chapter and Community Banks, held a luncheon to discuss the benefits and process of obtaining the Credit Risk Certification (CRC) in Oklahoma City and Tulsa on April 12th and April 13th. Lisa began the presentation with the differences between a certificate and certification and the statistics involving the CRC exam. Professionals are able to also obtain RMA certificates which include: Credit Essentials Certificate, Credit Analysis Certificate, and the Operational Risk Certificate (new).

The Credit Risk Certification was first offered in Spring 2005 with a current average of 200 test takers per year. The CRC is the only certification for credit and lending professionals. With an average 65% average pass rate, this certification will add credibility among colleagues and clients alike.

The RMA Oklahoma Chapter offers a 50% reimbursement to associate members upon passing the CRC exam!

Upcoming exam dates for the CRC are:

- Summer: June 24th, 2017 – August 19th, 2017
- Fall: October 9th, 2017 – November 11th, 2017

Lisa McBride, RMA Director of Member Relations
The Polished Professional: Developing Financial Professionals Event

The RMA Oklahoma Chapter Developing Financial Professionals were able to present Jana Christian to Oklahoma City and Tulsa on March 29th and March 30th. Jana is the founder of the Etiquette School of Oklahoma and has been proven the leading expert in the protocol and etiquette industry for over 20 years.

Jana Christian held an interactive presentation with the audience holding several etiquette exercises. For instance, at one point in time of the presentation, the audience was standing from their seats and practicing the proper method of introducing one colleague to another. Jana demonstrated how to make a powerful and positive impression, protocol for exchanging business cards, tips for business dining, professional dress, and discussed the social side of business. After the presentation, Jana answered the audience’s questions on unique or awkward situations they have been in or would want to avoid in the future.

Clockwise – Top Left: Jana having to bankers demonstrating proper handshakes, Top Right: Bankers mingling and in line for a delightful lunch prior to the presentation, Right: Jana Christian discussing professional dress
Upcoming Event
Banking in a Rising Interest Rate Environment

Join the RMA Oklahoma Chapter as we are treated to a presentation from two experienced bankers discussing how to manage credit risk as interest rates rise, pricing concerns, and the borrower’s perception of rising interest rates.

**Speakers:**

**Tally Ferguson** brings a unique blend of regulatory compliance and quantitative risk management skills with 30 years’ experience as a bank regulator, regulatory consultant and risk manager. Tally Ferguson is currently the Director of Market Risk Management at BOK Financial, responsible for enterprise wide market risk monitoring, model risk analysis and validation and coordinating the corporate insurance program. Prior to coming to BOKF in 1996, Mr. Ferguson was a regulatory consultant for Ernst & Young and helped clients implement numerous regulatory initiatives including comprehensive risk management programs and interest rate risk initiatives. Mr. Ferguson got his introduction to banking as an examiner with the Federal Reserve Bank of New York, where he began in 1985 and progressed to Supervising Examiner by March of 1994.

**Marc C. Maun** is Executive Vice President, and Chief Credit Officer. Most recently, Mr. Maun served BOK Financial for two years as the Chairman and CEO of Bank of Oklahoma, Oklahoma City. Since joining BOK Financial in 1985, Mr. Maun has overseen significant business divisions such as Treasury, International Banking, Mergers and Acquisitions, Corporate Banking and Correspondent Banking. Before moving to Oklahoma City in 2013, Mr. Maun was chairman and CEO of Mobank.

**Dates**

Oklahoma City
Tuesday, May 9th, 2017

Tulsa
Wednesday, May 10th, 2017

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**Apply by June 12th for the Summer CRC testing window!**

The application deadline for the Summer 2017 testing window (July 24th – August 19th 2017) is June 12, 2017. Prove to your employer that you have the skills necessary to successfully manage the challenges of today's financial environment.

As a credentialed risk professional through RMA, you demonstrate a commitment to the credit risk industry and a level of industry knowledge that has been recognized by an objective, outside organization.

The RMA Oklahoma Chapter offers a 50% reimbursement to associate members upon passing the CRC exam!
RMA Oklahoma Chapter Receives Platinum Status!

We are proudly to announce that the RMA Oklahoma Chapter won Platinum status in the Chapter Planning Guide Program. During RMA’s Annual Risk Management Conference, Sandy Cox, RMA Oklahoma Chapter President for 2015-2016, received the Platinum award presented by Helga Houston, Chair of RMA, and Bill Githens, CEO of RMA. In order to receive this Platinum status, the highest award level, an RMA chapter needs to meet several deadlines and have a net positive individual membership for the fiscal year. In addition, the RMA chapter needs to provide a certain amount of General Membership Meetings and Education Events throughout the year.

Photo Above (left to right): Helga Houston, Chair of RMA, Sandy Cox, RMA Oklahoma Chapter President for 2015-2016, Bill Githens, CEO of RMA
2016–2017 Oklahoma Chapter Officers

Josh Merry
Nicholas Davis
Cindy Tipton
Kendra White
Alex Gifford
Ashley Colston
Danny Williams
James Finch
Patrick Rooney
Jaime Ortiz
Haley Morris
Bill Glover
Rich Hawk

YNB, President
MidFirst, Vice President
MidFirst, Secretary, Audit Co-Chair
Central National, Communications
Spirit Bank, Developing Financial Professionals Chair, CRC Chair
Arvest, Developing Financial Professionals Chair, Education
Spirit Bank, Membership Chair
First Fidelity, Membership Chair
First National, Programming
Arvest, Communications Committee
UCO, Academic Committee
Bank SNB, Programming Co-Chair
BOKF, Academic Chair

Fawn Sachleban
Kevin Paul
David Martin
Caitlin Lierly
Macy Johnson
Yvonne Kinsey
Levi Lindsey
Olena Lifset
Lexi Garrison
Debbie Hatchett
Sandy Cox

Citizen Bank of Edmond, Programming Committee
First Oklahoma Bank, Programming Co-Chair
Security Bank, Education Co-Chair
Mabrey Bank, Programming
BOKF, Women in Banking Chair
Arvest, Women in Banking
First United, ERM Committee Chair
BOA, Women in Banking, Audit Co-Chair
Valliance Bank, Treasurer, Social Media Chair
BOKF, Programming
Bank SNB, Past President

Get Involved & Stay Connected

Our chapter presents opportunities for individuals to get involved. Chapters rely on the talents of volunteers to stage many of their programs, conduct membership development efforts, and promote the ideals of the Association. To find out more about how you can get involved in our chapter, email us at rmaoklahoma@gmail.com

To stay updated on upcoming classes and audio conferences you can find more information on our chapter website and the chapters LinkedIn page.

RMA Oklahoma Chapter Website
RMA Oklahoma Chapter LinkedIn