

Buffalo Chapter Newsletter

Winter 2019

From Your Chapter President

Greetings winter!! I know I personally get very excited during this time of the year (even as a CPA!). It is a time to reconnect and re-engage as we start a new year. As we begin 2019, I would like to thank everyone who made 2018 a success. A special thank you to Charlie Brooks, outgoing president, for all the hard work he put in over the last two years. Because of his leadership and the efforts of our entire Board, our Chapter earned Gold Status last year. Thank you all!

There are a number of exciting things to look forward to in 2019.

- Our first annual membership event will take place and will incorporate community service. We are very excited to start a new tradition for our members!
- Please also look out for a member survey which will be coming to your inbox soon. I encourage you to take a few minutes to respond as we take the responses very seriously when determining educational courses and programming events for the year. Also - **everyone who responds will be included for a chance to win \$100 gift card!**
- We are always looking for new committee members. If you are interested in becoming more involved, please reach out to myself or any board member.
- We are also actively recruiting new members to our Chapter. Please contact Charlie Brooks, if you know anyone that might be interested. You can see from our Board listing, we have a wide variety of professions involved in our chapter - from bankers, to CPA's, attorneys and more. All are welcome!

I am excited for the new year and I look forward to seeing you at our upcoming events!

President- Nancy Cox



Chapter Officers

President:

Nancy Cox
The Bonadio Group
716-580-1601
ncox@bonadio.com

Vice President:

Jeremy Blecha
Tronconi Segarra & Associates
jblecha@tsacpa.com

Secretary:

Lynn Wilson
Key Bank
lynn_a_wilson@keybank.com



Treasurer:

Michael Taylor
New York Business Development Corporation
(aka NYBDC)
mtaylor@nybdc.com

Administrative Assistant/Assistant Treasurer:

Neth Nusbaum
M&T Bank
jnusbaum@mtb.com

Committees

Audit Committee

Chair: Nancy Cox
Jeremy Blecha

Membership Committee

Chair: Charles Brooks
Northwest Savings Bank
Charles.brooks@northwest.com

Program Committee

Chair: Lynn Wilson

Education Committee

Chair: Adam Hoestermann
Northwest Savings Bank
Adam.hoestermann@northwest.com

Academic Program Committee

Chair: Michael Welch
Northwest Savings Bank
michael.welch@northwest.com

Newsletter Committee:

Chair: Kreuzer, Jessica
Northwest Savings Bank
Jessica.Kreuzer@Northwest.com

AFFINITY GROUP CHAIRS

Women in Banking/Finance Committee

Chair: Nancy Cox

Young Professionals Committee

Chair: Mark Aardema
M&T Bank
maardema@mtb.com

Additional Board Members

Bonnie Muench
M&T Bank
bmuench@mtb.com

Jeffrey Simmons
M&T Bank
jsimmons@mtb.com

Andrew Allaire
Amerisource Funding
aallaire@amerisource.us.com

Paul Christ
Bank of Akron
pchrist@bankofakron.com

Garry Graber
Hodgson Russ LLP
ggraber@hodgsonruss.com

Catharine Ackerson
Wells Fargo
Catharine.Ackerson@wellsfargo.com

Adam Zebrowski
Labella Associates
azebrowski@labellapc.com

Ruth Fierro-King
HANNA Commercial Real Estate
ruthfierroking@gmail.com

Nicholas Alberalla
Evans Bank
nalberalla@evansbank.com

Hugh Larratt-Smith
Trimingham Inc.
Larratt@trimingham.com

Calendar of Events

**February 28, 2019 -
TODAY!**

Rescue Equity and Debt:
Trends in 2019 and Beyond
Location: Eckl's @ Larkin
5:30 - 8:30



In the works - look out for further information!

Northland Workforce Training Center Tour
Economic Outlook / Review
Accounting Update
RMA/CPA Mixer, *PLUS* Business CEO Panel
Member Appreciation Event

Open Enrollment Classes:

March 18, 2019 - Commercial Real Estate Lending II:
Underwriting
M&T Center - Training Center, Buffalo NY

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, call Charlie Brooks at 716-730-4282 or Charles.brooks@northwest.com.

#

JOIN. ENGAGE. LEAD.

2018 Fall Events Recap:

The Buffalo RMA and Young Professional Committee had a busy fall this past year. See the summation below of our past events.

September 2018

Topic: Regulatory Compliance

Speaker: M&T's Chief Compliance Officer Greg Imm

Hosts: Mark Aardema and Jessica Kreuzer

Participants had the opportunity to listen to Mr. Imm speak about his history in the banking world. Additionally, Mr. Imm shared lessons learned from other organizations mistakes in regards to Fair Lending and UDAAP, as well as the importance of responsible banking.

November 2018

Topic: Lending Horror Stories

Speakers: Andy Allaire (Moderator), Garry Graber (Panelist), Dave Lulas (Panelist), Tina Scriven (Panelist)

Hosts: RMA of Buffalo Board and RMA of Buffalo Young Professional Committee

Attendees enjoyed the return of this fan favorite panel discussion of lending horror stories. Andy Allaire with the help of our panelists, discussed the importance of quality financial statements, allowing time for proper underwriting and documentation, understanding ground leases, and how to handle Borrowers who may be under investigation.

Education Course: Detecting Problem Loans

The *Detecting Problem Loans* course was designed to sharpen the participants' ability to recognize potential problem loans early, analyze credit and operational risks, and to work with problem credits.

Education Course: Understanding and Interpreting Real Estate Appraisals

The *Understanding and Interpreting Real Estate Appraisals* course introduced participants to the issues involved in ordering and reviewing real estate appraisals. Participants explored terminology, methods, regulations, and best practices for reviewing an appraisal for lending purposes. Attendees also learned about the three approaches to value: cost, sales comparison, and income.

Topic: Creating Clarity Around Competing Priorities

Speaker: Jessica Schimert – Performance Management Partners

Hosts: Nancy Cox – Joint event with AFWA

Participants had the opportunity to learn how to create clarity around their ultimate goals, align priorities to their envisioned future, as well as provide a road map for daily, monthly and quarterly activities.

Topic: Commercial Credit Panel

Speaker: Brian Beitz, Kevin West, David Case, Vincent Harper

Hosts: Any Allaire – Joint event with TMA

Attendees enjoyed a roundtable discussion by commercial credit leaders about current trends in the market at Eckl's.

Topic: F.B.I Cyber Security

Speaker: F.B.I Special Agent Douglas J. Miller

Host: Mike Welch

Participants had the opportunity to listen to Special Agent Douglas J. Miller speak about the FBI Cyber Division, and how the organization heads the national effort to investigate and prosecute internet crimes, including "cyber based terrorism, espionage, computer intrusions, and major cyber fraud.

Upcoming Accounting Changes:

There are many changes occurring in the accounting industry that will have a direct effect on the banking industry as it relates to customer loan covenants and financial results. Here is a quick breakdown:

Effective for December 31, 2018 financial statements:

- Deferred Taxes
C-Corporations will classify all deferred tax amounts as non-current.

Effective for December 31, 2019 financial statements (2018 for public companies):

- Unrealized Activity for Equity Securities
For equity securities classified as available for sale, unrealized activity will flow through **net income** (rather than other comprehensive income) as a non-operating activity.
- Revenue Recognition
The revenue recognition changes are complicated and will have varying impacts on financial statements depending on industry. Start the conversation with your customers now to determine the impact, if any.

Effective for December 31, 2020 financial statements (2019 for public companies):

- Leases
Leases that were previously not reflected on the balance sheet (formally referred to as "operating leases") will be recorded on the balance sheet. They will be recorded similar to how capital leases are now. The change primarily affects lessees, there will be minimal impact to lessors.

As with any change, the impact of these accounting changes will be different for all companies. Discuss them with your customers to ensure they have considered the effect the changes will have on their reporting requirements to the bank. Please look out for information on our RMA - **ACCOUNTING UPDATE** in May 2019 and attend the session to find out more and ask our experts - Nancy Cox and Jeremy Blecha your burning accounting questions!



“Getting Ready for the Next Recession”:

By Frank Devlin and Stephan Krasowki for the February 2019 RMA Journal

By just about every measure, the U.S. economy was booming in mid-fall as financial industry risk managers and subject-matter experts gathered near Washington, D.C., for RMA’s Annual Risk Management Conference. But as they must, the risk experts at the conference looked past the boom to the inevitable next step in the business cycle: recession. Dev Strischek, a longtime credit policy officer at SunTrust Banks and now a principal at Devon Advisory Group, noted that the average length of an economic expansion from 1850 to 1950 was a scant three and a half years. The current expansion—the second-longest in history—is at nine years and counting. Meanwhile, he said, “we’ve never had this much leveraged lending in the history of the United States.”

His take? “It’s probably time to batten down the hatches.”

Along with the coming downturn, practitioners and experts discussed cyber challenges, the regulatory landscape, changing accounting standards, third-party risk management, and other issues that already or will have a profound effect on the financial industry.

Edward Schreiber, chief risk officer at Zions Bancorporation, set the tone by highlighting the growing warning signs of a nearing recession and advising banks to get ready for a downturn if they have not already done so.

“We are seeing pricing and underwriting loosen, consumer debt levels back to high levels, and corporate balance sheets leveraged at some of their highest levels,” he said.

Read the entire article in the February 2019 edition of the RMA Journal

Affinity Groups:

The **Risk Management Association Young Professionals (RMAYP)** is a member-driven professional association whose purpose is to promote the RMA mission to young professionals, and grow the membership base. Furthermore, the committee focuses on providing support and direction, acting as a resource, and sharing educational and programming ideas for young professionals. For more information regarding the Buffalo Chapter of the RMAYP please contact Mark Ardema at maardema@mtb.com or Jessica Kreuzer at jessica.kreuzer@northwest.com.

In the Community:

Since its inception in 2014, The RMA Foundation has awarded nearly \$900,000 in scholarships to four-year college students who are interested in working in the banking industry after graduation. For the 2018-2019 academic year, The RMA Foundation awarded scholarships to 105 students who have distinguished themselves through their academic work, industry knowledge, and experience. **Ryan Ballow** from **Canisius College** was a scholarship winner from the Buffalo area! Congratulations Ryan! Students may join the RMA at no charge and there are many resources available here - <https://landing.rmahq.org/src>. In order to apply for a scholarship, students need to be members, so please encourage students you know to join and check out this site! Contact Mike Welch with any questions.