



BORROWED TIMES

Chapter President Blake Yakel

With our banks having a large amount of liquidity and earning low returns by investing it with the Federal Reserve, there has been a huge demand for an increase in loan volume. With the growth rate of the state being lower than the loan volume goals, how does a bank conservatively grow their loan portfolio / earnings following the greatest recession since the Great Depression? While we ask ourselves this question on a daily basis, let us remember that growth is important, but it should not come as a result of a decrease in credit quality.

To me, this is where RMA comes in and serves as a valuable training tool for our institutions. I am personally excited and honored to be the President for the Kansas Chapter of RMA for the 2014-2015 year. The board is dedicated to providing quality risk management learning opportunities for the state of Kansas. We have an outstanding board made up of individuals who take time out of their busy schedules to help

RMA Board for 2014-2015



*Joshua Smith, Ian Worrell, Steve Schoenecker, Cheri Koke, Kenneth Klosterman, Eric Walter, Evan Funk, Blake Yakel, Peg Theis, Susan Downey, Elena Leth-Nissen, Andy Watkins.
 (not pictured: Barbara Mize, Michelle Pfanenstiel)*

develop and organize these learning opportunities that will benefit the growth of our banking and risk management community.

Thank you for your continued support and participation. If you have any ideas or sugges-

tions for classes, luncheons, or other ideas that would benefit our banking community, please feel free to reach out to me or any other board member.

*by Blake Yakel, President
 RMA Kansas Chapter*

Young Professionals in Banking (YP)

The RMA Young Professionals Group provides a forum for education, networking and career development for up and coming financial and credit professionals.

Michelle Pfanenstiel, VP with Bank of America Merrill

Lynch, is this year's Chair of RMA Kansas YP. The other leadership positions for this group include Crissy Shumard from Intrust Bank as Vice Chair and Mollie Smith from Commerce Bank as Secretary.

Public at the Brickyard was the

site of the September 30 kick off for YP for this fiscal year.

The next event planned for YP is a very popular lunch-n-learn titled "Lending Horror Stories." It will be held on October 29 at Commerce Bank at the Waterfront.



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Special points of interest:

- Kansas Chapter earned Platinum
- Fiscal Year runs from Sept 1—Aug 31
- OCC to speak at Nov 6 luncheon program

Bank Presidents Panel—Banking Environment



By Andy Watkins

On September 4th, our local RMA chapter held a Presidents Panel at the Wichita Country Club. Included on this panel were Thomas Page of Emprise Bank, Roger Kepley of Rose Hill Bank, Frank Carson III of Carson Bank and Aaron Bastian of Fidelity Bank.

These bank leaders gave their feedback about the general banking environment to the crowd of over 60 in attendance. Some of the discussion topics included: the impact of the

increased regulatory burden on their respective banks, how the banks have expanded business while maintaining good credit standards, and how each bank attracts and retains a quality staff.

All of the bankers agreed that working cooperatively with the regulators is very important. While the burden has increased and the level of staffing has increased “by five fold,” as Aaron Bastian described, he went on to explain how the challenge has to be met “head on.”

Thomas Page cautioned the group about today’s current low-rate banking environment. “These may be more treacherous times than three or four years ago. We all have lending capacity which exceeds the demand.” He stressed the need for increased discipline in today’s current lending environment.

In regard to attracting and retaining quality staff, Roger Kepley explained that, “the most valuable people at their bank are willing to do lots of things.” He discussed how unlike some of the larger financial institutions, which have very specialized jobs, the smaller banks have a staff which needs to be versatile in the roles they can fill within their organizations. Frank Carson also talked about how Carson Bank takes pride in their people.

The different perspectives of the bank leaders gave us a unique understanding of how these banks of different sizes are working to comply with increased regulatory burden, grow without stumbling on credit problems, and find and retain qualified staff to further their mission of their respective banks.

- **Regulatory burden.**
- **Low-rate banking environment.**
- **Pride in their people.**

Upcoming Events

- **YP– Lending Horror Stories**, October 29, 11:30– 1:00 at Commerce Bank at the Waterfront.
Register at rma.kansas@yahoo.com . 1CPE
- **OCC Regulators**, November 6, 11:30-1:15 at Petroleum Club.
Register at rma.kansas@yahoo.com . 1CPE
- **Tour– New Children’s Home**,
To be held sometime in November with all proceeds from event going to the Children’s Home.
- **IT Roundtable**, December 12 , 10:00-1:00 at Fidelity Bank, and will include a tour.
Register at rma.kansas@yahoo.com . 2CPE
- **Credit Manager Roundtable**, December 10, 9:00-12:45 at Cross First Bank.
Register at rma.kansas@yahoo.com . 3CPE
- **ALLL– Using the Data as a Management Tool**, January 7, 11:30-1:15 at Petroleum Club.
Register at rma.kansas@yahoo.com . 1CPE
- **YP– Freddy’s, Entrepreneurial Spirit**,
Date and location to be determined.
- **Global Cash Flow II, A Real Estate Portfolio Perspective**, March 11, 8:00– 5:00 at Fidelity Bank.
Register at rmaHQ.org. 8 CPE



10 Principles of Credit Negotiations

The RMA Journal, October 2014

BY RICHARD A. CLARKE

After several decades in the lending business, the author concluded that certain principles rise from the “memory mist” like beacons in the night. This article presents a summary of 10 techniques and tactics that lead to successful lender-borrower deal resolutions.

1. KNOW YOUR CUSTOMER

Know your customer is the foundation upon which the negotiation is built. Historically, many bankers have made significant concessions to their “good customer” only to discover—unfortunately, after the fact—that such largesse was unwarranted. Conversely, it may make sense to forgo a higher level of profit on today’s transactions if, in fact, the overall relationship provides a true, ongoing risk-weighted, above-average return to the lending institution. Knowledge of the customer’s status within the industry, business-plan feasibility, and credit history is also extremely important to ensure that the deal will be of maximum benefit to all concerned parties and permits the lender to structure an appropriate transaction framework. Frequent, on-site visits are also a must-do item.

2. SET GOALS

Set goals for the process early on that are driven by your personal standards, which should always meet or exceed your bank’s policy requirements. ...

3. EXPLAIN WHY

Explain why your proposed deal structure has been created and how it will meet the business needs of each party. A well-conceived transaction that reflects solid knowledge and analysis of the borrower can be easily explained and goes a long way toward overcoming borrower resistance to terms...

4. DON’T ACT UNILATERALLY

Trade. Don’t make unilateral concessions. Listen attentively to the borrower for new information and react decisively to any new considerations...

5. PROVIDE ALTERNATIVES

Provide alternatives of equal value rather than just demand one specific and rigid set of requirements.

6. AVOID NITPICKING

Don’t overreach in establishing your requirements and avoid nitpicking, especially in the early stages of a relationship...

7. STRESS THE BENEFITS

Stress the benefits, not the features, of your negotiating position. For example, it is in the borrower’s interest to reduce

leverage to become a more opportunistic enterprise, ...

8. PLAN AHEAD

Be sensitive to transaction timing requirements and plan ahead. To plan ahead, you must have a full understanding of the borrower’s needs and reporting capabilities, ...

9. DEVELOP CREDIBILITY

Develop credibility within your institution and with your customers by following the foregoing principles. Mutual respect fosters effective and efficient negotiations...

10. KNOW WHEN TO CONFIRM

Know when to extend your hand and confirm a deal.

Conclusion

Some customers may never respond to the positive practices indicated above, but, hopefully, they can be weeded out during step #1—*know your customer*. Today, the willingness of bank customers to negotiate in good faith with their lenders is largely affected by the account officer’s conduct. Bankers who ascribe to and internalize the above principles will maximize their contribution to their employer as well as their own career potential.

--This is a partial version of the article. Read the entire article in The RMA Journal



“Today, the willingness of bank customers to negotiate in good faith with their lenders is largely affected by the account officer’s conduct.”

Evan Funk honored & Chapter earns Platinum

Evan Funk was honored at the RMA Kansas Board meeting on August 12, 2014, which was held at Fidelity Bank. The presentation was made by Blake Yakel, the incoming RMA Kansas President. Several of Evan’s co-workers were in attendance.

With Evan’s leadership, the

RMA Kansas Chapter earned Platinum recognition. Only those chapters with the highest level of member engagement receive this status. Accomplishing this goal is dependent on strong leadership and involvement from all of the Board members who helped to bring top quality programing and

educational events to the Chapter. Evan will attend RMA’s Annual conference in Washington DC to receive the award.

There were many highlights throughout the year including the Centennial Celebration of the Risk Management Association.





KANSAS CHAPTER
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JOIN. ENGAGE. LEAD.

“RMA has always done a good job of focusing on the basics, making things simple and easy to understand. Our chapters are a part of our success story. People like to get together with other professionals in their market area to compare notes about what’s happening in their markets and in those industries.” - Michael J. Loughlin, RMA chair 2013-14, chief risk officer, Wells Fargo.

RMA Credit Risk Certification

Validate your skills with the only recognized professional designation for credit and lending professionals

Why RMA-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.

Upcoming Exam Dates

- March 9, 2015—April 18, 2015
- October 12, 2015—November 14, 2015

Applications Accepted

- Deadline for Spring 2015 window January 31, 2015
- Deadline for Fall 2015 window August 31, 2015

- See more at: <http://www.rmahq.org/tools-publications/rma-university/credit-risk-certification>

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, contact any of the Board members.

Kansas Chapter Board Members—Directory

Kansas RMA President:

Blake Yakel, Intrust Bank
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Kansas RMA Past Presidents:

Evan Funk, Fidelity Bank
100 E English, POB 1007
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- Cheri Koke, CrossFirst Bk
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- Susan Downey, Carson Bk
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Other Board Members:

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