



# COMMUNITY BANKING STAFFING SURVEY, 2017

# About RMA

The Risk Management Association (RMA) is a not-for-profit, member-driven professional association serving the financial services industry. Its sole purpose is to advance the use of sound risk management principles in the financial services industry. RMA promotes an [enterprise approach](#) to risk management that focuses on [credit risk](#), [market risk](#), [operational risk](#), [securities lending](#), and [regulatory issues](#). Founded in 1914, RMA was originally called the Robert Morris Associates, named after American patriot Robert Morris, a signer of the Declaration of Independence. Morris, the principal financier of the Revolutionary War, helped establish our country's banking system.

Today, RMA has approximately 2,500 institutional members. These include banks of all sizes as well as nonbank financial institutions. RMA is proud of the leadership role its member institutions take in the financial services industry. Relationship managers, credit officers, risk managers, and other financial services professionals in these organizations with responsibilities related to the risk management function represent these institutions within RMA. Known as RMA Associates, these 18,000 individuals are located throughout North America and financial centers in Europe, Australia and Asia.

Members actively participate in the RMA network of chapters. These chapters are run by RMA Associates on a volunteer basis and they provide our members with opportunities in their local communities for education, training, and networking throughout all stages of their financial services career. Chapters are located across the U.S. and Canada as well as in financial centers internationally.

RMA members also avail themselves of benefits offered through headquarters in Philadelphia, Pennsylvania. To assist members in advancing sound risk management principles, RMA keeps members informed and provides access to industry information at this site; publishes a journal (*The RMA Journal*) and a variety of newsletters, books, and statistics; conducts many workshops and seminars; holds several conferences, an annual convention (Annual Risk Management Conference); and has numerous committees working on a variety of projects.

RMA welcomes all personnel involved in lending and risk management in member organizations to become RMA Associates.

*Note: As a not-for-profit, professional association, RMA does not lobby on behalf of the industry.*



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# Acknowledgments

Thank you to our 120 participants:

1st State Bank	Charter Bank	Equity Bank
Amalgamated Bank	Chemung Canal Trust Co	Farmers & Merchants State Bank
Arrow Financial Corp	Citizens Bank & Trust	Fidelity Bank
Bank of Akron	Citizens Bank of Clovis	Fidelity Bank of Florida
Bank of Canton	Citizens National Bank	First Bank
Bank of SF	City First Bank	First Bank of Charleston
Bank of Utah	Civic Bank & Trust	First Citrus Bank
BankCDA	CIVISTA BANK	First Community Bank of Mercersburg
BankFive	Clear Mountain Bank	First Landmark Bank
BankPlus	CoBiz Financial	First Southern Bank
Bridgehampton Nation Bank	Columbia Bank	Freedom Bank
Busey Bank/First Busey Corporation	Commonwealth Bank	Gorham Savings Bank
Business Bank of Texas	Community Bank Oak Park River Forest	Happy State Bank
Cache Valley Bank	Community Bank Wichita Inc.	HomeStreet Bank
California Business Bank	Community Bank, NA	Huron Valley State Bank
Capital Bank of New Jersey	Community West Bank	Idaho First Bank
Carroll Community Bank	CoreFirst Bank & Trust	Independent Bank
CBC National Bank	Country Club Bank	Intrust Bank, N.A.
CenterState Bank	Enterprise Bank & Trust	Investar Bank
Central Valley Community Bank	Equitable Bank	Ion Bank

## Acknowledgments (cont'd)

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Mars Bank	SIS Bank	Univest Bank and Trust Co.
Meridian Bank	Spencer Savings Bank	USAmeriBank
Montecito Bank & Trust	STAR Financial Bank	Valliance Bank
NBT bank	State Bank Financial	Venture Bank
NexTier Bank	State Bank Northwest	Village Bank
NXT Bank	State Savings Bank	Wells River Savings Bank
NYCB	Summit Bank	Westbound Bank
Parkside Financial Bank & Trust	Summit Bank of Kansas City	Western Bank
Peoples Security Bank & Trust	TBK Bank SSB/Triumph Bank	Western Commerce Bank
PeoplesBank	The Bank of San Antonio	Western State Bank
Phoenixville Federal Bank & Trust	The Bank of Tampa	Woodforest National Bank
Pikes Peak National Bank	The Citizens State Bank	Xenith Bank
PointBank	The Conway National Bank	
Raccoon Valley Bank	The First National Bank in Sioux Falls	
Resurgens Bank (nka CharterBank)	Town & Country Bank of Nevada	

## EXECUTIVE SUMMARY

In 2012, the RMA Community Bank Council created a Risk Management Staffing Study to provide community banks with the information they needed to understand the trends occurring within the organizational structures of the community banks. 104 banks responded to the original survey.

As questions remain regarding community banks staffing, the Council decided to update the survey and include questions regarding CECL staffing efforts, lending authority, underwriting, efficiency ratios, small business lending, end-to-end processes, and others. The survey was open from November to December 2017 during which time 120 banks participated.

Participation was almost evenly distributed across North America and among banks in the various asset sizes, i.e., <\$250M, \$251-500M, \$501-1B, \$1-3B, and >\$3B.

The survey continues to reveal a multitude of data regarding various titles, functions, and reporting lines.

The vast majority of respondents report having a Chief Credit Officer, Chief Lending Officer, Head of Operations, Head of Loan Operations, Credit Analysts, and Relationship Officers but most did not have Chief Credit Policy Officers, Real Estate Appraisers, or Head of Operational Risk. Some banks are still working towards adding a Chief Risk Officer.

The bank's executive management team is often comprised of the Chief Executive Officer, Chief Financial Officer, President, Senior or Chief Lending Officer and the Chief Credit Officer. Less than half include the Chief Operations Officer in their executive team and only one-third include the Chief Risk Officer.

## EXECUTIVE SUMMARY (CONT'D)

Similar to the 2012 survey, credit analysis and stress testing continue to be performed in-house while loan review and appraisals are often outsourced. Financial statement spreading, which was not included in the earlier survey, is also almost exclusively handled in-house.

Except for those banks with assets greater than \$3B, the credit analyst's department overwhelmingly reports to the CCO. In addition, the majority of banks determine the number of staff in the credit analysis department based on number of relationships. Credit analysts typically perform financial statement spreading, credit underwriting analysis for new and renewing loans, and a periodic review of existing loans.

As for lenders, 40% of the banks report that lenders prepare some of their own credit requests while almost the same number do not prepare their own credit requests. Overall, one-quarter of the banks reported that their lenders do not have any individual lending authority, while less than half of the banks report that their lenders have authority to approve loans up to \$250,000. Many responded that the amount of authority varies depending on the lender's title and experience, while some do not allow their lenders to have individual authority and require joint approvals.

While most of the banks have either a Board Risk Management Committee, a Board Credit Quality Committee or a Credit Approval Committee, few banks with assets below \$1B have a Board level Risk Committee. These banks are much more likely to have credit quality or credit approval committees at the Board level.

When asked which positions they anticipate needing to fill in the next few years, all of the banks reported that they anticipate the retirement or resignation of experienced Relationship Officers, and the Chief Credit and Chief Lending Officers in the near term as well as several years from now. Some reported looking to in-house leadership training programs and banking schools to identify candidates to fill those vacancies. The majority of banks also anticipate hiring one or two credit analysts, relationship officers and business development officers within the next two years.

## EXECUTIVE SUMMARY (CONT'D)

Participants continue to report very little pressure from regulators to increase staffing levels. When pressured to do so, it was related to BSA, compliance, ERM and loan operations. In the past, those who have been directed to add staff were looking to hire in credit administration, IT, operations, compliance, and internal audit.

As for loan processing systems, 71% of the participants have not implemented any work flow or end-to-end loan processing system. More than 80% of the banks with assets above \$501 million are considering implementing such a system while only less than half of the banks with assets below \$500 million are considering such a purchase.

Finally, most banks have not purchased a program to assist with their efforts to comply with the CECL requirements and they expect to be able to comply without adding staff.

Our thanks goes to those who took the time to complete this survey and to participate in our understanding of the staffing issues faced by community banks.