

Prime Interest

Summer 2018

PRESIDENT's CORNER

To all my fellow colleagues and friends, the 2017-2018 CAVA RMA Regional Board year is coming to a close. I would like to take this time to reflect on our journey you have allowed me to lead you through. I think back to our first August Planning meeting. The theme I started with is "JUST DO IT". We have worked hard over the years to keep growing our CAVA Region, CAVA Board Succession Plan, and our impact with assisting our life blood of RMA our Chapters. I hope you feel as I do! I think this past year we continued that hard work to grow our FAMILY! We have made improvements to our chapter support area, academic program, and added a long time coming Administrative person to assist with our Annual Conferences. I hope I made it clear at our last board meeting in Charleston, that the CaVa RMA Regional Board is "FAMILY"! We spend time together, we help each other, we assist each other when needed, and most of all we enjoy coming together as a family to grow our Region's Knowledge of RMA and what it means to us and what it means to our industry. Thank you for allowing me this honor to lead you. I look forward to our continued journey with our new leader, Grig Scifres.

Best Wishes, Lacy Cross, CAVA President



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>.

RMA Community Bank Regulatory Survey Addresses Concerns of Regulatory Agencies

The Risk Management Association recently conducted its community bank regulatory survey which identified the trends and issues in risk management affecting community banks. The purpose of the survey, which generated responses from both RMA members (90%) and nonmembers (10%), was to deliver insight and add value to discussions with regulators and RMA Community Bank Council members. The survey focused on six categories, including enterprise risk management; compliance; examinations; CECL; lending and service products; and the regulatory environment.

Among other findings, it was learned that:

- Cybersecurity (69%) posed the greatest risk management challenge, followed by credit risk (61%) and IT (60%).
- Approximately 53% of the banks indicated that residential mortgage regulations are confusing or difficult to implement, while 52% responded that they feel the same way about HMDA data collection rules.
- With regard to regulatory examinations, 53% of banks were last examined by the FDIC and, of that number, 76% reported that the FDIC provided a fair assessment of their institution, while 32% indicated the agency did not clear citations until the next exam period.
- Approximately 48% of the banks indicated that they are in the early stages of gathering data for CECL, while only 3% of respondents are ready for implementation.
- With regard to lending and service products, 80% of banks reported plans for increased lending most frequently in C&I; 70% in owner-occupied CRE; and 67% in small business lending.



Jennifer Welch teaching an Open Enrollment class.

RMA CAVA ACADEMIC SCHOLARSHIP RECIPIANTS FOR 2017-2018 YEAR

THE FUTURE LOOKS BRIGHT.

RMA is proud to support the next generation of bankers and is pleased to reveal the **2018** scholarship recipients.

William F. Githens Scholarship

New this year, the William F. Githens Scholarship, named for RMA's former CEO, was awarded to two of this year's most promising candidates, who demonstrated exceptional academic achievement and commitment to the financial services industry.

Macey Noon Texas A&M University

Sam P. O'Brien University of Massachusetts Boston

Learn more about The RMA Foundation Scholarship Program by visiting www.rmahq.org/scholarship

Since its inception in 2014, The RMA Foundation has awarded more than \$500,000 in scholarships to four-year college students who are interested in working in the banking industry after graduation. We are happy to announce that for the 2017-2018 academic year, The RMA Foundation has awarded scholarships to 88 students who have distinguished themselves through their academic work, industry knowledge, and experience. Of that number, 73 students were first-time recipients and an additional 15 students received renewal scholarships. We received over 300 strong applications this year and thank you for your help in spreading the word. New this year, the William F. Githens Scholarship, named for RMA's former CEO, was awarded to two of this year's most promising scholarship candidates, who demonstrated exceptional academic achievement and commitment to the financial services industry.

- RMA committed an additional \$1,000,000 for a total of \$7,000,000 to the RMA Academic Foundation for scholarships during FY 2017.
- The RMA Foundation awarded 88 scholarships to students totaling \$246,000 in 23 states and 31 chapters for the Fall 2017 application period.
- As of 9/30/17, 62 RMA chapters were engaged with the Academic Program targeting 168 universities in North America and holding over 50 events. A few of these Universities are Texas A & M, Arkansas State University, Eastern Kentucky University, UNLV-Lee Business School, University of Wyoming College of Business and Central Oklahoma

2017-2018 CAVA ACADEMIC SCHOLARSHIP WINNERS

Appalachian University: WINNERS:

Walker College of Business: Dr. Delbert Goff

Finance Student Association: Bowden Investment Group



Madeline Hamiter: (JUNIOR): Mooresville NC
Appalachian State University
Wilson Scholar
Finance & Banking and Accounting Major
President of the Finance Student Association ([FSA](#))



Tamaya Walker: (Graduating SENIOR): Charlotte NC

Appalachian State University

Economic and Math Major, Minor in Spanish

Member of the Finance Student Association (FSA)

Tamaya has secured a job in her home town of Charlotte NC for the Summer of 2018 with Bank of America where she has been working while home from college in the summers.



West Virginia University

Ms. Mackenzi Klein and is an employee of United Bank won one of the RMA National Academic Scholarships from the CAVA Region.

West Virginia University: JUNIOR

Accounting & Economics

Home Town: Morgantown, West Virginia

2017–2018 Calendar of Events

Board Meetings

August, 2018 – Greensboro, NC

October, 2018 – conference call

December, 2018 – Greensboro, NC

CAVA Spring Conference

April or May 2019 – TBD

RMA EDU Lending Schools

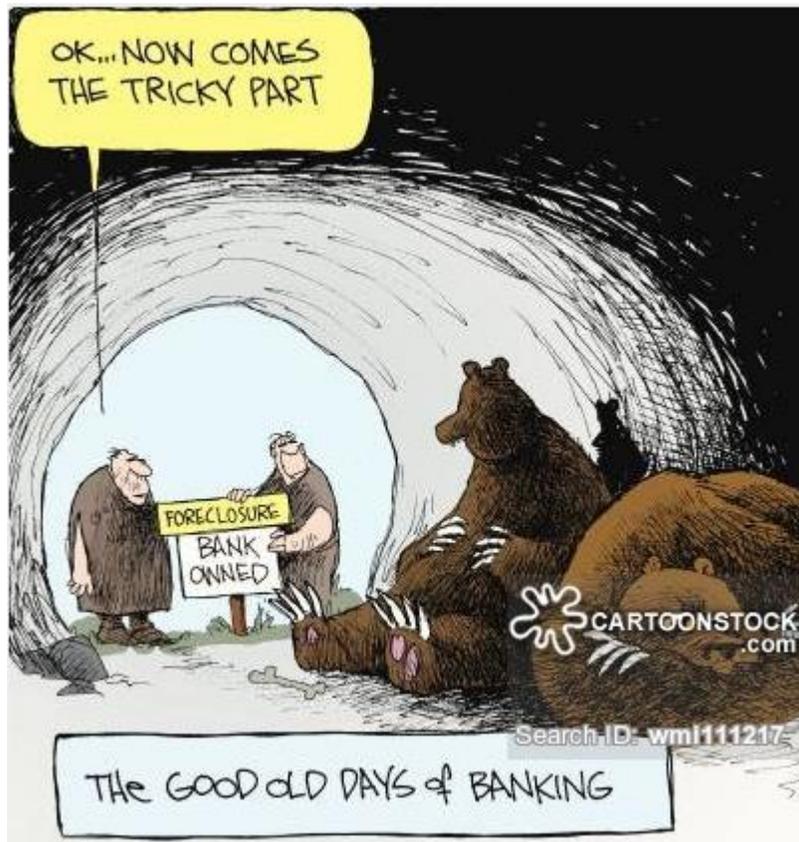
May 2019 – Greenville, NC

Chapter's Leaders Conference

June 21-22, 2018 – Charlotte, NC

National Conference

November 4-6, 2018 – National Harbor, MD



CHAPTER OPEN ENROLLMENTS

- **DETECTING PROBLEM LOANS - RALEIGH, NC**
Oct 12, 2018 - 8:30 AM - 5:00 PM (ET)
- **CREDIT ANALYSIS MANAGEMENT SEMINAR - CHARLOTTE, NC**
Nov 30, 2018 - 8:30 AM - 5:00 PM (ET)

2017–2018 CAVA Chapter Officers

President – Lacy Cross – Entegra Bank

First VP – Grigsby Scifres, Esq. – Williams Mullen

Second VP - Jennifer Jefferson - Ernst & Young

Secretary /Treasurer - Jason Paisley - Business Finance Group

Immediate Past President - James E. Clark – Bank of America

Advisory Board Committee Chair - Jennifer Welch - First National Bank

Round Table Committee Chair - Jennifer Welch - First National Bank

Article Writing Committee Chair - Chuck Turner - FISCAL Credit Suite

Audit Chair Committee Chair - David Swank - Capital Bank

Chapter Support Committee Chair - Curt Solomon - Business Finance Group

Communications Committee Chair - Mike Tecosky - Bank of North Carolina

CRC Committee Chair - Theresa Arrighi – BB&T

Education/ Academic Committee Chair - Kristopher De Long – SunTrust Bank

Membership Committee Chair - Adam Lush - United Bank

Newsletter Committee Chair – Babette Stone – North State Bank

Nominating Committee Chair - James E. Clark – Bank of America

Program Committee Chair – Jennifer Jefferson – Ernst & Young

Young Professionals Committee Chair - Robert J. Campbell - Park Sterling Bank

Pictures from the 2018 RMA Carolinas-Virginias Spring Conference in Charleston, SC



CAVA Board Meeting



RMA Chairman Nancy Foster



Key Note Speaker



Speaker Doug Smith



Spring Conference Speaker



Spring Conference Speaker

**2018 CHAPTER LEADERS CONFERENCE
JUNE 21-22, 2018
CHARLOTTE, NORTH CAROLINA**

June 8, 2018, Vol. 10, No. 4

President Trump Signs Landmark ABA-Advocated Regulatory Reform Bill into Law

On May 24, President Trump signed S. 2155, which was passed into law earlier in the week by a bipartisan majority in the House. The new law advances much-needed regulatory relief to help banks better serve their customers and communities, and came as a result of a persistent, eight-year advocacy effort on the part of bankers, state associations and ABA to address some of the unintended consequences of Dodd-Frank.

“Today’s signing ceremony concludes years of dedicated advocacy by ABA members across the country who showed that some of the rules in place were hurting not helping the country,” said ABA President and CEO Rob Nichols in a statement thanking the president. “We believe there is more that can and should be done to right-size financial rules while maintaining needed safety and soundness, and we look forward to working with members of Congress, the regulatory agencies and the administration to achieve more progress in the months ahead.” Overall, the new law will:

- Raise the threshold for designation as a systemically important financial institution from \$50 billion in assets;
- Apply principles of tailored supervision to larger banks;
- End mandated stress tests for banks with under \$100 billion in assets;
- Simplify capital calculations for community banks;
- Institute longer exam cycles for community banks;
- Provide charter flexibility for federal thrifts with less than \$20 billion in assets; and
- Provide relief from the Volcker Rule for most community banks.

The mortgage-specific elements of the law will:

- Provide Qualified Mortgage designation for certain mortgages held in portfolio by banks with less than \$10 billion in assets. To qualify for the special QM designation, the loan must: (1) be originated by and retained by the institution, (2) comply with current requirements regarding prepayment penalties and points and fees, and (3) not have negative amortization or interest-only terms. Banks must still consider and verify the debt, income, and financial resources of the consumer. The new provision eliminates QM’s 43 percent DTI restriction and requirement to abide by Appendix Q.
- Provide regulatory relief from new Home Mortgage Disclosure Act requirements. The law provides that depository institutions that have originated less than 500 closed-end or open-end lines of credit in each of the two preceding calendar years are exempt from disclosure requirements recently added pursuant to the Dodd-Frank Act. The exemption would not be available to depository institutions that receive a Community Reinvestment Act rating of “needs to improve” during each of its two most recent examinations, or a rating of “substantial noncompliance in meeting community credit needs” on the most recent examination.
- Provide relief from appraisal requirements for federally related real-estate transactions valued below \$400,000. The law sets forth the following conditions: the covered property must be located in rural area; the institution must retain the loan in portfolio; within three days of delivery of closing disclosure, the originator must contact three state-licensed or state-certified appraisers from their approved appraiser list and document that no appraiser is available within five business days beyond customary and reasonable fee and timeliness standards for comparable appraisal assignments.
- Exempt mortgage loans made by small depository institutions from TILA’s mandatory escrow account requirements. This provision applies to institutions with assets of \$10 billion or less, where the institution and its affiliates originated not more than 1,000 first lien loans secured by a principal dwelling. In addition, the institution must have made a loan in a rural or underserved area within a certain time frame, and subject to other exceptions.
- Eliminate certain waiting periods with respect to a second offer of credit where the creditor offers a consumer a lower annual percentage rate in the second offer.

- Articulates the “sense of Congress” that the CFPB endeavors to provide clearer, authoritative guidance on (1) the applicability of the TRID rule to mortgage loan assumptions and construction-to-permanent loans, and the conditions under which the latter can be properly originated, and (2) the extent to which lenders can rely on model disclosures published by the CFPB without liability if recent changes to regulations are not reflected in the sample TRID Rule forms published by the CFPB.

With the bill’s signing, most provisions take effect immediately, for instance, the exclusion from Volcker Rule for most community banks. Two important mortgage provisions – the special QM segment and HMDA exemptions – fit this category and do not require regulatory action from the CFPB. . To help bankers keep track of when various provision will take effect, ABA has created a timeline listing the bill’s key provisions and their effective dates.

Informally, bureau staff has advised that the agency will issue additional instructions on implementation concerns and bankers should expect this in the coming month. ABA will immediately update banks on any formal directives issued by the CFPB, as necessary.

This reform legislation is a result of a persistent, eight-year advocacy effort as bankers worked to bring ideas to Capitol Hill to help address some of the unintended consequences of Dodd-Frank, and ABA emphasized that the bill is a good first step toward reforming the U.S. regulatory architecture. "There is certainly more to do to recalibrate regulations and tailor them based on a bank’s risk profile and business model, but the common-sense changes included in S. 2155 will help America’s banks, particularly community banks, get back to the basics of lending to creditworthy borrowers and businesses," Nichols said.

CAVA Board Members Serving RMA at the National Level

CAVA Board members have been and continue to be strong representatives of RMA at the local, regional and national levels. Over the years, there have been a multitude of CAVA alum who have served nationally, including the position of RMA Chairman (most recently Tol Broome). Current CAVA Board Members serving RMA at the national level are listed below. Congratulations and thank you for your dedication and hard work!

Chapters & Membership Council

Jennifer Welch	Past President
Matt Cheek	Immediate Past President

Academic Program Committee

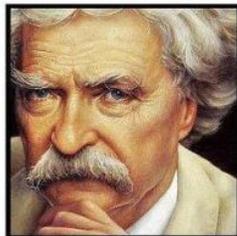
Karen Bjelland	Past President
Kristopher De Long	Academic Committee Chair



RMA Local Chapters

STATE	CHAPTER	PRESIDENT	WEBSITE
North Carolina	Carolinas-Virginias	Lacy Cross	http://community.rmahq.org/carolinasvirginias/home
	Charlotte	Mark Guthrie	http://community.rmahq.org/charlotte/home
	Coastal Carolinas	Billy Smith	http://community.rmahq.org/coastalcarolinas/home
	Eastern North Carolina	Lemuel Whitsett	http://community.rmahq.org/easternnorthcarolina/home
	Great Smokies	Grey Taylor	http://community.rmahq.org/greatsmokies/home
	Triad	Hunter Sexton	http://community.rmahq.org/triad/home
South Carolina	Central South Carolina	TBD	
	Greater Charleston	John Douglass	http://community.rmahq.org/greatercharleston/home
	Upper South Carolina	Marc Smith	http://community.rmahq.org/uppertsouthcarolina/home
Virginia	Hampton Roads	Susan Towler	http://community.rmahq.org/hamptonroads/home
	Potomac	Jesse Dorey-Ferrera	http://community.rmahq.org/potomac/home
	Richmond	Justin Cash	http://community.rmahq.org/richmond/home
	Southwest Virginia	TBD	http://community.rmahq.org/southwestvirginia/home
West Virginia	West Virginia	TBD	http://community.rmahq.org/westvirginia/home

**A banker is a fellow
who lends you his umbrella
when the sun is shining, but
wants it back the minute it
begins to rain.
• Mark Twain**



JOIN. ENGAGE. LEAD.