

THE SPREAD SHEET

NEXT DINNER MEETING – MAY 4, 2010

MEMBER PROFILE...



Desiree Gray
SBA Relationship Officer
Fortune Bank

Desiree Gray is the current Co-Chair of RMA's New Professional Group and has been on the steering committee since 2007. She was raised in the Puget Sound area since she was a young child. She attended Roosevelt High School and the University of Washington studying Sociology with an emphasis on criminology and juvenile delinquency. During her senior year of college, she completed internships at the King County Youth Detention Center as well as the Office of the Attorney General's consumer protection division. It was after those internships that she began to reevaluate her career goals. She wanted to make a difference, but she wasn't sure that youth detention/ criminal investigation was really the way she wanted to do it.

Shortly after graduating college in 1998, Desiree was hired at Evergreen Community Development Association, now known as Evergreen Business Capital. Evergreen is the region's largest Certified Development Company in the northwest which specializes in SBA 504 loans. She held several positions before becoming a loan officer in 2003 covering the State of Alaska, Eastern Washington and later the Northwest Puget Sound region. During her seven years as loan officer, she generated over \$75 million in SBA guaranteed loans. This past January, Desiree joined Fortune Bank as Assistant Vice President and SBA Relationship Officer with the goal of expanding their already successful SBA department.

After 12 years of working in financial services and specializing in SBA lending, Desiree has realized that this is the difference she wanted to make. She is making a positive difference in helping small businesses achieve their goals through creative financing solutions. Since 2001, Desiree has also continued to work with at-risk youth through her involvement as a youth

mentor and volunteer for Rise N' Shine. Rise N' Shine is a local organization that helps children that are infected with, or affected by, HIV/AIDS. They provide support groups, counseling, mentoring as well as a summer camp.

Desiree, The Puget Sound Chapter RMA board appreciates your continued support of the Young Professional Group.

What's inside this issue - see next page

FROM THE PRESIDENT'S CORNER

Submitted by President Susan Gates



Spring brings thoughts of new beginnings, renewal, green sprouts, flowers coming up and blossoms on the trees after a long chilly winter. We have been looking for these "green shoots" in our local economy for several quarters since the Great Recession was declared to have ended. For what it is worth, I am feeling hopeful. We seem to have found bottom, at least in some areas, looking at first quarter residential sales figures, hearing anecdotes about business starting to pick up. For the first time in probably two years I actually got a residential appraisal back that was higher than the one 6 months prior, due to new higher comps!

Regardless of where we are in the cycle, we still need to do our business as bankers and to work to improve our profession. Now is the time to continue to support and grow our people with further training and mentoring opportunities. The Puget Sound Chapter of RMA has an excellent and active New Professional Group for "new" bankers with up to 10 years of banking experience. They have meetings monthly which provide an opportunity for younger bankers to explore topics of interest, network with other bankers and professionals that work with our industry and organize an annual fund raising golf tournament. It also gives its members the chance to develop their leadership skills by planning their events. I hope you will encourage your newer bankers to participate as it is an excellent way for them to learn from the meetings and to gain organizational skills. The next meeting is a Senior Banker Career Development panel at 5:30 April 21 at the 13 Coins restaurant in Seattle. And for all you golfers out there, the NPG golf tournament is May 26 so stay tuned for sign up information and be sure to sponsor a foursome or hole.

Another way to develop newer credit risk professionals (0-3 years of experience) is by sending them through the RMA Lending Academy I course offered May 17-21. It is an excellent introduction to commercial lending and credit. This 5 day course starts with basic accounting, goes through financial

statement analysis, including analysis of tax returns and personal financial statements, and basic cash flow analysis.

Also not to be missed is our April 29 annual Women in Banking luncheon featuring Phyllis Campbell of JPMorgan Chase, our May 4th chapter dinner meeting with Mike Lettig of Key Bank talking about the Washington Wine Industry (plus some wine tasting), and our May 11 Round Table on the State of our Commercial Real Estate Market. I look forward to seeing you often over the next two months!

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Puget Sound Chapter Membership Application

EDUCATION PROGRAM SPRING 2010 RMA NATIONAL CLASSES

Structuring Commercial Loans I #300804C

May 11, 2010, Spokane, WA

The RMA Lending Academy I #310305C

May 17-21, 2010, Seattle, WA

REGISTER TODAY!

To register, contact Chris Thomas at (425) 709-7743 or email Chris at chris.thomas@keybank.com or go to the RMA Homepage, <http://www.rmahq.org/RMA/default.htm>, and follow these steps:

- Click on Event Search
- Enter the Event Number and hit Search
- Click on results
- Click on Register Online

Please note: responses to this e-mail are sent to Customer Care/course registration. If you wish to talk with, Erin Jester, Western Regional Manager, about NON-COURSE issues, you can send her an e-mail at ejester@rmahq.org.

Quote for the Day

"Ability is what you're capable of doing. Motivation determines what you do. Attitude determines how well you do it."

Lou Holtz



DID YOU KNOW...

What it takes to be a good leader within your organization?

The last couple of years have challenged us all in many ways. Stress levels have increase due to the demands put on everyone including the increased workloads of your employee's. With these increases are you forgetting to recognize and encourage these extra demands and long hours that go with them?

In times like these, remember to celebrate the values and victories through appreciation and recognition. Be thoughtful and personalize the recognition. These actions can do a whole lot for morale, yet are very inexpensive.

Recognition does not have to hit the pocket book. A positive word on how your employee met goals can take less time than beating them down for yet another past due loan on the books. A very important tip to remember is **"Praise in Public"** and criticizes in private. There is nothing worse for an employee's moral to be criticized among fellow peers and it is a fast way to lose respect by all your team members. It is hard to lead if you don't have the respect of your employees. You want to set the *right* example for your team.

Celebrate! Celebrations reinforce the fact that it always takes a group of people working together with a common purpose and reinforces the team goal. Celebrations create positive interactions among people. People simply feel better about the work they are doing when they enjoy a supportive network and friendly environment. This also will increase positive results.

Lastly, if you just say **"Thank You"** this will go along away in communicating that you appreciate a job well done!

Article written by Jeannie Johnson. Information taken from *"The Leadership Challenge"* by Kouzes & Posner

Credit Risk Management Audio conference Series

April 20, 2010 – New Issues in Bankruptcy

May 11, 2010 – New Issues in Lender Liability

June 8, 2010 – Regulatory Update

Time: All audio conferences will be held at 1:00 p.m. Eastern Time (10:00 a.m. Pacific Time).

Fees: Multiple listeners permitted free on the same line (include as many officers as can fit around your speakerphone).

- RMA Members – \$120 for each selected audio conference (per phone line).
- Nonmembers – \$180 for each selected audio conference (per phone line).

Allowance Best Practices Are Key in Troubled Credit Markets

Setting the correct ALLL is a challenge when the credit markets are still recovering.

By Kevin McLaughlin

With credit markets still in turmoil, a carefully considered allowance setting process is vital for banks. Community bankers learned more about allowance for loan and lease losses (ALLL) best practices during a recent RMA audio conference.

Panelists included Richard Meyers, executive vice president and chief risk officer, Firsttrust Bank; Sabeth Siddique, assistant director, Division of Banking Supervision and Regulation, Federal Reserve Board; and Suzanne Wharton, associate director, RMA.

Wharton reviewed the results of an RMA survey of community banks' allowance methodologies for both retail and commercial portfolios. The survey of more than 200 banks focused on allowance practices, execution of the reserve process, technical aspects of reserve setting, and disclosure and governance.

The survey found that more than 75% of banks surveyed used a model based on risk ratings, and the reserve model was developed and operated internally. An overwhelming percentage of community banks, 92.3%, use a single-grade rating system covering both customer and transaction risk. The borrower's risk rating and the type of collateral most likely determined the reserve estimation for commercial and consumer loans, the survey found.

Management plays a large role in making adjustments to risk model results, according to the survey. A quarter of community banks surveyed allowed a cumulative management adjustment of more than 25% of reserves. Another 28% allowed a management adjustment of 10–25% of reserves. Four in five community banks surveyed allowed some management adjustment to model results.

"The survey shows there are a lot of dynamics going on within the allowance-setting process," Wharton said. "People are taking a vigorous look at the allowance and trying to get it right."

"Accounting and regulatory guidance explicitly indicates that institutions must consider both quantitative and qualitative factors in developing and maintaining their allowance," she added. "On the qualitative side, much difficulty arises when determining exactly which factors to evaluate."

Among the qualitative factors considered, according to Meyers, are economic confidence and sentiment among area manufacturers and real estate professionals, along with housing starts, unemployment, and oil prices.

Community banks use a finite number of trailing months in evaluating historical loss rates, the survey found. In the current market, banks are shortening up the loss period to apply more weight to recent loss.

Allowance Best Practices... continued

"None of us has a clear view of how long the current situation is going to continue," said Meyers. "Until there are clear signs that we're out of this recession, we'll all be under pressure from external and internal constituencies to have a short view of recent experience."

For most community banks, a combination of the credit risk group and finance area is responsible for signing off on final reserve numbers, the survey found. The credit risk area conducts the analysis and proposes changes in methodology to the board of directors.

Allowance information is presented quarterly to the board, and 63% of banks surveyed present overall results to the board with occasional loan-level detail for relationships that cause volatility in provisioning, the survey found.

To read this article in its entirety, please visit our website: <http://www.rmahq.org/RMA/RMAJournal>. Follow The RMA Journal on [Facebook](#) or [Twitter](#).

RMA Credit Risk Certification

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, check out our website:

www.rmahq.org



Nora Crawford, Banner Bank
Thomas Humann, Banner Bank
Deanna Mantle, Banner Bank
Diana Ortega, Banner Bank
Andrew Tubbs, Banner Bank
Jenn Zalubil, Banner Bank
Heath Mclellan, Charter Private Bank
Kerry Wake, City Bank
Henry Reitzug, Northwest Commercial Bank
Bryan Tagas, Sterling Savings Bank
Sarah Howard, Wells Fargo Bank
Souk Sonesouphab, Wells Fargo Bank
David Winters, Wells Fargo Bank
Serene Armstrong, Whidbey Island Bank

NEXT MONTHLY CHAPTER

DINNER MEETING

Tuesday, May 4, 2010

Columbia Tower Club
701 5th Avenue, 75th Floor in Downtown Seattle

Dinner Cost: \$70.00 Members, \$80.00 Non-Members

Speaker:

Mike Lettig, National Executive, Key Bank

Topic:

Washington Wine Industry (with samples!)

STATE OF THE COMMERCIAL REAL ESTATE MARKET ROUND TABLE

Tuesday, May 11, 2010

The Rainier Club
820 4th Avenue (downtown Seattle)

Cost: \$95 Members; Non-Members \$125.00 (lunch)

Speakers:

Scott Biethan, Carol Davis and Lou Senini, CBRE
Patrick Lamb and Heber Kennedy III, Lamb Hanson Lamb

Topic:

Part I: Review of the Puget Sound Market
Part II: Fundamental Market Analysis

YOUNG PROFESSIONAL GROUP

4th Annual Golf Tournament

Wednesday, May 26, 2010

Harbour Pointe Golf Club
11817 Harbour Pointe Blvd, Mukilteo, WA

Cost: \$85.00 per player

Program:

Enjoy a complete program of special events, 18 holes of golf (including cart), box lunch, and door prizes. There will be a putting challenge on the practice green, two longest drives contests and a closest to the pin challenge to enthrall you!

Questions??? Call Patrick Lamb @ (206) 838-1216

NEED TO CHANGE YOUR ADDRESS ... Please contact Bonnie McGoldrick, Puget Sound Chapter Administrator, to update your membership information including your e-mail address. Bonnie is available by e-mail at: rma@secretarialassistants.com or by phone 206-282-0158, fax 206-282-9544 or by mail at Secretarial Assistants, 3214 West McGraw #103A, Seattle, Washington 98199

BOARD OFFICERS & COMMITTEES

President:

Susan Gates, Charter Private Bank 425-691-3254

Vice President:

Steve Yose, Key Bank 425-709-4508

Secretary/Treasurer:

Jeannie Johnson, Columbia Bank 253-863-0901

Board Members At Large:

Alan Fulp, Core Business Bank 425-495-8522

Membership/Community Banks Committee:

Phil Eng, Evergreen Business Capital 206-577-1422
Conrad Wouters, Chair, The Legacy Group 206-325-8400
Mike Tibbits,

Communications Committee:

Donna Sayre, Chair, Columbia Bank 253-396-6987

Education Committee:

John Ruhl, Ryan Swanson Cleveland PLLC 206-654-2217
Chris Thomas, Chair, Key Bank 425-709-7743

Program Committee:

Steve Yose, Key Bank 425-709-4508

Real Estate Committee:

Conrad Wouters, Chair The Legacy Group 206-325-8400

Round Table Committee:

Eric Carlsen, Chair, Prime Pacific Bank 425-712-9898
Donna Sayre, Columbia Bank 253-396-6987

Website Committee:

Bonnie McGoldrick, Administrator 206-282-0158

New Professionals Group

Carmen Malsbury, Bank of the Northwest 425-395-1191
Reid Wiggins, First Mutual 425-453-5301
Desiree Gray, Fortune Bank 206-254-7284

Women in Banking Committee

Dana Armine, Chair, Key Bank 425-709-7292
Nancy DeLuca
Andy Pletz, Charter Private Bank 425-586-5105
Patti Kibbe, Evergreen Business Capital 206-577-1431

Past Presidents Committee

Andrew Niemer, Charter Private Bank 425-586-5018
Jeanne Hansen, Chair, Bank of Washington 425-921-2427
Robert Schutte, Whidbey Island Bank 360-240-5157
Eric Carlson, Prime Pacific Bank 425-712-9898
Terry Peterson, Independent Banker
Bob Bruback, Heritage Bank 253-671-4452
Wayne Mannie, Columbia Bank 253-305-0803

Nominating Committee:

Andrew Niemer, Charter Private Bank 425-586-5018

Audit Committee:

Steve Yose, Key Bank 425-709-4508



New RMA Associate from an RMA Member Institution:

Recruited by RMA Local Chapter: **PUGET SOUND CHAPTER**

By joining RMA today through your local chapter, you will realize local, regional, national, and international opportunities to gain knowledge of the financial services industry and the people who work the industry. RMA's local chapters expand the opportunity for you to become involved in RMA! Nominal local dues may be charged. Here's what your RMA Associate membership offers:

- *Invitations to local chapter events and educational programs (Nominal local dues may be charged).*
- *Subscription to the renowned RMA Journal.*
- *Access to the Members-only Section of RMA's Web site – www.rmahq.org.*
- *Special reports/hot topics of interest.*
- *Updates on educational opportunities, workshops, and round tables.*
- *RMA's Information Services.*

The RMA fiscal year is September 1 through August 31. The dues for new Associates joining RMA are prorated in equal twelfths from September 1 through April 30. From May 1, prorated dues for the current fiscal year AND full dues for the upcoming fiscal year will be charged. Dues are not transferable and are not refundable.

Individual Information (please print or type)

☐ Mr. ☐ Ms. Last Name: _____ First: _____ MI: _____

Nickname: _____ Title (e.g., EVP, SVP, etc.): _____

Institution Name: _____

Business Address: _____

City: _____ State: _____ Zip: _____

Phone: () _____ Fax: () _____ e-Mail Address: _____

This section must be completed in order to properly process your application.

Which best describes your job function? (Check one only.)

- | | | | |
|--|--|--|---|
| <input type="checkbox"/> Auditor | <input type="checkbox"/> CEO/President | <input type="checkbox"/> COO/CFO/Managing Director | <input type="checkbox"/> CPA/Attorney/Appraiser |
| <input type="checkbox"/> Credit Admin/Department | <input type="checkbox"/> Credit Policy Officer | <input type="checkbox"/> Government Agency | <input type="checkbox"/> Human Resource/Training Dir. |
| <input type="checkbox"/> Insurance | <input type="checkbox"/> Loan Review/Administration | <input type="checkbox"/> Nonbank/Nonfinancial | <input type="checkbox"/> Portfolio Management Officer |
| <input type="checkbox"/> Regulator/Examiner | <input type="checkbox"/> Relationship Manager/Lender | <input type="checkbox"/> Risk Management Officer | <input type="checkbox"/> Secretary/Admin Asst |
| <input type="checkbox"/> Securities Lending | <input type="checkbox"/> Securities Trader | <input type="checkbox"/> Senior Line Manager | <input type="checkbox"/> Student |
| <input type="checkbox"/> Underwriter/Analyst | <input type="checkbox"/> University/Librarian | | |

Which best describes your area of specialty? (Check one only.)

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Agricultural Lending | <input type="checkbox"/> All Credit Activity | <input type="checkbox"/> Audit | <input type="checkbox"/> Commercial Banking |
| <input type="checkbox"/> Consumer/Retail Banking | <input type="checkbox"/> Corporate Office | <input type="checkbox"/> Credit Department | <input type="checkbox"/> Credit Risk |
| <input type="checkbox"/> Custody | <input type="checkbox"/> Enterprise Risk | <input type="checkbox"/> Finance Function | <input type="checkbox"/> Funds Management |
| <input type="checkbox"/> Healthcare | <input type="checkbox"/> International/Global Banking | <input type="checkbox"/> Investment Banking | <input type="checkbox"/> IT |
| <input type="checkbox"/> Legal | <input type="checkbox"/> Life/Health Insurance | <input type="checkbox"/> Market Risk | <input type="checkbox"/> Nonbank/Nonfinancial Institution |
| <input type="checkbox"/> Non-Profit/University | <input type="checkbox"/> Operational Risk | <input type="checkbox"/> Operations | <input type="checkbox"/> P&C Insurance |
| <input type="checkbox"/> Private Banking/Wealth Mgmt | <input type="checkbox"/> Real Estate Lending | <input type="checkbox"/> Sales and Marketing | <input type="checkbox"/> Securities Lending |
| <input type="checkbox"/> Securities or Fixed Income Trading | | | |

(If applicable) Previously, I was an RMA Associate with: _____ City: _____

Payment Information: New Associates from Member Institutions have the option to pay their own membership dues by check or by credit card.

☐ Bill my institution's Senior Associate

☐ Check for \$50.00 (enclosed) ☐ VISA ☐ MasterCard ☐ AMEX ☐ Diners Club ☐ Discover

Account Number: _____ Exp Date: _____ Signature: _____

MAXIMIZE YOUR RMA BENEFITS – GET INVOLVED WITH THE LOCAL CHAPTER!

☐ Yes, I would like to get involved in the local chapter leadership. Please have the local chapter call me about local leadership opportunities.

Join RMA by sending this application to: RMA Member Services, One Liberty Place, 1650 Market Street, Suite 2300, Philadelphia, PA 19103, or Fax: 215/446-4100/Questions Call: 800/677-7621.



Puget Sound Chapter Risk Management Association Membership Application

3214 West McGraw #103A • Seattle, Washington 98199 • 206-282-0158 • Fax 206-282-9544
rma@secretarialassistants.com

The Puget Sound Chapter of Risk Management Association holds monthly meetings in October, November, December, February, March, April and May on the first Tuesday of the month.

Benefits included training and education classes, dinner meetings with guest speakers and networking.

Membership Dues \$30.00 per year

Please fill out the application and return by mail, fax or email.
Fill in your credit card information on the form.

First Name	Last Name	Bank
Street	City	State, Zip
Telephone	Fax	Email

Credit Card Information

Number	Type	Expiration Date
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Please remit dues and application to:

By Mail: PSC-RMA
3214 West McGraw #103A
Seattle, Washington 98199

By Fax: 206-282-9544

By Email: rma@secretarialassistants.com