



# BORROWED TIMES

## RMA Kansas Chapter Annual Meeting



*Ian Worrell, Chapter President & VP of Intrust Bank/ Jamie Jones, RMA Central Regional Manager/ Mark Schmelzle, SVP & Financial Services Team Leader for AGH/ Miki Bowman, State of Kansas Bank Commissioner/ Chuck Stones, President of Kansas Bankers Association/ & Roger Kepley, retired President & CEO for Rose Hill Bank.*

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### Special points of interest:

- Panel discussion of bank regulations and economy.
- Philanthropic outreach .
- \$202,000 in scholarships from RMA.

The Annual Meeting for the Kansas Chapter of RMA was held April 27 at the Wichita Country Club. Following a delicious Italian buffet dinner, Ian Worrell, Kansas Chapter President, began the evening's program by introducing Jamie Jones, RMA Central Regional Manager for Chapters and Community Banks. Ms. Jones spoke briefly about some of the services offered by RMA and encouraged everyone to complete the regulatory survey that was recently emailed to all member institutions. RMA will use the results of that survey when their representatives meet with banking regulators in June.

The slate of Board Officers and Directors for the fiscal year that

will begin September 1 was presented. Special recognition was given to Barbara Mize who will be leaving the Board after serving for 14 of the last 17 years.

The program at the Annual Meeting was a panel discussion focused on the implications of the current economic and political climate. The moderator was Mark Schmelzle, SVP & Financial Services Team Leader for AGH, LC. The panelists were Miki Bowman, State of Kansas Bank Commissioner; Chuck Stones, President of Kansas Bankers Association; and Roger Kepley, retired President & CEO for Rose Hill Bank.

The discussion began with some

history of banking regulations. Kepley began by reminiscing about how simple banking was when he began his banking career. Reg-Q, which no longer exists, set the interest rate that could be paid on savings deposits and prohibited banks from paying interest on demand deposits. And then in 1970 the Bank Secrecy Act (BSA) was passed; 1975 Home Mortgage Disclosure Act (HMDA); 1977 Community Reinvestment Act (CRA); 1978 Reg-O; and so on. Kepley cited multiple examples of unexpected negative consequences of several of these regulations and stated the need to question if the benefits of a new regulation exceed the cost.

**Annual Meeting—Continued from Page 1:**

The end of Reg-Q allowed entrepreneurial activity and innovations with aspects for profit, stated Stones, specifically in areas that were not over regulated. Too much regulation can stifle innovation of new bank products. Stones is supportive of President Trump's approach of pulling different groups together to try to get a consensus of ways to reduce regulations as a means of helping to get the economy going. But he does not have confidence in Congress' ability to make anything happen.

State of Kansas Bank Commissioner, Miki Bowman, agreed that sometimes regulations can stifle innovation but on the other hand can also lead to new technology that banks implement to help with compliance of burdensome regulations. She pointed out that the big concern for community banks is that many of the regulations which have come about over the last ten years include rules that don't fit small banks. Her out-

look on potential changes and/or repeal of some of the more arduous regulations was less doubtful than Stones.

Much of the focus of the Dodd-Frank bill addressed the housing crisis and the concept of "Too big to fail." Stones briefly summarized the housing crisis as the development of the concept that buyers could buy houses, make a profit from the continued increasing values, and repay the loan from the sale of the house a few months after purchase. He pointed out that it was such a popular concept that realty TV created shows on house "flipping."

The crash of the housing market resulted in the creation of the Consumer Finance Protection Bureau (CFPB). Which led to a whole new set of regulations including the Ability to Repay (ATR) and Qualified Mortgage (QM) rules. The new rules for home loans did not take into consideration the markets serviced by community banks, with housing prices as low as \$40,000 or even lower. An unintended consequence was that some community banks no longer make home loans.

Bowman pointed out that part of the difficulty with the CFPB is that most of those involved in writing the rules did not have banking background. Kepley stated, "CFPB is a solution in search of a problem," because banks were already regulated

and did not need another regulatory entity. As a result of the volume and complexity of all the new regulations, there has been an increase in bank consolidations and no de-novo banks in the last six years.

Some community banks have changed from national charters to state charters. Over the last 5 years there were 16 banks in Kansas that changed to state charters. Bowman identified some of the reported reasons that banks changed, including difficulty with contacting the OCC, OCC examiners were often from other parts of the country and did not understand the local economy, and lower fee structure.

Loan concentrations continue to be a concern, not only with commercial real estate and multi-family loans but also with agricultural loans. The last couple years have been very difficult for farmers and there has been an increase in operating debt from one year being carried over to the next year.

Bowman emphasized that concentrations in and of themselves are not the concern, but it is how they are managed. Some of the key points to good management include regular loan reviews, property inspections, re-evaluations of property values, stress testing, and ALLL calculations that address concentration risk as well as other risks.

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**Appraisal Shield** was the sponsor for RMA Kansas' Annual Meeting.

Appraisal Shield offers software tools that are designed to help lenders of all sizes improve their appraisal processes,

increase communication, and simplify compliance with Dodd-Frank regulations; which ultimately results in greater efficiency. You may contact Gena Money at Appraisal Shield for more information. (888) 345-7778 x3961.

## Women In Banking group hosts Annual Breakfast & Supply Drive

*By Mollie Smith:* On March 2nd, the RMA-Kansas Chapter *Women in Banking* group proudly hosted its annual breakfast and supply drive to benefit the Assistance League of Wichita (ALW). Over thirty-five area businesswomen gathered for the morning presentation which has quickly become the group's signature annual event, with its unique format and philanthropic angle. This year's presentation was centered around the theme, *Spring Forward: Exploring Career and Personal Growth*.

The group hosted an all-star panel, including Marjorie Engle from AGH, Kelly Harper from United Way of the Plains and Michele Kyle from Fidelity Bank. The plethora of knowledge supplied by these women drew from their respective backgrounds across various industries including banking, non-profit work, healthcare, management, accounting and entrepreneurship.

The panel was moderated by veteran banker Susan Downey of Carson Bank, who led the



women through a series of questions relating to education and background, career choices and advancement, mentor/mentee relationships, gender equality and personal/professional life balance. Susan rounded out the discussion by asking the final question of, *'What advice would you give the women sitting in this room who are ready to **spring forward** in their career?'*

Dr. Engle encouraged the women to be humble, hungry and smart. Kelly Harper emphasized the importance of being relevant and unafraid to reinvent yourself or your circumstances, while Michele Kyle underscored the advantage of developing intrapersonal skills. These pieces of advice will prove to be invaluable as the Women in Banking spring forward in their respective careers!

*Spring Forward:  
Exploring Career and  
Personal Growth*

## Assistance League of Wichita



The ALW pioneers four major programs, one of which being the 'Bear Hugs' program-- which distributes cuddly teddy bears to area hospitals for children who have fallen victim to abuse or crisis situations.

The Women in Banking group once again showed their

warmth and generosity by donating a mass of teddy bears, colored pencils and tote bags to the ALW supply drive. As if this wasn't enough--on the morning of the event the Women in Banking donated over \$400 in cash contributions to the group. The display of generosity at a professional event was truly overwhelming to the ALW staff and the RMA volunteers alike.



*"Bear Hugs" program--Distributes teddy bears to area hospitals.*

## RMA Scholarships & Student Memberships

By Frank Devlin for the April 2017 *RMA Journal*

THE RISK MANAGEMENT Association announced in February it had selected 58 new RMA Scholars. The highly qualified college students received RMA Foundation Scholarships ranging from \$2,000 to \$3,000 for students who demonstrate an intent to pursue a career in banking. Additionally, the Foundation renewed the awards of 23 students who won scholarships last year, bringing the number of active RMA Scholars this year to 81. A total of \$202,000 was awarded.

The RMA Foundation scholarships are intended to address banking's talent gap by supporting students on their journeys into the financial services industry. The Risk Management Association, whose mission is to advance the use of

sound risk management principles in the industry, created the Foundation in 2014 and seeded it with \$5 million. It has since provided another \$1 million to the Foundation.

"Helping to pave the way for bright students with a demonstrated interest in working in financial services is important work for RMA," RMA CEO Bill Githens said. "It is very gratifying to be part of such an important effort, and heartening to know that, thanks to RMA's financial commitment, the Foundation will continue to fund RMA Scholars for many years to come."

Applications for the next round of RMA Foundation scholarships will be accepted in the fall. In addition to applying for scholarships, banking-focused students are encouraged to take advantage of free RMA student memberships.

To be eligible for scholarships, students must: be citizens or permanent residents of the United States or Canada; have completed a minimum of two years in college; have a minimum grade point average of 3.0 on a 4.0 scale; be enrolled full-time at an accredited institution in the United States or Canada; and be majoring in accounting, business, finance, economics, banking, or a related area of study with the intention to work in the banking industry.

RMA Scholars are selected based on academic achievement, participation in school or community activities, work experience, demonstrated interest in the banking industry, and their career goals. Financial need is not considered.

**To see the full list of scholarship winners, please visit our website:**

<http://landing.rmahq.org/SRC/>

**RMA Foundation Scholarships ranging from \$2,000 to \$3,000 for students who demonstrate an intent to pursue a career in banking.**



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## Washington Wrap-Up

**JOIN. ENGAGE. LEAD.**

RMA's Washington Wrap-up is your source for the latest regulatory updates. It contains the minutes of the Regulatory Relations Council's and Community Bank Council's meetings with the regulators and news of recent legislative and regulatory developments, and commentary and analysis.

This is a regular feature in the RMA Journal. RMA Members may also visit [www.rmahq.org](http://www.rmahq.org) for updates to the Washington Wrap-Up.

**Email:**

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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 any of the Chapter Board Members.

### Slate of Officers for 2017-2018

*(Fiscal year beginning September 1, 2017)*

- **President**  
**Andy Watkins**
- **Vice President**  
**Mollie Smith**
- **Secretary**  
**Ty Patton**
- **Treasurer**  
**Jacob Siegrist**

## 2016-2017 Kansas Chapter Board Members

#### Kansas RMA President:

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#### Kansas RMA Secretary

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Barbara Mize, Fidelity Bank  
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#### Kansas RMA YP Chair:

Mollie Smith, Intrust Bank  
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#### Kansas RMA Past President:

- Steve Schoenecker, Bank SNB, 8415 E 21st N, #150  
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