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# BORROWED TIMES\$



*Kansas Chapter Annual Membership Meeting. Pictured (left to right): Mollie Smith, V.P. Kansas Chapter; Andy Watkins, Pres. Kansas Chapter; Jeff Fluhr, Pres. Greater Wichita Partnership; and Mazie Mobley, YP Committee Chair Kansas Chapter*

## Kansas Chapter Annual Membership Meeting

*By Andy Watkins*

Our 2018 Annual Membership Meeting was held at the Petroleum Club in Wichita on April 24th. With over 20 different organizations represented by over 60 guests at the annual meeting, we consider this event a success!

Our event started with a social at 5 p.m. followed by our dinner buffet and meeting. We officially recognized our current RMA Kansas Chapter board and the contributions they have made so far this year, and we looked ahead at next year's board and approved our newest board member, Tyler Walden of AGH.

Our featured speaker for the event was Jeff Fluhr, President of Downtown Wichita and President of the Greater Wichita Partnership. Jeff updated our group on

the many opportunities Wichita and the area has with new projects going on currently such as the new Cargill building being constructed as well as the many different projects that have been completed along Douglas St. This area has become a focal point of downtown development efforts. It was apparent that Jeff's contributions have greatly improved the downtown development efforts since he moved to Wichita about nine years ago. Thanks to Jeff for providing us with a very interesting update, and we appreciate all that you do to support our community!

A special thanks to McCurdy Auction for serving as our featured sponsor for this event!



### RMA University

*Knowledge that will take you places, without going anywhere at all.*

RMAU's newest web-based course *Accounting for Bankers* teaches you how to analyze a financial statement and use the information to better understand the sources and uses of cash. This course is user-driven, allowing you to move through it at your own pace.

Contact Damaly Brown for additional information:  
[dbrown@rmahq.org](mailto:dbrown@rmahq.org)

## ***2018 Annual Women in Business Breakfast and Supply Drive to benefit the Assistance League of Wichita***



*By Mollie Smith*

On February 28, RMA's Women in Business group hosted its annual breakfast event and supply drive to benefit the Assistance League of Wichita. Area business women gathered at the Petroleum Club, eager to hear from our keynote presenter, Megan McCurdy of McCurdy Auction. Megan was a perfect fit for the event --as a strong female businesswoman, she has come up in the predominately male field of auctioneering and created her place in the family-owned business at McCurdy Auction. She has achieved success not only in her craft as an auctioneer but also as someone who has worked her way to becoming Chief Operating Officer of the company. Megan is making her mark as the only female auctioneer in the City of Wichita and (among other accolades) was crowned the 2010 Kansas Auctioneer Champion and in 2013 was awarded the International Auctioneer Champion in the women's division—which is the highest level of recognition an auctioneer can receive.

*Pictured (left to right) Susan Downey, Cross First Bank; Megan McCurdy, McCurdy Auction; Mollie Smith, In-trust Bank*

Megan urged the group to dig deep and thoughtfully prioritize goals and responsibilities, as a way to create a balance between our work, family, social and spiritual lives. Aligning our focus and energy to the things which matter most is a process, and it takes some work to achieve. She explained that we must be willing to sacrifice; it is possible to 'have it all', but along with that we need to understand that we may not have it all, all at the same time. It is okay for work to take a backseat to family, and it is okay to rely on your family and friends when work obligations need to take priority. Megan's presentation made an impact on each and every person as we work to create our own 'path to success'.

Megan displayed her skills and graciously agreed to auction off a gift basket full of goodies, with all proceeds going directly to the Assistance League of Wichita. Christy Simonsen with Bankers' Bank of Kansas was the lucky (and generous!) winner!

All attendees donated to the ALW's Bear Hugs program by bringing plush teddy bears, journals, pens and bags to be distributed to area hospitals for children who have fallen victim to abuse. Hearing from ALW and the ways that the children benefit from these items is always heartwarming. This event has become one of our most well-received events with its philanthropic angle and we are ever grateful for the warmth and generosity of Wichita's Women in Business!



The Kansas Chapter would like to thank Susan Downey (Cross First Bank) for her continued support and contribution of time and effort to help plan this annual event. Susan served on the Kansas Chapter Board for several years, during which time she coordinated the inaugural event.



**Mission:** Assistance League of Wichita, a chapter of National Assistance League, is a non-profit organization of volunteers dedicated to transform the lives of children and adults through community-based philanthropic programs that address the needs of the Wichita Community.

## RMA Young Professionals-Kansas Chapter Hosted: Behind the Scenes at Sedgwick County Zoo



*By Mazie Mobley*

On Tuesday, May 15th, twenty-two business professionals attended the “Behind the Scenes” event hosted by the Young Professional’s association. The event was well received, the group was able to feed and interact with the rhinos and enjoy a boat tour. The event concluded with a social held at Big Bear Watering Hole that included beer, wine, and hors d’oeuvres.

The Sedgwick County Zoo is an AZA-accredited wild-life park and major attraction in Wichita, Kansas. Founded in 1971 with the help of the Sedgwick County Zoological Society, the zoo has quickly become recognized both nationally and internationally for its support of conservation programs and successful breeding of rare and endangered species. Having over 2,500 animals of nearly 500 different species, the zoo has slowly increased its visitors and now ranks as the number one outdoor tourist attraction in the state!



*Pictured (left to right): Mollie Smith, Intrust Bank; Alison Clutter, Rose Hill Bank; April Grunder, Rose Hill Bank*

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## Roundtable Discussion: Bank Operations, Information Security and Technology

*By Alison Clutter*

On Friday, June 15th, eight business professionals representing five different institutions attended the semi-annual IT Roundtable event. Brian Johnson, SVP, Technology Services and Administration at AGH, moderated the discussion. Brian is a frequent speaker and advisor on technology developments and trends. A certified public accountant, he has extensive expertise in IT risk advisory services and has earned the Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified In the Governance of Enterprise IT (CGEIT), and Certified in Risk and Information Systems Control (CRISC), credentials as well as additional certifications in operations management, systems engineering, and solution development. Participants were encouraged to submit talking points related to best practices in bank operations, information security and network support prior to the event.

The Kansas Chapter would like to extend a special thanks to AGH for sponsoring and hosting this event!



## ***Closing the Door on LIBOR –***

***By Fran Garritt and Frank Devlin for the June 2018 RMA Journal***

THE LONDON INTERBANK offered rate—better known as Libor—has had a long and influential run. Devised in 1969 as a method to price a syndicated loan deal with the Shah of Iran, Libor, which is an estimate of the interest rate that London banks would pay to borrow from each other, was later formally published by the British Bankers Association and grew to become an international go-to benchmark.

Today, an estimated \$160 trillion of U.S. dollar exposures is tied to the swings of Libor. Globally, Libor-related exposure has been estimated at up to \$400 trillion in dollar terms, covering auto and student loans, commercial and residential mortgages, corporate and syndicated loans, and various derivatives. But now Libor's days of influence may be numbered. In fact, they number somewhere in the range of 1,300 days, if things go according to plan. In its place will be alternative risk-free reference rates based on transactions that include overnight funding and repurchase agreements.

### **Transition to New Risk-Free Rates**

While the continued viability of Libor is in question, it is clear that transitioning to agreed-upon benchmarks that can match Libor's load of tenors (one day, one week, one month, two months, three months, six months, one year) and currencies (U.S. dollar, euro, British pound, Japanese yen, Swiss franc) will also be a complex and costly challenge.

An RBC Capital Markets report calls the transition from Libor a "Herculean task...across wide ranging asset classes and financial instruments. For benchmark reform to be successful,

there will need to be broad market adoption of the alternative [rates]."<sup>1</sup>

For U.S. dollar transactions, the Federal Reserve's Alternative Reference Rates Committee (ARRC) has recommended replacing U.S. Libor with the secured overnight funding rate, or SOFR. SOFR is set to include triparty repo data from Bank of New York Mellon, cleared bilateral repo transactions, and general collateral finance repo data from the Depository Trust & Clearing Corporation.

Following the ARRC's recommendation, Federal Reserve Chair Powell and CFTC Chair Christopher Giancarlo noted in a Wall Street Journal commentary that SOFR "resolves the central problem with Libor, because it will be based on actual market transactions currently reflecting roughly \$800 billion in daily activity. That will make it far more robust than Libor."

The ARRC released its second report in March, which summarizes the choice of SOFR as its recommended replacement rate and offers an enhanced paced transition plan, which seeks to promote the use of SOFR on a voluntary basis. The report also includes an initial examination of the contractual language commonly used in products referencing Libor, with a particular focus on fallback language.

Key milestones in the ARRC's transition timeline include the following:

- April 3, 2018: The New York Fed began publication of the Treasury repo reference rates.
- May 7, 2018: CME Group was scheduled to launch futures on Libor alternative.

- Second half of 2018: Trading in bilateral, uncleared SOFR swaps begins.
- First quarter 2019: Trading begins in cleared SOFR swaps with fed funds as price alignment interest (PAI).
- First quarter 2020: Central counterparties (CCPs) offer SOFR as an alternative PAI.
- Second quarter 2021: CCPs will only accept new swap contracts for clearing using SOFR (instead of fed funds effective discounting).

At first, the secured overnight funding rate will be just what its name suggests: an overnight rate—a spot market with no offerings to match Libor's various tenors. It will take time, well into 2021, some say, to develop the longer tenors that will make SOFR an adequate benchmark to replace Libor.

For the British pound, the Bank of England is putting forth the sterling overnight interbank average rate (SONIA) to replace Libor. SONIA has been in use since 1997, but the Bank of England has been working on a new methodology to make it a more suitable Libor replacement. Details are expected later this year.

There are also alternatives in place or being planned for the Japanese yen, the euro, and the Swiss franc.

The end of 2021 may seem distant, but many in the industry believe that achieving the switch to new benchmarks in less than four years is an aggressive goal. To be sure, many

[http://rmajournal.org/rmajournal/june\\_2018/?sub\\_id=CqsKgzdubUIDLs&pg=48#pg48](http://rmajournal.org/rmajournal/june_2018/?sub_id=CqsKgzdubUIDLs&pg=48#pg48)

## Visit us at: <http://community.rmahq.org/kansas/home>

**About the Chapter:** The Kansas Chapter, like all RMA chapters, is organized and run by volunteer members. We strongly encourage current or prospective members to become involved in shaping the future direction of the chapter by contacting any of the current officers or committee chairs.

### Upcoming Kansas Chapter Events:

July 13, 2018 Understanding and Interpreting Real Estate Appraisals

July 27, 2018 Credit Manager Roundtable

Date to be Determined: YP: Golf 101

*Your support and involvement in the local Kansas Chapter is essential to our success!*



### Board Member Spotlight:



### Brandon Prough

*Brandon is a graduate of Fort Hays State University with a degree in Agri-Business. Since college he has worked for USDA with different agencies. He has worked for Farmers Home Administration, Farm Service Agency and Rural Development. Throughout almost 20 years of service with USDA he has worked with various lending programs USDA offers. In October of 2011, Brandon left federal service and joined the Bank of Hays where he works primarily with commercial loans and is the Chief Lending Officer. Brandon was asked to serve on the RMA Board as a representative from Western Kansas. In addition to his professional career, Brandon enjoys coaching, hunting and is involved with his church. Brandon is married to Shaina and has 3 children; Madison, Cassidy and Brian.*



## 2017-2018 Kansas Chapter Board Members

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