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RMA BUFFALO CHAPTER FALL 2019 NEWSLETTER



PRESIDENT'S CORNER



Hello Members and Happy Fall! I would like to take a minute to thank the board and all of the members for a very successful year! The Buffalo Chapter earned Gold status this past year and our Rising Leaders group achieved Sapphire status! We are very proud of these accomplishments and are looking forward to another year of meaningful programming and educational events for our members.

There are a number of exciting things to look forward to this year. Our first annual membership event is expected to take place in the summer of 2020. It is still in the planning phase, and we'd welcome your input! We are always looking for new committee members and the membership event could be the perfect opportunity to put your personal touch on a new event!

You can see from our Board listing, we have a wide variety of professionals involved in our chapter - from bankers, to CPA's, attorneys and more. All are welcome!

Included in this edition of the newsletter is information related to pending changes on LIBOR. We are working on providing you with more detailed information as it relates to LIBOR changes. Please look forward to an event in March or April 2020 related to this topic.

I look forward to seeing you at our upcoming events and connecting with you soon!

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The Bonadio Group
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RMA Board Members

President/Women in Business Committee:
Nancy Cox - The Bonadio Group
Vice President/Audit Chair:
Jeremy Blecha, Tronconi Segarra & Associates
Secretary:
Lynn Wilson, Key Bank
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Michael Welch, Evans Bank
Communication/Rising Leaders Committee:
Mark Aardema, M&T Bank
Rising Leaders Committee:
Jessica Kreuzer, Northwest Bank
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Jeffery Simmons, M&T Bank
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IN THIS ISSUE

President's Corner 1
RMA Board Members 1
LIBOR Article 2
2019-2020 Calendar of Events..... 2
2019-2020 Educational Events 2
Student Resource Center 3
Student Scholarships..... 3
RMAHQ Update..... 3
Buffalo Chapter Membership Information 3
Hot Topic: Opportunity Zones..... 4

Preparing to Lower the Boom on LIBOR

By Stephen Krasowski for the July-August 2019 *RMA Journal*

THE EXISTENCE OF Libor may be in jeopardy come January 1, 2022, so regulators continue to work on alternative rates, how they would be calculated, and ways to document the transition process.

This change to a new rate to replace Libor will have a profound impact on borrowers, lenders, market participants, and the financial instruments they have come to rely upon. For financial institutions, what is important is to learn if a new rate such as the proposed Secured Overnight Financing Rate (SOFR) would require adjustments to risk management policies and infrastructure.

The Royal Bank of Canada's Michael Ferencich, president of RMA's Toronto Chapter, kicked off a thought-provoking panel discussion, co-hosted by the Toronto Chapter and Ernst & Young, focusing on the challenges and risks associated with the transition from Libor. The goal of the discussion was to help financial institutions better understand possible replacements and the differences among the rates.

"It's no secret that the way the North American transition will happen will be dependent upon what happens to the U.S. dollar Libor," said Nick Chan, global head of repo, BMO Capital Markets. As a participant in these markets, he said, "we have to deal with infrastructure challenges, valuation considerations, and outreach, or 'lift,' that we want to give back to the industry.

Read the entire article in the July-August 2019 edition of the *RMA Journal*. https://rmajournal.org/rmajournal/july_august_2019

2019-2020 CALENDAR OF EVENTS

Look for information on the following planned events!

Coming soon -
Accounting Update (leases and revenue recognition)

Spring 2020 - LIBOR Event

June 2020 - RMA/CPA /Cybersecurity event

Summer 2020 - Membership Appreciation Event

Educational Events:

March 11, 2020
Asset-based Lending for Non-Asset Based Lenders

STUDENT RESOURCE CENTER

RMA provides free student memberships and a student resource center!
https://landing.rmahq.org/SRC/landing-94UZ-1964NX.html

The student resource center provides tools and resources for students to:

- Build their network
- Get practical experience through internships
- Strengthen resumes
- Apply for Scholarships
- Gain insight beyond the textbook
- Get latest industry trends and research information
- Supplement university education

STUDENT SCHOLARSHIPS

Students in an undergraduate program who are interested in the working in the banking industry may apply for an RMA Foundation Scholarship!

The RMA Foundation is awarding over $200,000 annually in scholarships ranging from $2,000 to $8,000!

For this year the Program closed on Monday October 21. If you missed the opportunity this year, put it on your calendar for next year!

For more information - https://landing.rmahq.org/SRC/scholarships-94UZ-1982TH.html%22

Thank you to our sponsors!



RMAHQ UPDATE

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.

MEMBERSHIP - BUFFALO CHAPTER

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, contact Charlie Brooks:

716-730-4282
Charles.brooks@northwest.com.

KEEP IN TOUCH

Buffalo Chapter Website - **https://community.rmahq.org/buffalo/home?ssopc=1**

Hot Topic - Opportunity Zones

by Joseph Wutz, CPA - The Bonadio Group

Four Things to Know Before Investing in a Qualified Opportunity Fund:

1. Qualified Investment:
   Only **capital gains** from an **unrelated party** that are contributed to a qualified opportunity fund within **180 days** are eligible for the opportunity zone tax incentives.

2. Experience Matters:
   The rules for qualified opportunity zone investments are complex, **with additional guidance likely coming soon**. Incorrect advice or disregard for the qualified opportunity zone rules could result in significant penalties, and could potentially squash the opportunity zone incentives for all of the investors.

3. Plan For Eventually Paying Tax:
   You will have to pay tax on your deferred capital gains by 2026. What tax rate will apply to your capital gains in that year? Will you be expected to pay the tax on your own, or will the qualified opportunity fund give you a distribution? It is critical to understand the **tax implications** of receiving any **distribution** beforehand.

4. Consider Exit Strategy:
   The exclusion of appreciation on your eligible investment in the qualified opportunity fund after a minimum of 10 years is a huge tax benefit, **but only if the exit from your qualified opportunity fund investment is properly structured and executed**. Failure to stick the landing can cost you and the other investors countless amounts of tax-free dollars.

