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RMA BUFFALO CHAPTER SPRING 2020 NEWSLETTER



PRESIDENT'S CORNER



Hello Members,

I hope you are staying healthy and safe during these unprecedented times.

I wanted to start this issue off by sharing some good news! Ryan Ballow and Griffin O'Brien from Canisius College were RMA Foundation scholarship recipients for the 2019-2020 school year! Read further down in the newsletter for more information on the scholarship program.

We were also very fortunate to add a new board member recently - Sharon Brautigam from Community Bank N.A. Sharon is a credit analyst in the Orchard Park office for Community Bank. Welcome Sharon!

The Buffalo Chapter board members are focused on continuing to bring programming and resources to the Chapter over the next few months. Included in this edition of the newsletter is information on COVID-19 resources offered through RMA, an article related to environmental due diligence and appraisals during the COVID-19 crisis and information related to how we plan to continue programming through the crisis.

I really look forward to once again connecting in person, and am hopeful that it will be soon.

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RMA Board Members

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Nancy Cox - The Bonadio Group
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RMA COVID-19 Resources

RMA ANNOUNCES RESOURCES TO SUPPORT CRITICAL FINANCIAL SERVICES INDUSTRY DURING COVID-19 CRISIS

As part of its ongoing mission to serve members, The Risk Management Association has created several resources to help financial institutions respond to the challenges of the COVID-19 pandemic.

Those resources include RMA's Coronavirus Blog, a Coronavirus Resource Center website, a series of webinars, and online versions of round tables and conferences so that members can continue to benefit from thought leadership and peer sharing while staying safe and honoring the restrictions necessary to recover from this crisis. The Coronavirus Blog is updated frequently with market intelligence that sheds light on how financial institutions are managing coronavirus risks. Informed by RMA's daily calls with member financial institutions of all sizes and key constituencies, it provides insights and experiences that can assist any firm in charting its own course through these challenging times.

The COVID-19 resources page is a compendium of tools, guidance, and analysis that includes a crisis management planning checklist, recommended internal and external communications protocols, an analysis of potential pandemic scenarios and their implications, RMA Journal articles, and white papers focused on keeping your financial institution and its people safe.

RMA is also committed to maintaining its valuable peer sharing opportunities such as round tables, forums, and conferences, and is moving these to an online format. Information on these events and all of RMA's pandemic resources will be updated on the RMA Coronavirus Blog and in RMA's Industry Insider weekly email newsletter.

"The tireless work, resilience, and innovation our member financial institutions are displaying to keep customers and the economy going in these trying times is an inspiration," Risk Management Association President and CEO Nancy Foster said. "It is our duty at RMA to work tirelessly as well to ensure our members have what they need to fulfill their critical role in our society—both now and as we recover and look forward to brighter days."

RMA COVID-19 Resources - Links

CORONAVIRUS BLOG
Members Only
https://www.rmahq.org/rmablog.aspx?id=42901

CORONAVIRUS RESOURCE CENTER
https://landing.rmahq.org/coronavirusresourcecenter

PANDEMIC WEBINARS
https://landing.rmahq.org/riskreadiness/webinar-extras-2284R-358068.html

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!

The 2020-2021 scholarship window will open in September 2020.

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



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https://amerisource.us.com/

https://www.labellapc.com/

https://pursuitlending.com/

PROGRAMMING UPDATE

The Buffalo Chapter board members are working to schedule programming. Please look out for information coming on the following events.

- Economic Review with Gary Keith, M&T - will possibly be rescheduled to a virtual event
- RMA/CPA Event - usually in June, but will be rescheduled to a later date
- LIBOR Event - possible virtual upcoming event
- Member Appreciation - holding out hope for an August/September 2020 event

Our Chapter will pilot the RMA Zoom program, which will also allow us to continue to offer webinars. Look out for information on "The CRE Scene".

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 - Environmental Due Diligence and Appraisals during the COVID-19 Crisis

by Gabrielle Krawiec, LaBella Associates
Adam Zebrowski, LaBella Associates
Eric Lester, Lester Appraisal

The COVID-19 pandemic has changed how banks, borrowers, and their supporting professionals conduct commercial real estate transactions. As financial institutions are being considered an essential business service in most geographies, many lenders are continuing to process loan applications. However, challenges exist in completing services supporting commercial real estate transactions such as environmental assessments and appraisals which has required providers of these services to implement methods to complete services while complying with government mandates without significantly compromising the quality of the service provided, or the safety of their employees or the public.

Environmental Due Diligence - by Gabrielle Krawiec and Adam Zebrowski, LaBella Associates

Most financial institutions retain and rely on environmental consultants to evaluate the environmental risk related to commercial real estate prior to lending. Although there are various types of environmental site assessments (i.e. Phase I Environmental Site Assessment, Transaction Screen, Records Search with Risk Assessment, etc.), properly evaluating environmental risk often relies on the environmental consultant having free access to the property being evaluated to observe conditions at the property, various other sources of information such as government records, interviews with property owners/occupants, and historical records often maintained and housed in municipal buildings such as a public library.

Successfully completing environmental due diligence tasks may be challenging for the environmental consultant due to lack of access or access denial to a property, government agencies and other agencies relevant to property records being closed to the public, or unavailability of interviewees due to illness or stay at home orders. While many government record sources can share documents electronically, a significant number of government offices were still operating prior to the Covid-19 pandemic through entirely non-electronic means or limited electronic means. However, some government record sources have made efforts in recent weeks to accommodate requests sharing records electronically. Many environmental professional have adjusted to obtain information from government sources, historical records, or interviews exclusively through electronic means if supported by the source, purchasing information from third party data providers, or evaluating alternative internet based information sources as a replacement.

Completion of a thorough property inspection is arguably the most difficult environmental due diligence related task admits closures and stay at home directives. Specifically, interior areas of hospitals, long-term care facilities, assisted living facilities, nursing homes, or senior living communities are not open to the public, and cannot be observed during the property inspection. In addition, interior access of multi-family residential properties may be denied by property contacts, or access to interior spaces maybe unadvisable to protect the health of environmental consult and the public/property occupants. Specific measures such as requesting property contacts open all doors prior to entering the building, visiting a property when it is unoccupied (i.e. completing inspections during the evenings or weekends), obtaining photographs of inaccessible areas via property contacts, wearing proper personal protective equipment, and maintaining social distance have been put in place in an effort to ensure that as much information is being collected as is feasible while still operating in a socially responsible manner. In addition, if project schedule allows for such, some clients may want the environmental consultant to postpone property inspections until restrictions have been lifted.

Communication between environmental consultants and their clients is key. If the scope of work is limited due to current conditions such must be relayed to the client, and adjustments made as appropriate. Although this is a challenging time to be conducting business, if the environmental consultant has made the appropriate adjustments, with good client communication, environmental due diligence can be completed without significantly compromising the quality of the service provided.

Real Estate Appraisal – Eric Lester owner/founder Lester Appraisal

Today there are many, many issues in the real estate market which seem to be changing on a daily basis. During these uncertain times, real estate brokers are not showing properties and financial institutions are waiting on the sidelines, or are too busy deploying stimulus funds to chase new deals. Deals are however moving toward completion and are going to find a way to get done. They always have and they always will.

Although brokers are discouraging direct contact between buyers and sellers, the upward trend is a reality occurring more and more in the local market place. Progressive lenders who have market awareness and experience understand this and are embracing it as a way of doing business. Those are the lending institution clients we are focused on working with during these uncertain times.

Many appraisers are fearful that exterior only or desktop appraisals will be the end of the traditional appraisal as we know it. I however, love it and am choosing to embrace it. Exterior property inspections streamline efficiency on our end and we are able to pass that along to the client who is able to pass that along to the borrower in the form of a reduction in overall fees. Overall it is a win/win for the lender/borrower relationship, and the appraisal side too. This is a concept that that is becoming more and more of a reality moving forward. There is no internal reason why appraisal reports cannot be completed and delivered on our end and I am not going to consciously participate in standing on the sideline waiting for the uncertainty to be dismissed. Communication with our clients has become paramount as we find a way to help bring deals toward completion. This is a great time for business leaders to positively position themselves and key team members for market share within their industry.

Investors have been losing sleep that have money stored in the stock market. Investors that have money stored in low risk strategic real estate investments in the local no bust/no boom market area have not seen any significant movement in value. We have been in a low interest rate environment for some time and protecting your assets in the form of a real estate investment has never looked safer for the time being.

As we continue to venture further and further into unchartered territory we have remained focused on what is in our control and that is completing and delivering appraisal reports and evaluations to our lending customers so they can move deals towards completion. We are all about finding a way.