January, 2016 Volume 1, 2016

# THE CREDIT COURIER

**Inside this issue:**



## SCHOLARSHIP PROGRAM

Are you currently enrolled in an undergraduate or technical degree program with a financial focus? If yes, read on!

The RMA Vermont Chapter Inc. will award one five hundred dollar ($500) scholarship in 2016. Desired candidates will exhibit a commitment to professional development within the Vermont banking industry as well as a desire to take an active leadership role in the future of this industry. This is a scholarship, not a loan, and no future repayment is required.

Eligibility Requirements

Applicants must:

- Be employed by an institutional member of the RMA Vermont Chapter
- Be employed for at least one year with current institution
- Be enrolled in a technical or undergraduate degree program with an area of study relevant to the banking industry
- Have an out of pocket cost of $500 or more for their education. The cost cannot be fully covered by financial aid and/or employer reimbursement.
- Not have been awarded this scholarship for the preceding school year and cannot receive it more than twice

Application Process

An application may be obtained by contacting Judy Ribolini at vtbanker@sover.net. Applicants should provide a completed application to RMA Vermont Chapter, PO Box 587, Montpelier, VT 05601 as well as the following enclosures:

- A letter of recommendation from a Senior Manager of the applicant's employing institution
- Brief essay outlining (1) the applicant's aspirations within the Vermont banking industry and how their education and this scholarship will assist in achievement of these aspirations. (2) The applicant's experience with RMA thus far in their career and the impact that it has had. If no experiences with RMA how do they foresee RMA contributing to their future advancement?
- Proof of enrollment in a degree program with an area of study relevant to the banking industry
- A copy of the applicant's current resume

Review Process

Applications will be reviewed by a committee consisting of RMA Vermont Chapter board members. Major consideration will be placed on the applicant's current and future impact on the Vermont banking industry and how the scholarship will expedite and enhance this impact.

Conditions

Winners must become RMA associate members prior to receiving their scholarship.

Important Dates

- Applications are due by 4pm on May 1, 2016.
- Scholarship will be awarded at the RMA Vermont Chapter Inc.'s annual meeting on May.

## PAST PRESIDENTS LUNCHEON

The RMA Board of Directors hosted the annual Past Presidents Luncheon on Friday, November 6 at the Capitol Plaza Hotel in Montpelier. This annual event brings together current board members and past leaders of the Chapter to chat about current and past trends in the financial services industry, what it was like to lead a Chapter under several different economic conditions and to get to know current leaders of the group.

We were pleased to have 7 Past Presidents in attendance for a great roundtable discussion which included solar energy, changes to our industry and what lies ahead!

## VERMONT CHAPTER HONORED!

The RMA National office has a method of reporting for all of its chapters. The reporting guide changed in 2013-2014 to a new document entitled the Chapter Planning Guide. For the past several years, Vermont has received the highest award possible: the Platinum Award. This is based on Chapter planning, programming, membership, education and communication. Once again the Vermont Chapter achieved Platinum status based on its accomplishments. Scott Horne, Immediate Past President accepted the award on behalf of the Chapter as his year of presidency was 2014-2015. Many thanks to the Board of Directors and members for your continued support of the things we do in Vermont!

## PRESIDENT'S COLUMN!

I hope everyone had a happy and safe holiday season. Through my service on the National RMA Young Professionals Planning Committee, I am frequently reminded of how fortunate we are in Vermont. We have a strong, award winning chapter, the best administrator imaginable, a passionate and active board, and collaborative membership that believes in our mission. Our Chapter is nothing without these components so I thank you.

As we closed out the calendar year and began thinking about our personal and career objectives for 2016, I would ask that you include introducing others to RMA as one of your goals for 2016. Many reading this newsletter have benefited in their careers from their membership in RMA. If nothing else, you have expanded your network of contacts throughout the state or country in some cases; a recurring theme when discussing the benefits of membership at all levels, locally and nationally. Some of you may have needed a nudge, as I did, before you took the plunge as an advocate for RMA. I'll use my personal story as an example.

I moved to Vermont in May of 2009. I had no prior relationship with even a single person in the State and had visited only once for my interview at the National Bank of Middlebury (NBM). With encouragement from NBM's Senior Lender Sarah Cowan, I got involved with RMA. By the end of my first year I had been asked, by the Chapter President Rob Roy via recommendation from Sarah, to be part of the formation of our YP affinity group. Several open enrollment courses, a CRC, an opportunity to represent NBM on the board, and six and a half years later and I write to you as the Chapter President. My network has grown tremendously to include a handful of contacts at every bank in the State. Most agree that I have a self-motivated work ethic which I attribute primarily to being raised by a single mother in a blue collar manufacturing town and having to work for all of my successes in life. I would be naive however if I did not acknowledge and appreciate those along the way that steered me, by nudge or by force, in the right direction in my life and in my career. As you set your goal in 2016 to encourage participation in RMA, please do not discount how significant even a small nudge can be towards someone's career. Even if they are self-motivated, recommendations from someone that they respect might tip the scales towards their involvement.

Lastly, please let me add one more goal to your spreadsheet. Since you have already built your sheet to track the many goals assigned by your employer, what's one more? I have held, and proudly so, the only active RMA Credit Risk Certification in the State of Vermont for the past four years. I assure you that there are many more in our Chapter that are more qualified than I to hold this designation. If you are up to the challenge, I hope that 2016 will be the year that someone, or many, joins me as a CRC designee. Please take the initiative yourself and/or encourage your colleagues and direct supervisors to register for the CRC exam. Your recommendation, as previously mentioned, may make all the difference. (More information may be found at this link: http://landing.rmahq.org/crc?_ga=1.111001920.494870397.1438871741

As always, thank you for allowing me to serve as your Chapter President. I wish you all a happy, healthy, and successful 2016 filled with a bounty of open enrollment courses, roundtables, and networking.

Michael Corbett, CRC
People's United Bank

## YOUNG PROFESSIONALS CORNER

**Careers in Banking**
**Appraisal Roundtable**
**CEO Roundtable**

Do you hear that sucking sound? Yes; that's a large portion of Vermont's youthful population leaving the State for what they deem as better paying jobs, more flexibility, more activities around them, and better commuting opportunities. The question is: can this trend be reversed?

Earlier this year, the Young Professionals Group of the VT Chapter of the Risk Management Association was approached by Chris D'Elia, President of the Vermont Bankers Association who presented this challenge and asked if we could help. After some thought, we said yes! We can do this because we know that Banking in Vermont faces a large number of talented employees retiring and the need to find younger employees who want to make banking their next career will increase.

On October 7th, 2015 the YP group presented the first "Careers in Banking Day" at St. Michaels College. The event was hosted by over ten banks from all across the State who set up representative tables and met with students in attendance, many of whom were interested in internships and potential opportunities after graduation. The event boasted an impressive professional panel from virtually all areas of bank operations, who not only shared their personal growth stories but impressed upon those in attendance that this is an industry to be interested in even if you weren't a business graduate. SWAG bags were provided to each student with goodies from all banks in attendance along with special drawings for more valuable freebies.

While the results of this individual event won't be known for some time, during a debriefing the YP group focused on items done well and those that can and will be improved upon. This Spring we plan to host a second "Careers in Banking Day" (hopefully at Norwich University), so please be on the lookout for e-mails from the YP group asking for your continued support as we work to do our part in attracting young professionals to banking here in Vermont.

Elizabeth Wilson, Commercial Credit Analyst
Passumpsic Savings Bank

## APPRAISAL ROUNDTABLE

Brad Minor from Keller & Associates in Burlington will be our guest at this forum being held on Friday, February 19 from 1:00 to 4:00 p.m. at NBT Bank, 150 Bank Street in Burlington. Topics for the roundtable will include reviewing appraisals, vacancy rates/caps, explanation of cap rates, leases, construction and completion.

Mr. Minor is a certified real estate appraiser and his expertise extends to a wide range of property types.

Registration deadline is Monday, February 8th by emailing vtbanker@sover.net. Cost is $10 per member and $20 per non-member. If a member brings a first timer/mentee, they are free!

## CEO ROUNDTABLE

An open forum discussion has been planned with several Vermont Chief Executive Officers for Tuesday, June 28th at the Capitol Plaza Hotel & Conference Center in Montpelier.

Confirmed CEO's include: Caroline Carpenter, National Bank of Middlebury; Matt Durkee, NBT Bank; Peter Crosby, Passumpsic Savings Bank; Thomas Leavitt, Northfield Savings Bank. These individuals will discuss current trends in banking, answer your burning questions in regards to what is happening in their respective markets as well as any other topics that may arise during discussion.

More information regarding this event will be sent in the spring. Please contact Judy Ribolini at vtbanker@sover.net if you wish to receive the information directly.

## COMMERCIAL LENDING SCHOOL

Mark your calendar for the 2016 Commercial Lending School which will be May 10, 11, 17, 18, 24 and 25 at Mascoma Savings Bank in White River Junction. This School is co-sponsored by RMA Vermont Chapter, Vermont Bankers Association, Inc. and New Hampshire Bankers Association.

This comprehensive lending school has been designed to serve the fundamental commercial credit analysis training needs of community bankers. The course consists of a review of ***basic*** financial accounting concepts and the presentation of ***basic*** financial statement credit analysis theory rooted in industry adopted "best practices".

The course begins with needed background in financial accounting for those individuals who have had no previous financial accounting classroom training, or as a refresher for those who have had previous financial accounting training. That is followed by a curriculum which focuses on interpreting information typically contained in accountant prepared financial statements, personal financial statements, and more particularly, U.S. federal income tax returns.

**Who Should Attend?**

- Junior Commercial Credit Analysts
- Junior Commercial Lenders
- Small Business Development Officers
- Loan Review Staff
- Commercial Loan Administrative Assistants
- Branch Managers
- Mortgage Lenders
- Consumer Lenders
- Other Credit Staff who face the underwriting challenges associated with self-employed individuals and closely held companies

More information and registration materials will be available by the end of January. Please contact Judy Ribolini at vtbanker@sover.net if you wish to receive them directly.

## CASH FLOW ANALYSIS I: UCA FUNDAMENTALS

This course is being hosted by Mascoma Savings Bank in White River Junction on April 7 & 8 and is designed for credit analysts, loan review personnel and new risk management staff who wish to have a working knowledge of commercial cash flow construction.

This course will provide the attendee with the fundamentals of cash flow analysis to increase your understanding of how a company can repay a loan from its cash flow.

By attending this course you will:

- Develop loan structures based on sensitivity analysis
- Compare and contrast various cash flow formats
- Identify and apply the 10 variables needed to create a useful forecast
- Describe how cash flow affects financial ratios and other business fundamentals

## STRUCTURING COMMERCIAL LOANS II

This course is being hosted by Community National Bank in Barre on June 6th and is designed for credit and lending professionals who want to strengthen their knowledge of the fundamentals of lending.

This course provides you with a review of the fundamental principles behind structuring seasonal, working capital and term debt. Attendees are expected to have a thorough knowledge of financial accounting, traditional financial statement analysis and cash flow analysis as well as completion of the Structuring Commercial Loans I class.

**REGISTRATION FOR ANY RMA COURSE:**
Web: www.rmahq.org
Phone: 800-677-7621 OR Fax: 215-446-4100
Email: registrar@rmahq.org
Mail: RMA, Lbx 1140-P.O. Box 8500, Philadelphia, PA 19178-1140

## AUDIO-CONFERENCE SERIES

Bring Banking's Best Discussions Right into Your Own Bank Conference Room!

All audio conferences are 60-90 minutes and more information may be found at this website: http://ebiz.rmahq.org/eBusPPRO/Default.aspx?TabId=56&Category=COURSE_TYPE&subcategory=CTAUD

## PLAN AHEAD FOR VERMONT CHAPTER EVENTS

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|---|---|
| 1/19 | YP Appraisal Roundtable – NBT Bank, Burlington from 1:00 to 4:00 p.m. |
| 3/10 | Mid-Year Planning Report Review via phone |
| 3/23 | Senior Lender Roundtable – VBA Office, Montpelier |
| 4/7 & 4/8 | Cash Flow Analysis I: UCA Fundamentals Mascoma Savings Bank, WRJ, VT |
| 4/8 | Board Meeting via phone |
| May | 10, 11, 17, 18, 24, 25 Commercial Lending School – White River Jct., VT |
| 5/26 | Annual Meeting – Capitol Plaza Hotel and Conference Center, Montpelier, VT |
| 6/6 | Structuring Commercial Loans II Community National Bank, Barre, VT |
| 6/22-6/24 | Chapter Leaders Conference, Indianapolis, Indiana |
| 6/28 | YP CEO Panel discussion – Capitol Plaza Hotel and Conference Center, Montpelier, VT |

## 2015-2016 Vermont Chapter Officers & Board Members

President: Michael Corbett, People's United Bank

Vice President: Jennifer Daigle, Community National Bank

Treasurer: Marilyn Hardacre, People's United Bank

Secretary: Judith H. Ribolini, VBA

Immediate Past President: Scott Horne, Woodsville Guaranty Savings Bank

**Board of Directors with terms expiring in 2016:**
Deborah Blanc, Mascoma Savings Bank
Ian Carroll, National Bank of Middlebury
Sarah Desrochers, Passumpsic Savings Bank
Rhonda Pearce, The Bank of Bennington
Edgar Roy, Merchants Bank

**Board of Directors with terms expiring in 2017:**
Dennis Driscoll, Lake Sunapee Bank
William Kidder, Ledyard National Bank
Michelle LeClair, Mascoma Savings Bank
Jason MacArthur, People's United Bank
Marsha Wimble, Northfield Savings Bank

***MISSION:*** *RMA is a member-driven professional association whose sole purpose is to advance sound risk principles in the financial services industry. RMA helps our members use sound risk principles to improve institutional performance and financial stability and enhance the risk competency of individuals through information, education, peer sharing and networking.*

THE CREDIT COURIER is a publication of the Vermont RMA Chapter, Inc. and is published on a periodic basis to inform lending and credit professionals in Vermont and New Hampshire of issues, news and opportunities relating to their profession.
Editor: Judith H. Ribolini