

Fare-thee-well 2014! Year-end Wrap-up.

Another eventful, challenging, and exciting year is behind us. As it has happened before, commercial bankers' hopes for rising rates have been crushed. It seems that for a number of years we look forward to this long awaited event, and it remains to be an elusive mirage in the desert. Many of us are more and more hesitant to say that we are banking on the rising rates in the new year, for fear that it becomes another déjà vu in 2015.

So, as we are plunging or easing into 2015 (you choose your individual style), let us raise a toast to flat interest rates and continuing to operate in a challenging environment with overzealous competition, constrained resources and capacity, increasing regulatory costs, eroding margins, and talent attraction and retention challenges. Maybe then interest rates by some miraculous chance decide to move upward to help us deal with all the other challenges.

2014 was an eventful year - good and bad. The news ranged from landing on a comet, the Ebola outbreak, and The Affordable Care Act *to* reshuffling in Washington, wrapping up of QE, and the unemployment rate dropping below 6% *to* The Sony breach (and lots of financial breaches), Cuba libre, and the U.S. - China landmark climate agreement. Of course let's not forget the crash of oil prices, and the lack of lessons learned from prior bubbles. And these are just a few of many impactful world and economic events.

We finally got an indication that the economy is indeed recovering, although in some parts of the world the news is quite to the contrary. Main Street is also not as enthusiastic

about the recovery because the environment does not quite feel like a recovery yet. This is perhaps in part because wages have not been increasing as much as other costs (minus some help from oil prices).

Economic data shows improvement, but exuberance of the stock market continues to puzzle (as of December 2014 when this is being written). And while the train called the stock market continues to steam ahead, periodic plunges or adjustments that follow stretches of unstoppable increases prove the underlying uncertainties. The contradiction of the economic news is also something to pause over. While the stock market and the economy appear to be finishing the year on a strong note, even then the news is conflicting - worse than expected weekly jobless claims, continued declines in oil prices on rising inventory, and headwinds from Greece, Russia, and other markets.

In the midst of the 2014 happenings, the [RMA New England Chapter](#) had an active year. We organized and delivered various valuable events to our members ranging from our flagship training program LORS, CCL, and ERM sessions to knowledge-exchange roundtables and networking events. We continue to expand our offerings, and our members help shape our events. The pages that follow recap a number of 2014 highlights, but they do not do the full justice to everything the RMA New England Chapter does. The only way to find out is by getting involved!

On behalf of the RMA New England Chapter Board of Directors, we want to wish you an eventful and prosperous new year! We hope that you will join us in 2015!



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Healthcare Panel

The Current State of Healthcare and Implications to Loan Underwriting



In May, the RMA New England Chapter organized a panel moderated by *Lisa Davidson McKinnon*, SVP and SCO, New England Healthcare Finance at TD Bank.

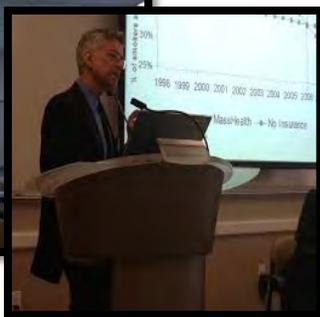
Panelists included:

John Auerbach, Professor of Practice and Director, Institute of Urban Health Research and Practice, Northeastern University

Kate Walsh, President and CEO, Boston Medical Center

David Wenger, SVP and Senior Client Manager, Healthcare & Institutions, Bank of America

James Rizzo, SVP and Regional Manager Commercial Banking, Rockland Trust



Discussion topics included but were not limited to the following:

- Changing demographics and new health concerns
- Health care reforms and repercussions to delivery of health care services
- A healthcare provider's many-faceted response
- Lenders' challenges and tactics:
 - Determining winners and losers between sectors and providers
 - Understanding and addressing Medicare and Medicaid reimbursement risk
 - Utilizing key underwriting metrics
 - Mitigating structural and collateral challenge

LORS

For over 35 years, Loan Officer Residency Seminar has served as a resource for RMA banks throughout New England, providing commercial banking training to bank credit analysts and junior loan officers.

The seminar teaches fundamental credit skills and practical lending techniques using daily seminars in conjunction with related case studies. The seminar culminates in the popular "Mock Loan Committee," where students apply what they have learned during a presentation in front of seasoned commercial banking professionals.

As it happened many times before, LORS was sold out in 2014! It runs annually in April.

Women in Banking

The Chapter held its annual Women in Banking Luncheon at Carbone's Ristorante in Hartford, CT in April. The topic of the luncheon was environmental lending.

Our panelists were *Derek Ezovski*, Principal of Outsourced Risk Management Solutions, *Jane Ballerini*, Associate, Neubert, Pepe & Monteith, P.C., and *Melanie Joy*, Senior Vice President, Rockville Bank.

Environmental issues associated with commercial real estate collateral can cost a lending institution not only time and money but also its reputation. The luncheon offered an opportunity to join a lively panel discussion of current environmental issues, appropriate legal documentation, and the development, implementation and management of a comprehensive Environmental Lending Policy.



Rising Professionals

The RMA New England Chapter's Rising Professionals group helps ensure that up-and-coming generations stay actively involved in the commercial banking industry. The group held two networking events and our annual CEO or Executive Series event (discussed later in this newsletter).

The first networking event was held in March at Clarke's at Faneuil Hall in Boston.



The second networking event was held in September at Warehouse Bar and Grill in Boston.



These events offer a unique opportunity to connect with your peers from small and large institutions and to develop a network that will help in your development and career growth.

If you'd like to get involved, please email Joe Herzog at [jherzog \[at\] bdcnewengland.com](mailto:jherzog@bdcnewengland.com).

Celebrating RMA's 100 Years!

RMA New England Chapter's Annual Event

RMA celebrated its 100th anniversary in 2014! To celebrate this special event, the RMA New England Chapter Board organized a one-of-a-kind reception for our members at a Boston's landmark - The Custom House.



The event brought together nearly 100 guests, including commercial bankers, attorney, accountants, and consultants to the commercial banking community.



Today RMA has 16,000 individual members and about 2,600 institutional members across the U.S. and Canada. In Europe and Asia, RMA is expanding membership in targeted markets. The organization currently has over 115 chapters, which includes the New England Chapter. Many of these chapters include rising professionals, women in banking, and other groups.



RMA holds about 400 chapter-sponsored training events annually. Every June RMA hosts 250 chapter leaders at a Chapter Leaders Conference, where these volunteers can learn how RMA can help them fulfill their leadership roles.



RMA created the [centennial microsite](#) to showcase its achievements and history. We encourage you to give it a try!





The Annual CEO Series Event

The CEO Series Event with William Parent, President and CEO of Blue Hills Bank

This was the RMA New England Chapter's Rising Professionals Group 10th annual event, hosted by law firm Sherin and Lodgen. Held once per year, the CEO or Executive Series event was born from an idea to bring face-to-face the most experienced and distinguished bankers in Massachusetts and new generations of banking professionals. Previous events featuring CEO's and Presidents of Boston Private Bank, Citizens Financial, Eastern Bank, Cambridge Trust Company, Wainwright Bank, Danversbank, Brookline Bank, and Rockland Trust.



The CEO Series event in 2014 featured Bill Parent. William M. Parent is President, Chief Executive Officer and a board member of Blue Hills Bancorp, Inc. and Blue Hills Bank. He has 27 years of experience in the financial services industry and was previously a Partner and Chief Investment Officer at Grail Partners, a boutique merchant bank. Bill spent 16 years at Bank of Boston and its successor companies, FleetBoston and Bank of America, where he held senior executive roles in Finance, Mergers & Acquisitions, Bank Management and Private Equity Investing. Bill is a non-practicing CPA and holds a BS from Bentley University. He has served as a member of the Board of Directors for over a dozen middle market companies covering the financial services, retail, distribution and manufacturing sectors. Today, he serves on the Board of Directors for the Blue Hills Bank Charitable Foundation, YMCA of Greater Boston, Wediko Children Services, Thayer Academy, The New England Council and the Savings Banks Employees Retirement Association. He is also a member of the Honor Roll Development Committee for the Campaign for Catholic Schools.

RMA Credit Risk Certification

For more information, visit www.rmahq.org

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.

There are seven skill sets you need to build on when preparing for the RMA-CRC examination. This is in addition to the knowledge acquired through the application of concepts as a hands-on lender, analyst, credit officer, or loan services officer.

1. Evaluate the client's industry, markets, and competitors.
2. Assess management's ability to formulate business and financial strategies and to execute them.
3. Complete accurate, ongoing, and timely financial assessments of the client and its other credit sponsors.
4. Assess strengths and quality of client/sponsor cash flow.
5. Evaluate collateral values and conduct periodic inspections of collateral.
6. Identify repayment sources and appropriately structure and document credit exposures for the intended purpose.
7. Learn to recognize problem loans and the actions needed.



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businesses throughout New England, including formation of entities, real estate related transactions, business disputes and employment matters. HF offers sound, attentive and practical legal services to our clients at reasonable rates.

[Hackett Feinberg P.C.](#) is a mid-sized Boston law firm specializing in the representation of national, regional and community banks, institutional and governmental lenders in commercial lending and commercial real estate lending activities. Our lawyers are experienced in enforcement of creditors' rights in state and federal courts, including bankruptcy court. We also counsel small and mid-sized

Our Chapter appreciates the support of our Silver Sponsors



The oldest business development corporation in the United States, [BDC Capital](#) has been recognized locally and nationally as a leader and innovator in business lending and capital investment. Many of New England's leading financial institutions invest in BDC to help promising companies expand. Over 60 years, we have invested more than \$1 billion in thousands of companies in New England.



[CDC New England](#) is a private, non-profit corporation originally started in 1981 as a Certified Development Company to provide SBA 504 Program loans to small businesses for the acquisition of fixed assets in Massachusetts. Three decades later, CDC has assisted companies throughout New England and now maintains five offices in the region. We are consistently ranked among the top 10% of all CDC's in the country.



[Chaston Associates, Inc.](#) is the leading independent loan review company in New England. Established in 1984, our firm has provided outsourced credit risk review and other consulting services to more than 200 banks located across the Northeast and points beyond. Currently, our customer base approximates 100 institutions reporting total assets ranging from \$50 million to more than \$5 billion.



[CEIS Review](#) is an independently owned consulting firm serving the needs of the commercial and savings bank communities as well as those of other commercial lending institutions. Our services include loan review, loan loss reserve methodology and validation, CRE portfolio stress testing, portfolio acquisition review, CRE concentration analysis, credit risk management process review, structured finance review, credit loan policy maintenance, problem loan advisory, credit analysis, regulatory relations, credit database formation, and loan and credit seminars.

New England Chapter

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Immediate Past President (2012-14)
Michael Gallagher
Enterprise Bank

2010-12, LORS
Don Bedard
Lowell Five Cents

2008-09, LORS
Bruce Lemieux
Rockland Trust

Strategic Planning Committee, Audit, Bylaws
Andrew Mahoney
Cambridge Trust

Interested in getting involved in the RMA New England?

We want to hear from you!

We are a group of high energy banking professionals who put together educational, networking, panels and various other events and products. We work within our business community to bring value to our peers through a wide range of services.

RMA New England Chapter
10 Back River Rd.
Amesbury, MA 01913
Julie Conroy, Administrator
978-263-9003
julie [at] rmanewengland.org