

THE TENNESSEE BANKER

MEMBER FEATURE

Sharon Miller Pryse

The Trust Company of Tennessee

PAGE 14

PLUS

An Update from
2019 *Credit Conference*
Economist Anirban Basu

TBA's Year in Review

Photo Recaps of:

- *Women in Banking*
- *Trust & Wealth Management*



Financial PSI is thankful
for the more than **100** banks
that we are able to call **clients**
and **friends**.

**We hope that you
and your family
have a wonderful
holiday season!**



1-800-456-5191

1-615-244-5100

www.FinancialPSI.com



IN THIS ISSUE

November/December 2018 | Volume 106 | Number 6

14

MEMBER FEATURE

The Trust Company of Tennessee's chairman and CEO, Sharon Miller Pryse, builds successful business in her own image

14



22

WOMEN IN BANKING CONFERENCE

More than 95 attendees joined TBA for a day of professional development

22



26

CREDIT CONFERENCE FEATURED SPEAKER

Nationally known economist Anirban Basu talks synchronized global economic expansion ahead of the February TBA Credit Conference

26



34



34

TBA'S YEAR IN REVIEW

A look back at the highlights of TBA's government relations, education, and communication efforts in 2018

MORE IN THIS ISSUE

6. From the Executive Office—Colin Barrett:
*Passing of the torch at the Graduate School
of Banking at LSU*

8. TBA Online

10. On the Hill—Amy Heaslet:
Tracking trust legislation in Tennessee

12. ICBA Column—Tim Zimmerman,
Chairman, ICBA: *From the top*

20. Guest Column—Julie Stackhouse,
Federal Reserve Bank of St. Louis:
CAMELS Ratings: asset quality

28. Q&A—Charlie Hooks, Chairman, Credit
Committee

**30. Event Recap: Trust & Wealth
Management Conference**

40. TBA Endorsed Partner—Pathway
Lending: *Building bankable 'Vetpreneurs'
in Tennessee*

42. TBA Endorsed Partner—Andrea Heger,
Affinion Group: *Congress makes way
for reciprocal deposits*

**44. Event Recap: Young Bankers
Leadership Lunches**

50. Guest Column—Don Musso and Scott Po-
lakoff, FinPro, Inc.: *Bankers' anonymous
feedback critical for regulatory feedback
initiative*

52. Guest Column—Linda Meyer, John M.
Floyd & Associates: *Overdraft nirva-
na: It's just taken care of for me*

**53. Event Recap: Young Bankers Division UT
Tailgate**

62. Guest Column—Sean Payant, Chief Con-
sulting Officer, Haberfeld: *Increasing fee
income without raising fees*

**54. People on the Move/Bank Notes/
Community Building**

60. Featured Events

61. Employment Opportunities

61. Publisher's Statement of Ownership

62. From the Vault

**63. TBA Professional Development
Calendar**



10



30



44



54



ON THE COVER

The Frisco 1351 steam locomotive sits outside the Collierville Depot Visitors Center in West Tenn.

COVER PHOTO: Shutterstock.com



OFFICERS

JOHN MUSE, Chairman
Farmers State Bank, Mountain City

R. MOLITOR FORD, Chairman-Elect
Commercial Bank & Trust Co., Memphis

CHRIS HOLMES, Vice Chairman
FirstBank, Nashville

STAFF

ADMINISTRATION

COLIN BARRETT, President/CEO

STACEY LANGFORD, Executive Vice President/
Chief Membership Officer

STEVE CURTIS, Vice President
of Information Technology

SHARON JUSTICE-McCRAE, Vice President
of Human Resources/Facilities

PENNY L. POWLAS, Vice President
of Administration

T'LANIE LUU, Member Services Specialist

SANDRA JOHNSON
Training Center Coordinator

ACCOUNTING/INSURANCE

ANGELA D. GRIFFIN, CPA
Executive Vice President/CFO

MIKE AILINGER, Senior Accountant

SHEMEKA GREER, Accounts Receivable Clerk/
Accounts Payable Clerk

LEGAL/GOVERNMENT RELATIONS

AMY HEASLET, Executive Vice President/
General Counsel

EDUCATION

MONIQUE JENKINS
Director of Education

SHEENA FRECH
Director of Education

COMMUNICATIONS

TYLER NELSON, Vice President
of Communications

MATT RADFORD, Vice President
of Creative Services

LILA GRIFFIN, Proofreader

LACY YORK, Communications Assistant

CONTRIBUTORS

KEITH MILES, Partner,
McNeely Pigott & Fox Public Relations

ROGER SHIRLEY, Editorial Director,
McNeely Pigott & Fox Public Relations

The Tennessee Banker (ISSN 0040-3199) is published bi-monthly by the Tennessee Bankers Association, 211 Athens Way, Ste 100, Nashville, TN 37228-1381; telephone 615-244-4871. Advertising rates available upon request. Subscriptions: \$40.00 per year for TBA members; \$55.00 for nonmembers; single copies, \$6. Tennessee residents add 9.25% sales tax. Periodicals postage paid at Nashville, TN. POSTMASTER: send address changes to The Tennessee Banker, 211 Athens Way, Ste 100, Nashville, TN 37228-1381.

Copyright © 2018, Tennessee Bankers Association; all rights reserved. The Tennessee Bankers Association disclaims all responsibility for opinion expressed in addresses, papers, or communications published in The Tennessee Banker unless such opinion has been endorsed by the Tennessee Bankers Association.

NEW LAW PASSED

MOST RECIPROCAL DEPOSITS NO LONGER BROKERED

Most reciprocal deposits are no longer considered brokered deposits under recently passed legislation, the Economic Growth, Regulatory Relief, and Consumer Protection Act. Now your bank can add even more of these traditionally stable, relationship-based deposits to its balance sheet; expand its customer base; and use the full amount to invest in the local community.

Learn how to start growing today!
Contact David Still, Regional Director,
at dstill@promnetwork.com or
(866) 776-6426, ext. 3439.

AICS | CDARS.

Pin Promontory
Interfinancial Network.



Reciprocal deposits are a **win-win** for
banks and the communities they serve.

To learn more, visit www.promnetwork.com/no-longer-brokered.

Passing of the torch at the Graduate School of Banking at LSU



COLIN BARRETT
President/CEO, Tennessee
Bankers Association

THREE THINGS TO DO

1.

Register a student for the Graduate School of Banking at LSU. For more information, please visit www.gsblsu.org or contact Colin Barrett at cbarrett@TNBankers.org.

2.

Participate in the TBA Government Relations Committee on November 28, either in person at the TBA or via webcast. For more information, contact Amy Heaslet at aheaslet@TNBankers.org.

3.

Join us for our premier annual event, TBA Credit Conference on February 5-6 at the Omni Nashville Hotel. For more information and to register, visit TNBankers.org/credit.

The Tennessee banking industry has always had its share of legendary figures—bankers who have made a remarkable impact on their communities and left a lasting legacy for those who came after them.


And one of the most legendary figures in Tennessee banking isn't a Tennessee banker at all. Dr. Don Woodland, the recently retired executive director of the Graduate School of Banking at LSU, has overseen the premier school for bankers throughout the Southeast for more than 50 years. During his tenure, 1,750 Tennessee bankers have advanced their careers through education and networking for two weeks a year over three years in Baton Rouge.

The key to the school's success has been Dr. Woodland's efforts in recruiting and retaining an outstanding faculty comprised of bankers, as well as industry professionals, educators, and regulators. Many members of the faculty are themselves graduates of GSB, demonstrating a loyalty to the school that, in large part, was the result of Don's efforts. There is no better example of this than John Jordan, the longtime Tennessee banker recently tapped to serve as Dr. Woodland's successor and only the third executive director in the history of the school.

John recently retired from The Community Bank of East Tennessee, a bank he founded in 1998. Before that, he had a storied career working for different banks throughout our state. All the while, he has been a sim instructor at LSU and recently completed a term as president of GSB at LSU. John is both a former TBA board member as well as a former chairman of the TBA Young Bankers Division. Yet, for all John's experience, his passion has always been

rooted in education, and he will be the perfect person to lead GSB at LSU during this historic transition.

Assisting John at the Graduate School of Banking will be Dr. Mike Highfield, a GSB instructor and a professor of finance at Mississippi State University, who will serve as coordinator of curriculum and faculty. Additionally, Corinne Long, a long time GSB employee, will serve as vice president for administration.

The continued success of the Graduate School of Banking at LSU is vitally important to the success of Tennessee banking. To that extent, Scott Cocanougher, CEO of the First Community Bank of Tennessee in Shelbyville, is serving as Tennessee's banker trustee of the school. Scott will be reaching out to you in the months to come asking you to identify your best and brightest to join the freshman class next May. Additionally, I am honored to have been asked to serve as vice chairman of the school, and I look forward to working with Scott, John and the team to continue to provide the best possible education for the future leaders of our industry. 

-Colin



GSB at LSU meeting with Dr. Don L. Woodland, John Jordan (Executive Director at Graduate School of Banking at LSU), Scott Cocanougher, and Colin Barrett.

Today's bank **leaders**
teaching tomorrow's
bank **innovators.**



GRADUATE SCHOOL OF BANKING
AT LOUISIANA STATE UNIVERSITY

2019 SESSION
MAY 19–31, 2019

(225) 766-8595
BATON ROUGE, LOUISIANA

“ My decision to attend GSBLSU and commit to the three years of learning was one of the best choices I have made in my own personal and professional development. ”



Angie Lewis

Group Executive, Enterprise Risk
Synovus® Bank • Columbus, GA

TBA Online

We're on social media. Follow us for the latest in all TBA news, events, and much more.



tnbankers, September 14

Today during our annual Service Lunch, we celebrated three amazing people for their years of dedication/service to our member banks. Congrats to FPSI's Brian Mobley (15 years) and TBA's Monique Jenkins (20 years) and Steve Curtis (10 years)! We appreciate your hard work!



VISIT TNBANKERS.ORG

Read the latest magazine at
TNBankers.org/news/tennessee_banker

This simple and intuitive design allows you an interactive digital experience that works beautifully on desktops, tablets, and mobile devices.



TBA WEBINARS

Register for these webinars and more at
TNBankers.org/calendar

Your Borrower Has Died: Actions to Take, Mistakes to Avoid November 29

It could happen today—one of your borrowers dies while still owing on a loan or other obligation to your financial institution. In this situation, you must act swiftly to increase your chances of collecting on the loan and to avoid liability. What should you do? This webinar will thoroughly explain the proper procedures and processes to follow when a borrower dies, including the special procedures under the mortgage servicing rules regarding home loans.

Improving Teller Performance: Head Teller Development December 4

The head teller is one of the most important supervisors in your financial institution. A skilled head teller means greater productivity and greater profit. This webinar will teach head tellers how to bring out the best in their team and themselves—increasing professionalism, productivity, and the bottom line. Participants will receive two surveys to learn more about their team and corporate culture. In addition, they will receive a personal development plan outline. A unique performance evaluation form will be provided that will help both supervisors and team members develop their banking skills. This one-of-a-kind webinar will cover communication methods, motivation, service orientation, training, and performance feedback.

ABA CRCM EXAM PREP

Prepare with Confidence

January 14-18, 2019

TBA Barrett Training Center • Nashville, TN

At the **ABA CRCM Exam Prep** program, strengthen your understanding of compliance laws and regulations, and gain confidence to sit for the CRCM Exam. Participate in a collaborative environment with group discussions, in-depth exam review and plenty of Q&A.

Register: aba.com/CrcmExamPrep



American
Bankers
Association®



experience
STONIER

achieve

Achieve leadership skills at the ABA Stonier Graduate School of Banking—the only graduate banking school with an Ivy League location. Graduates earn both the Stonier Diploma and Wharton Leadership Certificate. Join the next class of bankers learning alongside the industry's finest June 6-13, 2019, at the University of Pennsylvania in Philadelphia. **Apply Today!**

ABASTonier.com



American
Bankers
Association®

Tracking trust legislation in Tennessee



AMY HEASLET
Executive Vice President/
General Counsel,
Tennessee Bankers
Association

When I began working at the Tennessee Bankers Association, one of my primary roles was advocating for our member banks at the legislature. Over the years that has remained a focus, while evolving to increased emphasis on enhancing the state's trust laws and the benefits that could bring to TBA's trust company members, our member banks, and their customers.

The TBA has always been committed to providing first-in-class advocacy and professional development resources to our trust members and banks with trust operations. These efforts accelerated in recent years thanks to Commissioner Greg Gonzales and Governor Bill Haslam's recognition of the importance and potential economic impact of establishing Tennessee as a leading trust jurisdiction.

In 2013, TBA, in partnership with some of the best trust legal experts in the state and TDFI, passed comprehensive legislation that updated our trust laws and made Tennessee one of the top five trust jurisdictions. Today, Tennessee remains in the top five in many areas of trust law, and it is fair to say we've established ourselves as one of the preeminent jurisdictions for trusts. But in order to remain a leader, we must continually

reflect on our laws, compare them to other leading states, and see where we can improve.

That is exactly what we are doing. In early October, TBA formed a working committee of trust experts from banks, trust companies and law firms and had the first of a series of meetings to discuss how our laws can be improved and remain competitive. It was clear there is work that can be done—ranging from technical corrections to clarify areas of uncertainty or concern to implementing new innovative solutions to better serve the needs of settlors and beneficiaries.

Although still in process, we expect to bring legislation in 2019 to achieve this. I'm excited about the opportunity to improve our trust laws and increase the trust business coming into the state for our members.

We're already seeing the positive impact of past legislative efforts with new trust companies opening for business in Tennessee and existing trust companies attracting more out-of-state business than ever before. This will only continue as we improve our laws with the goal of remaining one of the leading trust jurisdictions in the country.

In addition to advocacy, we also strive to provide the best possible professional development resources for trust officers across the state. TBA's premiere event for trust members is the *Trust and Wealth Management Conference*. In collaboration with TBA's Trust Committee, the association hosts the annual conference at its headquarters, attracting industry-leading speakers who educate and promote the trust industry to attendees.

This year's conference, held October 18-19 and chaired by Jamie Nicholson with Synovus Family Asset Management in Nashville, was a tremendous success. The nearly 100 attend-

"We're already seeing the positive impact of past legislative efforts with new trust companies opening for business in Tennessee and existing trust companies attracting more out-of-state business than ever before."




Amy Heaslet, TDFI Commissioner Greg Gonzales, and 2018 trust committee chairman Jamie Nicholson at this year's *Trust & Wealth Management Conference*.

PHOTO BY TYLER NELSON

ees received briefings from industry leading experts on federal legislative and regulatory initiatives, how to recognize signs of financial exploitation in clients, how to work with high net worth families, and research on and ways to preserve illiquid assets' value.

For additional information about this year's conference, including a photo recap, please see pages 30-33.

If you work in trust or estate planning and have not attended the annual conference, I encourage you to mark your calendars now for next year's event—October 17-18, 2019.

In the meantime, please consider the TBA as your primary resource when it comes to the area of trust services in your institution. And if you come across a state law that impedes you from serving your customers at the highest level, whether in trust or commercial banking, pass that information along to TBA so that we can review whether a legislative change is appropriate. 

Attending Credit Conference?

Join us the night before for TBA's annual

LEGISLATIVE RECEPTION

Monday, February 4, 2019

War Memorial Auditorium, Nashville

Register at *TNBankers.org*



TENNESSEE BANKERS
ASSOCIATION *Service Since 1890*

Bankers must step up as policy battles continue

‘Bank-like credit unions should be subject to the same laws and regulations as banks. It’s as simple as that.’



TIM ZIMMERMAN
Chairman, ICBA,
CEO of Standard Bank,
Monroeville, Pa.

ICBA is working to address a wide array of advocacy issues as policymakers implement the regulatory relief that we achieved earlier this year. While the variety of rules and regulations affecting our industry is vast, ICBA’s position is simple: We support a level playing field.

Community banks are ready, willing and able to compete in a fair and open marketplace. But too often, the regulatory and tax burdens we face don’t apply to government-sponsored competitors. Ironically, their competitive advantage is funded in part by our tax dollars.


For instance, community bankers are united in opposition to the credit union industry’s unwarranted federal tax subsidy. That’s not because we have an innate aversion to these financial institutions, but because they have become virtually indistinguishable from taxpaying banks while enjoying their huge government subsidy and Community Reinvestment Act exemption.

Meanwhile, the National Credit Union Administration has repeatedly shown itself to be an industry advocate rather than regulator. It continuously pushes to advance the powers of the industry it is supposed to regulate. As Senate Finance Committee chairman Orrin Hatch (R-Utah) has pointed out, large credit unions don’t even report financial information required of other tax-exempt institutions. Bank-like credit unions should be subject to the same laws and regulations as banks. It’s as simple as that.

The same goes for the Farm Credit System (FCS), whose lenders enjoy unfair competitive advantages over community banks that serve rural areas. The FCS continues to use its tax-ad-

vantaged status to “cherry pick” the best loans, leaving only the more challenging and riskier loans for community banks to make. That jeopardizes the viability of many community banks and, in turn, the economic strength of the communities they serve. Amid its dramatic growth, the FCS is sharply reducing service to family farmers and expanding nonfarm lending. ICBA’s position: Reform the FCS to ensure it adheres to its historical mission of serving bona fide farmers and ranchers while preventing it from engaging in selective below-market pricing and nonfarm lending.

Finally, ICBA remains concerned with the real and potential inequities of chartering industrial loan corporations and fintech companies, respectively. Because the ILC loophole allows commercial interests to own banks while avoiding the legal restrictions and regulatory supervision that apply to other bank holding companies, ICBA is seeking a moratorium on such charters from the FDIC and a permanent ban from Congress. Meanwhile, ICBA is working to ensure the pending special-purpose national bank charter for fintech firms subjects these companies to the same standards of safety, soundness and fairness as other federally chartered institutions.

These collective inequities are enough to make you want to bang your head against the wall, but there are many ways to rebalance our off-kilter financial services marketplace. ICBA is aggressive and offers numerous resources to help you stand up and make a difference on these and other issues. 



With the tax advantages that the Farm Credit System, credit unions, and ILC loophole have, community banks are at an unfair disadvantage when it comes to serving their community.

PHOTO: SHUTTERSTOCK



Growing

Thousands of banks trust in our enduring investment in their brands to help **expand their growth ever upward**.

They know our insurance solutions, multi-channel marketing, and award-winning service helps **enhance engagement, strengthen ongoing value, and improve customers' lives — at no cost to any bank.**

Get growing — it's the most you can do for your customers.

Start growing by visiting:
affinioninsurancesolutions.com



Affinion
Insurance
Solutions

A Service of Affinion Benefits Group, LLC

*This data represents clients with active AD&D marketing contracts with Affinion Benefits Group as of December 2017
© 2018 Affinion Group

Corporation for American Banking, L.L.C.

TNBankers.org | November/December 2018 | 13



Blazing her own TRAIL

The Trust Company of Tennessee's chairman and CEO, Sharon Pryse, builds successful business in her own image

STORY BY ROGER SHIRLEY

Sharon Miller Pryse didn't start out to be the owner and chief executive of a highly successful trust company. Personal drive, ambition, an entrepreneurial spirit, and being at the right place at the right time early in her career, however, came together to set that course.

Pryse planned early on to become a special education teacher, which is how the Atlanta native ended up in Knoxville to attend the University of Tennessee, but the limitations of the curriculum led her to switch majors to finance.

Along the way, she might have become an insurance sales executive, but a bad experience for a disreputable company took that career path off the table.

And as a young executive for Valley Fidelity Bank & Trust, she might have assumed more responsibility for the trust operations of Valley's holding company, Washington, D.C.-based First American Bankshares. That never materialized, which turned out to be to her good fortune.

Instead, after a trip to the nearby East Tennessee mountains in the summer of 1986 with her husband to think through her career future, she returned to Knoxville with the resolve to start her own trust company.

Today, The Trust Company of Tennessee—a straightforward name that reflects Pryse's personality—has grown to \$3.5 billion in assets under management with satellite offices in Johnson City and Chattanooga and a roster of 75 relationship managers, CPAs, attorneys, wealth and investment managers, certified financial planners and support staff. It provides trust, retirement plan, and wealth management services, with all of its income generated by fees for services, and it just hit a significant milestone by landing its second \$100 million account.

The company's client base is broad, ranging from high net worth individuals and families to couples needing basic financial management counseling and from small businesses and large corporations to a handful of banks for which the company serves as their de facto trust departments, providing the fiduciary but not trust powers. In almost all cases it works directly with the bank's customers rather than providing back-office support.

"Most of our business comes from our ability to talk to people in plain English about what they want and then work together to find a path that makes sense," Pryse said.

Changing Course

Pryse grew up in the Buckhead area of Atlanta as the oldest of three children, but she's quick to point out that the family lived in a "normal house," which has since been torn down and replaced by a mansion in the now ritzy enclave of the city.

Her father was a lawyer; her mother, a stay-at-home mom until the couple divorced when Pryse was in high school, went back to college and became a second-grade teacher.

"Dad had bought us some shares of Genuine Parts stock and Delta Airlines stock – less than \$1,000 – and when the reports would come out we would actually read them," Pryse said. "Investments have always interested me, and budgeting was something that was pretty easy for me. My dad would give our mother money for our clothes, and she would put cash in envelopes for each of us every six months. We could take it and spend it however and whenever we chose to. We could spend it all on the first day, but

when it was all gone it was gone.

"I learned that if there was going to be a prom dress in your future or whatever else you might want, you didn't take all the cash in the envelope and spend it the first week."

Pryse says the system was not exactly intended as a lesson in finances, but it did end up teaching her about money. "I think it was more to teach us to be responsible people."

While Pryse had an interest in finance and investments as a teen, she decided that her passion was to become a special education teacher, inspired by babysitting for a couple who had a mentally disabled daughter. So she chose to enroll at the University of Tennessee because students could get in the special education track as undergraduates, unlike at the University of Georgia, where you had to be in graduate school to get in special education classes.

"UT was close enough that I could come home on weekends, but not so close that I would be expected to come home every weekend," Pryse said. But she soon found the curriculum was not for her. "They wouldn't let me take the math courses that I wanted to take, and my sophomore year I had to take an art class where I'm learning how to cut circles and squares out of pieces of paper. And I'm like, 'I'm spending my parents' money to do this?'"

"So I changed my major to finance."

Pryse's first job out of college in 1972 was working for a life insurance company selling policies on straight commission. "It was not a wonderful company, and it was not a wonderful product. And then I saw my general agent forge someone's name on an application, and I just thought, 'Life is too short for this,' even though I was making what for me at the time was a lot of money." So she quit.

While looking through job postings at the state employment office, she found an opening for a clerical position at Valley Fidelity in the trust department processing dividends and statements.

"I was in the right place at the right time, and I worked hard," she said. "I had a great boss who started giving me more responsibility, and I decided if I was going to be a clerk, I was going to be the best clerk I could be."

Soon she was also the file clerk, collating Xerox copies manually. After the Employee Retirement Income Security Act of 1974 was enacted, her workload increased and Pryse was doing trust tax returns and allocations on retirement plans – not on the computer or an Excel spread sheet, but with a calculator multiplying out the numbers. When two people quit within six months of each other, she was offered a position heading up the retirement plans department.

"I guess I was really promoted because I knew how to do the allocations and the technical side, but I also knew investments. I wasn't fearful of talking the investment side. But here it is in 1975 and the market is down 35 percent to 50 percent in the last two years. Probably nobody else would have taken the job, and I'm a young female going out to talk to people about their investments that have just gone way down. I didn't know enough to be afraid."

Pryse parlayed her experience of substantially growing the employee benefits area into a promotion to senior vice



Sharon and Joe Pryse with friends Ruth and Joe Fielden visiting the Columbia River Gorge in Oregon.

president, becoming the youngest SVP the bank had ever had, not to mention the first woman, and she was thoroughly enjoying her job.

In 1983, the Morris Plan Bank interest in Valley Fidelity transferred to Washington, D.C.-based First American Bankshares, a large bank holding company that owned several banks, mainly in Virginia and Maryland. First American Bankshares was in turn owned by a group of Middle Eastern investors.

"I was going up (to Washington) four or five times a year for meetings on ways to merge the trust departments of their various banks together, and it seemed from the tone of the meetings that the management jobs were going to be in Washington.

"I had a very fulfilling role at Valley Fidelity, but nobody was sure about what the future of the bank was going to be," Pryse said. "If the president and chairman of the board had been able to raise the capital, I'm sure they would have started their own bank."



Sharon founded The Trust Company of Tennessee in 1987. It has grown to \$3.5 billion in assets, with offices in Johnson City and Chattanooga, and 75 employees.

A Culture of Yes

Against that backdrop, Pryse began contemplating ways to control her own destiny. She and her husband, Dr. William O. Miller (who passed away in 1998) made a visit to the mountains and talked about what her future would look like if she went out on her own.

"I just thought, 'Hey, I really started an employee benefit area from scratch at Valley Fidelity. I know how to do that.' 'I didn't spend a lot of time doing a market study and analysis.'"

Within a couple of weeks, she worked her last day at Valley Fidelity and began working to launch The Trust Company, which was chartered in January 1987.

The process of starting a trust company was much more difficult then than it would be today, Pryse said. She had to hire a lawyer, of course, but she couldn't really pay a big legal bill. So she typed up the needed pro forma and other application materials required by the state herself. And she didn't take her lawyer with her when she drove to Nashville to meet with then Commissioner Talmadge Gilley because she couldn't afford to pay for the six hours of travel time.

At their meeting, Gilley told Pryse that she would be good to go as soon as she raised a million dollars “I gulped and said, ‘Nobody told me I had to raise a million dollars.’ Fortunately, Katie Edge (now an attorney for Butler Snow LLP in Nashville) was in that meeting. And she said, ‘Commissioner, you never told her she needed to raise a million dollars.’ So he agreed to let me accumulate a million dollars. To this day, Katie Edge walks on water.”

There were still hurdles. There were no similar start-up trust companies in Tennessee, and the entrance was an issue. Pryse had to get her insurance through Lloyds of London, which was expensive. “At the time we had to have regular bank insurance. We had to have our tellers’ cash insured, even though we had no tellers. To say that Lloyds of London premiums blew my budget was the understatement of the year.”

Since its start, The Trust Company has grown largely through word-of-mouth referrals from happy clients, and that starts with the team structures that Pryse has developed. While there are a number of specialists—lawyers, accountants, certified financial planners—they do not operate in silos. Rather, client teams come together based on the particular needs of a client, which may change as their situations do.

The company’s relationship managers serve as the team members who not only are the main point-of-contact for clients but also who deeply understand their clients. “They understand when a client may have a bit of an attention-deficit problem and they don’t want the long version, or when

the person wants to know how to build the clock and you had better tell them exactly how you build the clock.”

The Trust Company’s approach and corporate culture, Pryse says, attracts people who are relationship-oriented. It’s also kept the turnover rate low—generally in the 2 percent to 5 percent range. “Our rate was a little higher this year because we had two retirements,” she said, “but we have a very stable staff.

“We attract people who are relationship-driven, not transaction-oriented. And I’m not saying that being transaction-oriented is a negative thing. My grandson works for a private equity firm, which is very transaction-oriented. We have an annual meeting and I’ve had him come up here to sit in to show him you can run a company as a long-term business. There are other ways to do things other than through transactions, but there’s a hell of a lot of money to be made in the transaction business.”

Pryse says that people who have worked for other banks find it refreshing that there is a succession-ownership plan, and that “all decisions are made pretty promptly—like real promptly.”

That succession plan doesn’t include Pryse not being around anytime soon. “I own a controlling interest in the company, and I’m planning on dying with a controlling interest,” she said. “We’ve had a lot of banks that have offered to buy us, but obviously we’ve never sold.”

The closely held private company includes shares held by some of her senior staff, with her two brothers the only outside investors.

More from Sharon Miller Pryse



Sharon and Joe Pryse on safari in Africa with a group from Zoo Knoxville.

Sharon Pryse is a University of Tennessee graduate, but she’s a Volunteer for Life in more ways than cheering on the teams in orange.

Among the boards and committees she is currently or previously served on are the UT board of trustees and investment committee, the UT Foundation, the Nature Conservancy of Tennessee, Friends of the Smokies, Knoxville Symphony Orchestra, YMCA of East Tennessee, Knoxville Zoo, Knoxville Museum of Arts, and advisory councils for the UT Finance Department and College of Business.

The list goes on, including serving as a commissioner on the Knoxville Utilities Board, and being on the Tennessee Bankers Association Trust Division board of directors, for which she is a past president.

She also has been active in the St. John’s Episcopal Cathedral in Knoxville, where she has helped with many activities and events over the years and currently serves as board treasurer. It was at a meeting of a small group of members called by the rector to discuss stewardship that she met James Haslam II, who is a member of The Trust Company’s board of directors.

And she met her husband, Joe Pryse, doing work for the United Way.

The Trust Company's culture is modeled after Pryse's approach to business management. "I'm a shoot-first-and-ask-questions-later person," she said. "We want to get to the 'yes' answer. We're not trying to stretch the rules or get into shades of gray. We just want to know how we can get things done, not what we can't do. Our organization is built to solve problems."

Daniel Carter, The Trust Company's president, echoed that sentiment.

"Her first answer is always yes, and then we will figure out how later," Carter told the Knoxville News Sentinel during an interview. "That's been a mantra that we've always had."

Carter handles the day-to-day processes and works closely with the various team leaders, giving Pryse more time to do what she wants to do.

"Daniel is great for where we are now," she said. "He runs a terrific leaders' team and they process things. It would drive me crazy. They do these meetings; they do these off-sites; they do all this data gathering and process and get everyone to buy in. He keeps me informed, but he is really developing the leaders' team."

Pryse remains the point person for some of her longtime clients—serving occasionally in a role she describes as the "fairy godmother"—but she is working to get others involved in those relationships.

"I was great for the company 30 years ago, 20 years ago, hopefully 10 years ago," Pryse said. "I say now that I want to be wanted, but not needed." 🇺🇸



Sharon with The Trust Company of Tennessee's president, Daniel Carter

Is volunteering and community involvement something that was instilled in you growing up?

Not so much growing up. It really started when I began working at Valley Fidelity Bank. Working at a bank, you are always being asked to volunteer for something. I think the first thing I did was selling memberships for the Chamber of Commerce.

But my father was the national president of the Izaak Walton League, a conservation group. I remember that he and a group of friends stocked trout in the Chattahoochee River right after the Lake Lanier Dam was built. The fish and game people told him the water would not be cold enough, but it comes out of the bottom of the dam. So he and a group of guys stocked it themselves. When I was putting his obituary together, I realized he was a conservationist before it was cool.

Some business executives and young professionals feel like they have to volunteer and be on boards as a way to network. What general advice do you give on that topic?

When I speak to groups of students or young professionals, I tell them to never volunteer for something that you are not passionate about. Volunteer because you like the humane society or birds, or whatever. For sure don't sign up for something and then not follow through with it, because that's going to follow you the rest of your career.

Is that where you got your passion for the outdoors that led to your involvement in organizations like the Nature Conservancy and Friends of the Smokies?

Well, we camped a lot growing up. My parents' tent had a floor, but the one my brothers and I slept in did not. If it rained, we got wet. We also had riverbank cleanups at the Chattahoochee. It wasn't an organized thing, just us going out as a family to do it.

So yes, I grew up environmentally oriented. But I'm not what some people call a "tree hugger." I understand you have to have jobs. That's one thing about the Nature Conservancy, they understand that you have to have jobs. You can't protect everything regardless of the cost. 🇺🇸

CAMELS Ratings: asset quality



JULIE STACKHOUSE
Executive Vice President,
Federal Reserve Bank
of St. Louis

At the conclusion of a bank supervisor's exam, each bank is assigned a rating—called CAMELS—that allows comparisons of bank health over time and with peers. This article will examine the second component of the CAMELS rating: asset quality.¹

A bank's assets—including loans, leases, securities and derivative contracts—drive its earnings performance and, therefore, its long-term viability. In short, banks make money by making loans and investments that generate income and can be repaid.

Risky Business

Lending is a risky business for banks because of the uncertainty of loans. To make loans, bankers use personal and corporate deposits placed at the bank, as well as other funding sources. If loans are not repaid, the bank will lose money. Inevitably, some loans will default despite the best intentions of bankers and their customers.

Because of the importance of asset quality to a bank's viability—especially a community bank's—examiners pay close attention to the level, distribution, severity, and trend of poor-performing assets.²

In reviewing asset quality, examiners first consider the risk management practices of the bank, including:

- The ability of bank personnel to underwrite, monitor, manage, and control risks under current and stressed market conditions
- Internal loan review processes that help catch problem assets early and provide for good management reports

- Policies, procedures, and risk limits that guide lending decisions and reflect the “risk appetite” of the bank's board of directors
- Active internal monitoring of credit quality with action taken to address noted weaknesses

Examiners then test the bank's process by reviewing a statistical sample of assets. Sampling allows the examiners to determine management's effectiveness in implementing the policies, procedures and risk limits set out by the board of directors.

Other Considerations

While review of policies and a statistical sample of the assets themselves are keys to a bank examination, the asset quality rating also depends on the level of funds redirected from earnings to cover potential and known losses on assets. This reserve is called the allowance for loan and lease losses (ALLL).

Examiners look at both the level of the ALLL—making sure it is proportionate to the level of credit risk in the portfolio—and the methodology used to determine it. When loans go bad, the bank forecloses on the loan, and any losses are offset by the reserve.


Examiners also consider any concentration of assets, such as unusually high volumes of lending to real estate developers. Losses from unexpected changes in economic, industry, or geographic conditions are magnified when concentrations exist.

Assigning the Rating

After completing this comprehensive review, examiners assign an asset quality rating of 1 to 5 using the following definitions:

- 1 = strong asset quality and credit administration practices
- 2 = satisfactory
- 3 = less than satisfactory
- 4 = deficient
- 5 = critically deficient

A bank's asset quality rating is an important input into other CAMELS components. Should asset quality deteriorate, more funds must be set aside to fund the ALLL, depressing earnings. Operating losses can deplete capital and threaten the bank's solvency.

For community banks—where loans are the primary component of the asset side of the balance sheet—good lending practices are essential. For this reason, bankers and examiners alike pay close attention to asset quality. 

- 1 The remaining components are management, earnings, liquidity and sensitivity to market risk. See Stackhouse, Julie. "The ABCs of CAMELS." St. Louis Fed On the Economy, July 24, 2018.
- 2 In practice, examiners use a number of labels or categories (some of them overlapping) to assess asset quality, including problem, classified, delinquent, nonaccrual, nonperforming and restructured.



CEIS REVIEW INC.



**COMMERCIAL LOAN
PORTFOLIO CONSULTING
FOR BANKERS BY BANKERS
SINCE 1989.**

Serving 135+ commercial lending Institutions throughout the U.S. and overseas, each of our Credit Professionals bring with them an average of 20+ years of Lending and/or Executive Level Experience to each of CEIS' Clients engagements.

Contact us to learn what CEIS Review can do for you.

(888) 967-7380 www.CEISReview.com

- ▶ PORTFOLIO LOAN REVIEW
GENERAL & SPECIALIZED
- ▶ STRESS TESTING SERVICES
- ▶ STRESS TESTING VALIDATION
- ▶ LOAN LOSS RESERVE VALIDATION

Women in Banking Conference brings together female bankers for professional development and networking



Visit TNBankers.org
for more photos

THANK YOU SPONSORS

BUTLER SNOW



The Tennessee Bankers Association's Women in Banking Conference welcomed a crowd of more than 95 attendees for a day of professional development and inspiration as women worked together to excel in their banking careers.

Jess Ekstrom, the founder and CEO of Headbands for Hope began the third annual event explaining how mistakes are an important part of success. "We need to humanize our success by honoring our struggles," Ekstrom said.

Lisa Carver explained how professional success hinges on the ability to manage our emotions and the emotions of others to avoid miscommunication, resolve conflict, reach consensus, and get things done.

The October 17 event also included an enthusiastic leadership presentation from Col. Jill Morgenthauer, and Jamie Dunham breaking down what women trust from brands as well as best ways to market and message to women.

In this conference's short history, it continues to provide a unique opportunity for those in the early stages of their career to the seasoned banker to be inspired and invigorated with new ideas and strategies to achieve and succeed in the industry.









Stacey Langford with Janet Norman (right) of First Citizens National Bank, who won a scholarship sponsored by Bone McAllester Norton PLLC to participate in TBA's 2019 Washington Conference.

PHOTO: TYLER NELSON

It's still good, but it was even better a year ago

Synchronized global economic expansion becomes a bit less synchronized



ANIRBAN BASU
Economist,
Sage Policy Group, Inc.

In 2017, a synchronized global expansion blossomed as every major advanced economy experienced accelerating economic growth with the exception of Brexit-beleaguered Britain as key emerging nations like Brazil and Russia returned to the growth column. While the global economy is still expanding, performance has become less consistent across nations and darker clouds have formed on the horizon.

Rising U.S. interest rates, faltering emerging market currencies, the alleged murder of a Washington Post journalist, the Sino-American trade skirmish, and rising input prices have conspired to unleash greater volatility in global equity markets. At the same time, the U.S. economy continues to flourish, with industrial production surging, unemployment dipping to a near 50-year low, the number of available job openings rocketing above 7 million, and GDP growth remaining robust due to a combination of stepped-up consumer, business, and government outlays.

Given that there are only about 6 million

unemployed Americans, theoretically, there is a job for everyone, though job growth has been far more rapid in the American West and South than elsewhere. Among the 25 largest metropolitan areas, the fastest year-over-year job growth (August 2017-August 2018) was recorded in Orlando (4.1 percent). Other communities registering profound rates of employment expansion include Seattle (3.9 percent), Houston (3.7 percent), Phoenix (3.6 percent), Riverside, Calif. (3.5 percent), Dallas, (3.2 percent), Denver (2.8 percent), Charlotte (2.7 percent), Portland, Ore. and Tampa (both 2.5 percent).

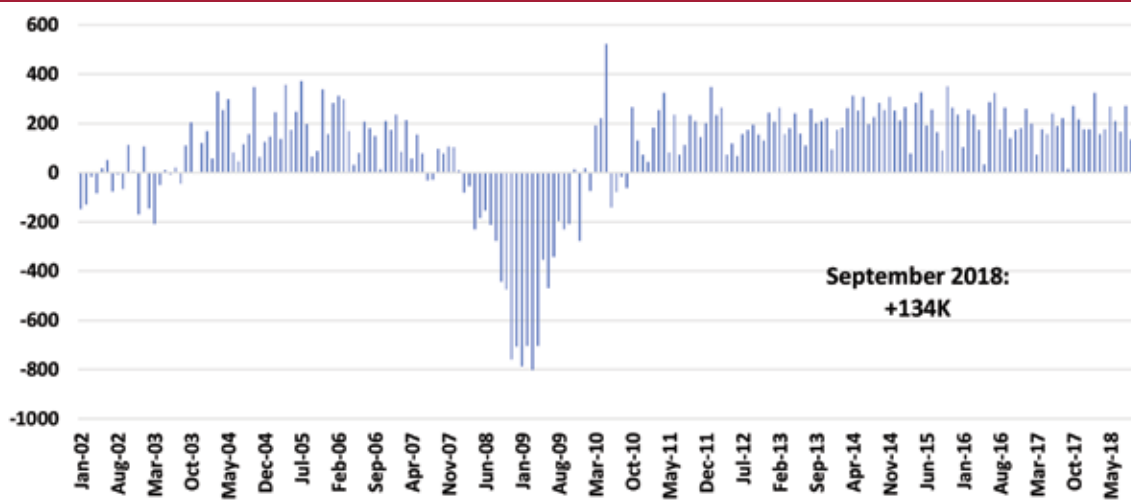
Tennessee has fully participated in the nation's ebullient labor market. Between September 2017 and September 2018, the Volunteer State added 2.1 percent to its nonfarm job totals (ranking the state 14th in terms of the pace of job creation nationally), which translates into 63,900 net new jobs. The Nashville metropolitan area chipped in nearly 17,000 net new jobs. The Memphis metropolitan area, which includes portions of Tennessee, Mississippi, and Arkansas, added about 15,000 net new jobs. The

Chattanooga region, which spills over into Georgia, added more than 8,000 during this period.

The official rate of national unemployment dipped to 3.7 percent in September, the lowest rate since December 1969 when the U.S. was just entering a recession that would last for 11 months. Through September, America has added jobs on net for a record 96 consecutive months.

NET CHANGE IN U.S. JOBS

SOURCE: U.S. BUREAU OF LABOR STATISTICS



Despite recent turbulence in domestic and global financial markets, there are presently few signs of a broad-based economic downturn in America. The Conference Board's Index of Leading Indicators continues to march higher, an indication that economic momentum will persist over the at least the next two to three quarters. Industry-specific leading indicators like the Architecture Billings Index are also pointing higher.

One of the reasons to believe that the economic expansion can persist in 2019 even if financial markets begin to falter is the Tax Cuts and Jobs Act, passed in the December 2017. The Act restructured income brackets, reduced personal income taxes for many Americans, shrank the C-corporation tax rate to 21 percent, and made it easier to repatriate profits earned abroad. The new law also increased the amount a company can immediately expense for certain types of purchases.

This has supported accelerating capital expenditures, which in turn has helped push U.S. economic growth from the 2 percent rate that

characterized much of the expansion to around 3 percent. Still, no recovery in national history has lasted forever and the U.S. economy has begun to exhibit some late-cycle dynamics.

Clouds Appear on the Horizon

Arguably, the most worrisome aspect of the economy takes the form of rising inflationary pressures. Economists deploy a term called the natural rate of unemployment. When unemployment falls below that natural rate, inflation tends to spike, producing sharp increases in borrowing costs and softer investment. At 3.7 percent, the official rate of U.S. unemployment is now meaningfully below that natural rate of unemployment. This set of circumstances prevailed prior to the 1980-81 recession, the 90-91 recession, the 2001 recession, the 2007-09 recession and now. Thus, while the 2019 economic outlook remains benign given existing economic momentum and still lofty confidence among consumers and businesses alike, the outlook beyond next year is steeped in murkiness. 🌩



Providing Merchant Card Services to Community Banks!

Face to face old fashion service:

Offices in: **Nashville**
 Memphis
 Knoxville
 Jackson
 Tri-Cities

Contact: **Mark Barrett**
 1-888-741-2262
 Fax: 615-352-6946
 mbarrett@banccard.com

www.banccard.com



Q&A with Charlie Hooks

*Chairman, Credit Committee, Tennessee Bankers Association
EVP/Chief Credit Officer, Sumner Bank & Trust, Gallatin, Tenn.*

A Kentucky native and Western Kentucky University graduate, Charlie Hooks has been a Nashville banker since 1981. After starting out with Commerce Union Bank, Hooks has spent time at Nashville City Bank, The Bank of Nashville, and First Advantage Bank. Today, he is EVP/CCO of Sumner Bank & Trust in Gallatin. As the Credit Committee chairman, he has been hard at work with his fellow committee members preparing for one of TBA's most anticipated events—*Credit Conference*. Hooks spoke with *The Tennessee Banker* about his career, the banking industry, and *Credit Conference*, which takes place February 5 and 6.

What led you into the banking industry?

Growing up in Cadiz, Ky., (a town of 2,500 that is part of the Clarksville, Tenn., MSA), my mother worked at the local community bank, so I was familiar with the employees and owners. Most of the employees had been working there since they graduated either from high school or college. At that time, as a young boy, it looked like a stress-free job you could have for life. Growing up in the 60s and 70s is a lot different than today, and the banking industry is anything but stress free, but it has been my career path for almost 40 years. I still enjoy the challenges and opportunities it presents.

During your career, you've seen energized economies and a few credit downturns. As this recovery cycle continues on to the point of nervousness about the next dip, what do you see as the leading principle bankers need to keep in mind to ensure they weather the storm?

This is the time in the business cycle that CCOs earn their keep. Over the past several years in Middle Tennessee, we have been able to meet our production goals, while keeping asset quality at uncommonly high levels. From my viewpoint, I see the economy in Middle Tennessee cooling somewhat, with too many banks chasing too few deals. Bankers need to stay true to their course in making sure the borrower has equity in the projects with a strong

EBITDA, and at same time, not lengthening the amortization to help DSC calculation. Today's lending environment is getting tighter and we hear "everybody else is doing it," from lenders and management, but if banks compromise their core values, they ultimately expend their time, energies, and resources purely in collection mode.

Located just 25 miles northeast of Nashville, Sumner County—in particular Gallatin and Hendersonville—is clearly benefiting from Music City's boom of development. With that rapid growth, the county also has large areas that have maintained more rural roots. What do you see as the leading economic opportunities and challenges facing your county?

Summer Bank & Trust is a real estate lender. We have benefited from the strong growth of Nashville and Middle Tennessee over the past several years. The residential construction market has been strong, along with the 1-4 rental market, and we see that trend continuing. The challenge in the Middle Tennessee area is the availability of lots for small builders to secure. It is increasingly difficult for them to compete with the large national builders that are able to acquire large tracts. Consequently, the larger builders are also recruiting and hiring skilled craftsmen needed for job sites, which creates thinner profit margins for our model customer.

As chair of the Credit Committee, you oversee the Credit Conference, which over the years has become the most attended event by Tennessee bankers. For bankers who haven't attended before, what would you say to encourage them to participate this year?

The Committee has worked diligently to develop a conference that looks at our lending environment today but also explores what lenders and management can expect in the coming year. If you have not previously attended, you will be given ideas of how to review your current loan portfolio for risk, along with various new options on how to diversify and expand your portfolio, while minimizing risk. The breakout sessions are structured to reach all community bankers, regardless of demographics, and help them understand their environment better. Lastly, the opportunity to network with folks from across the state who do the same things as you do, day in and day out, is beneficial on so many levels. I would encourage you to certainly take advantage



Charlie Hooks with Dick Bobo, Melissa Whelan, and Tom Kern at TBA's 2017 Credit Conference

of that. If this is your first year to attend the *Credit Conference*, I would like to meet you, so please seek me out or any committee member. We value what you think of the conference because it is "your conference." 🇺🇸



CREDIT CONFERENCE

February 5 & 6, 2019
Omni Nashville Hotel

Register and book your hotel now at
TNBankers.org/credit



TENNESSEE BANKERS
ASSOCIATION Service Since 1890



#TBACredit

Trust & Wealth Management Conference

THANK YOU SPONSORS




MAINSTREET
ADVISORS



REICH & TANG



The TBA Trust & Wealth Management Conference, held October 18 and 19, 2018, at the TBA Barrett Training Center in Nashville, welcomed more than 90 attendees. Under the direction of Trust Committee Chairman Jamie Nicholson, the program included a discussion of the Tax Cuts and Jobs Act, issues in elder financial exploitation, and more. The event also features dinner followed by an intimate performance by some of Nashville's acclaimed songwriters. 





1 & 2: Federated Investors sponsored the opening night dinner and reception which featured Nashville songwriters.

PHOTOS: PENNY POWLAS



2.



1.





3. Members of the 2018-2019 Trust Committee—past chairman Scott Lindsey, immediate past chairman Jamie Nicholson, and chairman Chuck McDonald.

4. Chairman Chuck McDonald presents outgoing chairman Jamie Nicholson with a commemorative plaque for her year of service.



2018

Year in Review

Our 2018 Year in Review offers a summary of the Tennessee Bankers Association's highlights and accomplishments. Here's a glimpse of how TBA government relations, education, and communication efforts elevate your membership benefits.



ADVOCACY AND LEGAL (STATE AND FEDERAL)

TBA's government relations team is trusted, respected, and dedicated to promoting and preserving the pro-banking environment in Tennessee. TBA saw continued legislative success in 2018, including:

- Passed legislation allowing banks to pledge out-of-state bonds as collateral for public deposits
- Supported legislation to authorize remote online notarizations in Tennessee
- Defeated legislation to ban certain bank fees on gift cards

On a national level, we saw the passing of the Economic Growth, Regulatory Relief, and Consumer Protection Act (S.2155), bipartisan regulatory reform, with support from Tennessee's two senators and six congressmen.

Monitor, Track, Act



1,286 Bills reviewed by TBA

115 Bills identified as having a direct or potential impact on the industry

53 Bills passed with a direct or potential impact on the industry

17 Bills actively lobbied



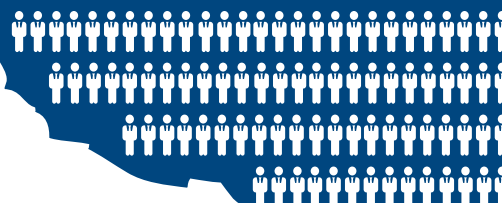
Bankers gather in Washington D.C. for TBA's 2018 Washington Conference.



73 Bankers attended the largest ever Young Bankers Division's Day on the Hill

7 Trips to Washington, D.C.

93 Bankers attended Washington Conference



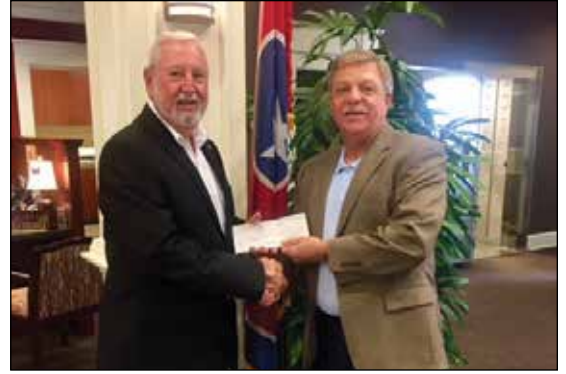


TBA BANKPAC

BankPac continues to reach new milestones and reigns as one of the top-contributing business PACs in the state. This success is possible thanks to the generous support of TBA's member banks and associate members.

\$232,726

109 contributors including
TBA member banks, TBA associate members,
and TBA staff during the past 12 months
(10/29/2017-10/29/2018)



Joel Reynolds of The Farmers & Merchants Bank, Dyer, delivering a BankPac check to Rep. Curtis Halford.

\$434,816

contributed by BankPac at the federal and state levels to candidates, parties, caucuses, and PACs in this election cycle



PROFESSIONAL DEVELOPMENT/EDUCATION

TBA is the leading provider of high-quality, cost-effective professional development training for Tennessee banks. Our education opportunities provide an invaluable opportunity to network with peers and stay current on important issues affecting our rapidly changing industry.

5,097

 Registrations to TBA live events

646

 Attendees to Annual Meeting

583

 Attendees to Credit Conference

119

 Webinars offered 

144

 Students graduated from 

41

 Graduated The Southeastern School of Advanced Commercial Lending

34

 Graduated The Southeastern School of Consumer Credit

39

 Graduated The Southeastern School of Commercial Lending

49

 Graduated The Southeastern School of Banking

TDFI Commissioner Greg Gonzales speaks with students at TBA's Southeastern School of Banking in July.



MARKETING AND COMMUNICATIONS

Through TBA communications, we keep bankers informed, delivering critical industry information to members about legislative and regulatory changes as well as the conferences, education programs, and products and services that are available to our members.



1,066

Facebook followers
[/TNBankers](#)



2,446

Twitter followers
[@TNBankers](#)



185

Instagram followers
[tnbankers](#)



974

LinkedIn followers
[tennessee-bankers-association](#)



ENDORSED PARTNERS AND ASSOCIATE MEMBERS

Our Endorsed Partners and Associate Members provide banks with superior products and services. Our partners are industry leaders who share our high standard for quality service.

19

Total
Endorsed Partners



220 Associate
Members



Ted Frizen of Financial PSI speaks with customers at TBA's Annual Meeting.



HEADLINES

Each Sunday evening, TBA sends its e-newsletter *This Week*, which covers government relations developments, regulatory announcements, education programming, and timely association and industry news. The following timeline is a look back at some of the top stories from 2018.

January 28

Mulvaney: CFPB's Days of 'Pushing the Envelope' Are Over

The CFPB's prevailing governing philosophy of "pushing the envelope" in the name of enforcing consumer protection laws will shift under the bureau's new leadership, Acting Director Mick Mulvaney said.

February 4

Sen. Hatch Writes NCUA with 'Concern' About Credit Union Activities

U.S. Senate Finance Committee Chairman Orrin Hatch (R-Utah) sent a letter to the National Credit Union Administration expressing concern about whether credit union activities—and NCUA's supervision—align with the purposes of the tax exemption they enjoy. Hatch noted that many credit unions now offer insurance, real estate brokerage, and wealth management, "appear[ing] to operate in the same manner as taxable banks," including acquiring for-profit banks and buying stadium naming rights.

February 11

Barrett and Rieniets Call on Congress

TBA President Colin Barrett and GR Chairman Jim Rieniets went to D.C. to visit with the staff of U.S. Senators Corker and Alexander as well as U.S Representative David Kustoff, a member of the House Financial Services Committee. Barrett and Rieniets advocated on behalf of Senate Bill 2155, the bi-partisan regulatory relief bill that is pending in the Senate and expected to move later this month.

February 25

TBA, State Associations to Sen. Hatch: Time to Change 'Status Quo' for Credit Unions

Taxpayers should no longer subsidize the nation's largest credit unions, which effectively operate the same as taxpaying banks, TBA and 51 other state bankers associations said in a letter to Senate Finance Committee Chairman Orrin Hatch (R-Utah).

March 18

Record Attendance for TBA Day on the Hill

With the largest event attendance to date, 73 of Tennessee's young bankers participated in *Day on the Hill* at the Tennessee State Capitol.



March 26

Tennessee House Passes TBA Legislation

The Tennessee House of Representatives last Thursday, March 23, passed by a vote of 93-1 TBA's legislation that will allow banks to pledge out-of-state bonds as collateral for public deposits.



HEADLINES

April 15

Ag Bankers Meet with Templeton, Gonzales

Tennessee ag bankers met with Ag Commissioner Jai Templeton and TDFI Commissioner Greg Gonzales to discuss the ag banking in Tennessee.



April 22

Governor Haslam Signs TBA Legislation

On Tuesday, April 18, Governor Haslam signed into law TBA's legislation (SB 2684 / HB 1707) that allows banks to pledge out-of-state bonds as collateral for public deposits.

May 20

TBA Hosts Successful 2018 Washington Conference

A record-setting number of bankers, associate members, and TBA staff—nearly 100—attended TBA's annual *Washington Conference* last week. Led by TBA's Government Relations Committee Chairman Jim Rieniets, president/CEO, InsBank, highlights of the conference included hearing from FDIC Chairman Martin Gruenberg and senior staff from the CFPB, OCC, Treasury, and FinCEN.

May 28

President Trump Signs Reg Reform Bill into Law

President Trump, Thursday, May 24, signed S. 2155, into law, after it cleared the House floor on Tuesday by a bipartisan vote of 258 to 159. The bill's passage marks an important step toward bringing much-needed regulatory relief to help banks better serve their customers and communities. It is the first significant piece of regulatory reform legislation passed by both chambers since enactment of the Dodd-Frank Act in 2010.



June 10

TBA Honored for Commitment to Financial Literacy

TBA's T'Lanie Luu took part in the 14th annual Tennessee Jump\$tart Personal Financial Educator Conference. During the event, TBA received the Champions of Excellence award for our dedicated commitment and investment to boost financial literacy and education across the state.



June 24

John Muse Installed as 2018-2019 TBA Chairman

Delegates to the 128th *Annual Meeting* of the TBA, held at The Broadmoor, Colorado Springs, Colo., elected John Muse, chairman, president and CEO of Farmers State Bank in Mountain City, as the new chairman of the TBA.



August 5

Independent Board, Trustees Discuss Future of Southeastern Schools

TBA's Independent Board of Directors and Trustees of the four Southeastern Schools of Banking convened today to discuss the future of the Southeastern Schools, including an updated curriculum.



August 19

TBA's Leaders in Banking Excellence Dedication

TBA honored Decatur County Bank's Jim England and CBBC Bank's Gaynell Lawson as they were inducted to the *Leaders in Banking Excellence*. The 2018 inductees are among an elite group representing Tennessee bankers, past and present, who have excelled in the areas of banking, community service, and civic involvement.

April 22

Young Bankers Division Elects New Officers, Directors

As part of the business of the *Leadership Convention*, members of the division elected new officers and directors to lead the division during 2018-2019.



May 6

Commissioner Gonzales Reappointed Chairman of FFIEC State Liaison Committee

Tennessee Commissioner of Financial Institutions Greg Gonzales was re-elected chairman of the State Liaison Committee of the Federal Financial Institutions Examination Council, effective May 1.



June 3

TBA's Senior Vice President of Education, Debbie Brickles, Retiring

Debbie Brickles, TBA's senior vice president of education, announced her plan to retire at the end of June after 21 years of faithful service to our industry. Debbie has been a champion of banker education—always looking for ways to better deliver the best learning opportunities for our members.



June 10

John Jordan Named Executive Director for the Graduate School of Banking at LSU

Tennessee banker and TBA board member John Jordan was tapped to succeed Don Woodland as the next executive director of the Graduate School of Banking at LSU.

July 22

Bankers Complete The Southeastern School of Banking

Congrats to the 79 students who completed *The Southeastern School of Banking*.



July 29

TBA, BankDirector Announce Partnership

The TBA announced that it is partnering with Brentwood, Tenn.-based Bank Director to promote their suite of board services and training opportunities.

September 23

TBA Files Federal Registry Letter Concerning Treasury Sub S Proposal

TBA President and CEO Colin Barrett filed a letter with the Federal Registry expressing concerns over the Treasury's proposed regulations under Section 199A of the Internal Revenue Code.

October 14

TBA's Barrett Addresses Credit Unions' Tax Advantage

In a Q&A featured in the Johnson City Press, TBA President Colin Barrett discussed a number of topics, including the importance of banks to local communities, the importance of cutting red tape on financial institutions, and the credit unions' tax advantages.

October 25

Independent Bankers Division elects new chairman

Matt Daniels, president and CEO of Apex Bank in Camden, was announced as the newly elected chairman of the Division at the TBA's Independent Bankers Division Convention. Daniels succeeds Ken Jones in the division's top position.



Building bankable ‘Vetpreneurs’ in Tennessee

How the Veterans Business Outreach Center at Pathway Lending can help your customers thrive

Banks have good reason to value their customers. If customers thrive, so too will the bank—today, tomorrow, and for the long-term. But not every customer is a bankable customer. Many are too new or have capital or educational needs that fall outside of what their bank provides.

How do we build stronger a pipeline of future bankable borrowers?

Community Development Financial Institutions (CDFIs) like Pathway Lending are one answer. CDFIs help to promote healthy communities by providing capital and financial education services to small businesses that fall outside traditional underwriting standards. Most commonly structured as revolving loan

funds, CDFIs deliver capital to underserved U.S. communities where capital tends to be scarce. Banks have historically been and continue to be a primary partner for CDFIs.

Today, a growing number of CDFIs are building broader partnerships with Federal agencies like the U.S. Small Business Administration to bring new financial education and business coaching opportunities to these communities.

Where do Veterans and their families fit into this picture?

In Tennessee, almost 10 percent of the state’s adult population is a veteran of the U.S. military—that’s more than 470,000 individuals. According to a 2017 study from ZipRecruiter and the Call of Duty Endowment, a nonprofit foundation helping veterans find jobs, found that while unemployment rates are generally falling for this group, nearly a third are still underemployed. For veterans and their families, entrepreneurship can be a solution to issues of underemployment and limited economic success after military service.

While veterans have the mentality you find in successful entrepreneurs—risk taking, determination, quick thinking, and project planning and management—many continue to face barriers to capital access as they begin on their path to entrepreneurship.

How does Pathway Lending support “Vetpreneurs” and their families?

In early 2018, Pathway Lending was selected by the U.S. Small Business Administration Office of Veterans Business Development to be one of five new Veterans Business Outreach Centers (VBOCs) across the country and one of just 22 nationwide.



Pathway Lending client Mark Power and his wife.

PHOTO: VBOC



This designation brings new no-cost educational resources, focused entrepreneurship training, and business counseling to transitioning service members, veterans, National Guard and Reserve members, and military spouses or survivors living in Tennessee and Kentucky. The resource center is led by Reggie Ordonez, director and veteran, who specializes in leadership, management, curriculum development, and instruction. Ordonez served as a U.S. Marine in Light Armored Reconnaissance units and has deployed to Iraq, Afghanistan and Haiti with the 22nd Marine Expeditionary Unit.

The VBOC at Pathway Lending offers two transition assistance programs, Boots to Business, and the veteran-focused, Boots to Business Reboot, as well as other entrepreneurial and business development services, including:

- Pre-Business plan workshops
- Concept assessments
- Business plan preparations
- Comprehensive feasibility analysis
- Entrepreneurial training and counseling
- Mentorship
- Financial education and related services


But, its ability to build bankable “Vetpreneurs” doesn’t end there.

A wider continuum of services

As both a Community Development Financial Institution (CDFI) and an U.S. Small Business Administration supported education provider, Pathway Lending provides a continuum of programming that includes a wide set of services under one roof. Regardless of where the veteran is in their stage of business, from ideation to a maturity, Pathway Lending can offer targeted services to help them grow their business and become more bankable.

In addition to the VBOC, Pathway Lending helps entrepreneurs strengthen their business practices through classes and coaching at its U.S. Small Business Administration supported Women’s Business Center and one-on-one coaching for active loan clients through its Business Advisory Services group.

These programs include business counseling, classroom training, and peer-to-peer mentoring, and complement the work done by the VBOC staff to offer new and seasoned entrepreneurs alike the help they need to start, expand, and successfully manage their businesses.

When you couple that mentality and skillset found in many veterans with the resources offered by Pathway Lending, veteran-owned businesses have the necessary tools in place to become sound credit opportunities for financial institutions. 

Mark Power works in his recumbent bicycle shop. Power, an Air Force Veteran, owns and operates Power On Cycling in Newport, Tennessee.

PHOTO: VBOC



Blueprint for smarter marketing



ANDREA HEGER
SVP Sales
and Client Services,
Affinion Insurance
Solutions

ABOUT THE AUTHOR

Andrea Heger serves Affinion Insurance Solutions as senior vice president, sales and client services. Andrea joined the organization in 2014 and is responsible for developing a team of sales and client services professionals who execute partner marketing campaigns.

It is more important than ever for banks to effectively understand and apply timely and personalized data to build a marketing blueprint that will drive results and cultivate customer engagement. There are key marketing tools that will help guide you through ever-evolving technology and industry trends and keep your bank focused on what you need to grow your customer base.

Data: The key to Smarter Marketing

Banks already have a considerable amount of data on each of their customers. That information can be crucial in understanding customers, their needs, and their motivation. Using that data to drive a smarter approach to marketing is the key to help your customers feel connected and engaged by building a personalized strategy that connects them with relevant products and solutions.

- Bank data is the richest and often most overlooked source.
- Third-party data is more readily accessible than ever before and a tremendous source to augment and validate your own data.
- Public data or census data is rich for population trends and data by specific communities and markets.

Harnessing Data

Bring the multiple data sources together with a data warehouse or self-serve tools. If your bank has a data warehouse solution—excellent! Spend time with your data scientist team and look to the next steps.

Start small. Select two primary data categories and sort the data to these criteria. Make sure you think about customers and behaviors instead of products. It is about

understanding and knowing who is the most valuable to your bank and who has the potential to be valuable. Often the most “active” customers aren’t your most profitable, and it’s easy to get distracted in marketing by trying to serve your largest segments or most active customers.

The Steps for Building the Blueprint

Start with the foundational items, such as your bank’s mission, values, and strategic goals. As with any good blueprint, you have to know the end vision to build the right plan. In particular with mission and values, make sure you put a lot of thinking in to promises you’ve made to your customers in terms of the data you are collecting and how and when you will use that data. Read your privacy policy and consult with legal and compliance to ensure it still matches the goals of your organization. Smarter marketing should always live within the foundation of the promises you’ve made to your customers and your organization.

Before you sketch your first line on the blueprint, immerse yourself in the data in your environment. Data drives decisions, not the other way around. If you find yourself trying to start with your sketch of the blueprint but you haven’t reviewed the data, research, talked to your customers—stop! The full context of data, research, and customer feedback is the foundation for driving a truly successful marketing strategy.

Customer needs and wants are important, but they can often be the hardest to get to. Messages and notes to your customers should always be personalized. You have too much data available and trust built up not to do this.



Step 1: Building Effective Customer Profiles

Take all your data and bring it to life with 2-3 customer profiles. Customer profiles can be the foundation for marketing, servicing, and loyalty initiatives. Make them fun and simple. The key here is that everyone in your bank should be able to quickly understand your strategy. Permeate the profiles across your bank.

Step 2: Using Customer Profiles and Data

You have immersed yourself in the data and research (foundation); you know who's going to inhabit the space and what they care about (customer profiles.) Now how do you actually sketch the blueprint? Look at your top customers who drive your profile and your most profitable customers. What offers do they need? Rule of thumb: Your most engaged and profitable customers typically seek the highest level of customized marketing.

Step 3: Considering the Profile Example

Considering a customer profile in a smarter marketing strategy means that you are looking for the customer's needs or wants, not what you want to sell. For example, "Allen" wants to learn more and do a better job of saving for his children's college education.


He'd appreciate a targeted and customized plan of a 529 approach and different saving and investment options than he may have. He also is on the go and wants ease in his life. How can you improve his online banking and mobile app experience so he'll visit you more often? When he comes to the online site, what offers should you present to him? Probably not a checking account. However, a marketing ad for your upcoming community or charity event could pique his interest.

Step 4: Constructing Personalized Messaging

Customize your message to each customer with small data items, such as transactional patterns of your target customer segment or how they spend their rewards.

The bar is high for customization, so start small and build your way out. It's ok if your first campaign is only to 5,000 customers or even 500 customers. Test and analyze your results so that you can continue to improve.

In Conclusion

The smarter marketing journey can be a rewarding one, not only in driving ROI and marketing results, but also in furthering the mission and vision of your bank by engaging and meeting the needs of your customers. 

Applying data to your marketing plan can help your return on investment.

ILLUSTRATION: SHUTTERSTOCK

Young Bankers network, meet legislators at Leadership Lunches

**THANK YOU
TO OUR
STATEWIDE
SPONSOR**



**2019 YOUNG
BANKERS
EVENTS**

March 6
Day on the Hill
State Capitol, Nashville

April 7-9
Leadership Convention
Westin, Chattanooga

In September, the Young Bankers Division hosted seven *Leadership Lunches* around the state. These events offer bankers the opportunity to network with industry peers from the area and hear from Young Bankers Division Leadership and TBA about priorities and initiatives of the association.

With Alexander Thompson Arnold CPAs serving as the statewide sponsor of the luncheons, attendees also have the opportunity to hear from influential local legislators who each shared their perspectives on issues of importance for the legislative session convening in January.

The Tennessee Bankers Association is proud of its long history of an engaged young bankers division, and the strong turnout for luncheons across the state is evidence of the bright future for not just the division, but the Tennessee banking industry as a whole. To be added to the distribution list for Young Bankers information and events, contact Stacey Langford, slangford@TNBankers.org.





Visit TNBankers.org
for more photos



1.



1. Robin Smith, GOP nominee for State Rep., met with bankers in Chattanooga.

2. Republican Rep. Ryan Williams, talked with TBA members in Cookeville.

PHOTOS BY STACEY LANGFORD

2.



1.



2.



1. In Knoxville, members came out to meet with Democratic Rep. Rick Staples. **2.** Johnny Garrett, GOP nominee for State Rep, Goodlettsville, discussed the opportunity of running for State Representative at the TBA luncheon. **3.** Stacey Langford and Sam Short chat with Jack Matthis of Alexander Thompson Arnold CPAs, statewide sponsor for *Leadership Luncheons*. **4.** In Kingsport, Republican Sen. Jon Lundberg took time to meet members in his part of the state.

PHOTOS BY STACEY LANGFORD



3.



4.



- 1.** Democratic nominee for State Senate, Raumesh Akbari, was the speaker at the Memphis luncheon.
- 2.** At the Jackson luncheon, attendees heard from Republican Sen. John Stevens.

PHOTOS BY STACEY LANGFORD





2.



Bankers' anonymous feedback critical for regulatory feedback initiative



DON MUSSO
FinPro, Inc.



SCOTT POLAKOFF
FinPro, Inc.

Created by The Coalition of Bankers Associations in 2011, the Regulatory Feedback Initiative (RFI) consists of an anonymous electronic survey for bankers to provide an assessment of their most recent examination or visitation. In 2015, FinPro joined this important effort to assist with analyzing the data generated by RFI.

As you know, field examiners complete a survey at the end of every examination that captures their views of your bank's underwriting standards. While many bankers also have the option to complete a regulatory produced survey at the end of an examination, bankers are reluctant to provide negative comments in a regulatory generated questionnaire. In fact, this is exactly why the RFI was created!

RFI was also intended to be a "check and balance" to questionable examination trends and practices. By providing this anonymous feedback, The Coalition of Bankers Associations can have meaningful dialogue with Washington, D.C., agency heads in an effort to correct such acts. Often the RFI data reveals disparate examination treatment between federal banking agencies or even sometimes between different offices within one agency.

For example, a number of years ago the RFI data revealed that one Region within a federal banking agency was taking an inappropriately harsh view pertaining to Fair Lending examinations. The Coalition of Bankers Associations used the RFI data to meet with senior staff in Washington, D.C., and quickly fixed this outlier treatment.

Now we are starting to see RFI data that indicates questionable examination treatment pertaining to the Liquidity analysis. Quite frankly some of the banker comments are astonishing, but there is not yet a large enough data pool to confirm a problem. While FinPro created the FinPro Liquidity Matrix to assist bankers with this troubling trend, the


Coalition of Bankers Associations need more banker specific responses in RFI. Remember, completing the RFI survey only takes 15 minutes and is a critical step to fix examination problems.

Forewarned is Forearmed. RFI reports are a great way to learn from your peers what examiner "hot buttons" exist from recent examinations. The more bank data we can capture in the RFI, the more helpful the RFI reports will be in preparation for an upcoming examination.

We need to work together. The Coalition of Bankers Associations will attempt to fix problems when they exist, but we need the RFI data for support. Renegade examiners can cause significant financial distress. A Composite downgrade can cost our banks thousands or millions of dollars. RFI is the "check and balance" to inappropriate or aggressive examination trends.

So, what are the next steps? It's easy—simply copy and paste this link into your web browser and take the survey <http://allbankers.org/examfeedback.html>. There is no doubt that bankers are highly sensitive to confidentiality and want assurance that their feedback is protected and anonymous. RFI data is first captured and cleansed by MaritzCX, an independent third party with a track record in collecting anonymous, protected feedback from bank customers and employees.

Because the survey is completely anonymous and cannot be linked back to your institution, you will not be able to leave and then return to access your survey; therefore, you will need to be prepared to complete the entire survey at one time. This approach is necessary to maintain confidentiality.

Do you have an upcoming examination? Contact the authors to request an Exam Preparation Report, a compilation of data collected from surveys taken by bankers from across the country. 

TAKE THE SURVEY

Take the anonymous survey by visiting allbankers.org/examfeedback.html

Because the survey is completely anonymous and cannot be linked back to your institution, you will not be able to leave and then return to access your survey; therefore, you will need to be prepared to complete the entire survey at one time. This approach is necessary to maintain confidentiality.

How can you improve bank exams?

TRANSPARENCY.
ACCOUNTABILITY.
PREDICTABILITY.



Tired of exam surprises?

By taking our survey you are providing anonymous feedback that will be used to hold regulators to consistent standards. More than 3000 bankers have already participated.

Take a stand. Take the survey.



Tennessee Bankers Association
a proud member of



Take the RFI* survey at www.allbankers.org

*RFI = Regulatory Feedback Initiative

Overdraft nirvana: It's just taken care of for me



LINDA MEYER
Regional Director,
John M. Floyd
& Associates

ABOUT JOHN M. FLOYD & ASSOCIATES

For the past 38 years, JMFA has been considered one of the most trusted names in the industry helping community banks improve their performance and profitability. To learn more, please visit JMFA.com or call 800-809-2307.

Isn't it nice when things are just... done for you? As kids head back to school, for instance, it's a relief to be able to order their supplies through the school's parent-teacher organization—no long shopping lists, hopping around to several stores, or waiting in long lines. Your child's supplies are there on the first day. It's one less thing you have to do. Why can't overdraft protection be like that?

Well, it can.

That same no-effort level of service can be delivered to your account holders with a fully disclosed overdraft program.

Imagine an account holder who walks into the store to purchase some much-needed items. She knows her balance may be low, but she also knows she opted in to your overdraft program. Well aware of both her limit and the fee she'll be assessed if she overdraws her account, she decides the necessities can't wait and is relieved everything is taken care of for her.

The Benefits Abound

Convenience—that's the beauty of a fully disclosed overdraft program, along with:

- No varying limits
- No surprise fees
- No declined payments within your limits
- No confusion
- No follow-up needed to resolve misunderstandings (because there are none)
- No additional merchant or retailer fees
- No worry about a negative impact to your credit report

Your account holders opt in before ever using the courtesy pay program, empowering them to take personal financial responsibility and use the service after weighing their options.

We All Need One Less Thing To Do

An overdraft program like this delivers a positive customer experience. Your account holders may not even realize the time and stress you're saving them (unless they've dealt with all the surprises that come with a nondisclosed, matrix-based overdraft program). But, they will come to appreciate having overdraft protection as a safety net that they can rely on without having to jump through hoops.

And let's face it, most of us are juggling way too much as it is:

- The average office worker receives 121 emails per day, according to a DMR report
- Nearly 60 percent of employees in *ComPsych's 2017 StressPulse* survey reported high levels of stress
- In the same survey, workload was the top cause of stress at work (39 percent), while financial issues ranked as the No. 1 cause of stress at home (25 percent)
- Americans work longer hours than most, including 137 hours more annually than the Japanese and 500 hours more annually than the French

So, anything that can be taken off of an account holder's plate is a good thing.

Overdraft protection is first and foremost a service—an offering meant to meet the needs of your account holders. When fully disclosed and used responsibly, it can provide a reliable back up during hard times or an emergency. And the sign of a superior overdraft program is one that has your account holder's back when they need it and offers peace of mind, with zero effort. 🍷

Young Bankers Division UT Tailgate scores big



THANK YOU
TO OUR
SPONSOR

SouthEast
bank



TBA's Young Bankers Division and SouthEast Bank hosted a UT tailgate for the Florida game on September 22.
PHOTOS: STACEY LANGFORD

People on the Move

Have information from your bank about promotions or branch news?
Send it to Lila Griffin at lgriffin@TNBankers.org.

Bankpak, Inc. of Morriston, who is celebrating their 35th Anniversary this year, has named **Kirsten Elkins**, director of customer relations & communications.



ELKINS

BankTennessee, Collierville, has named **Dusty Walley** a senior vice president, commercial lender. Walley most recently served as vice president and commercial business banker with Hancock Bank, Ocean Springs, Miss.

Elliott Davis, LLC, has promoted these members of its professional services team to shareholder status: **Shelton Chambers**, CPA, JD, and **Eric Myers**, CPA, are based in the **Chattanooga** office, and **Michael Koupal**, CPA, is located in the **Nashville** office.

Evolve Bank & Trust, Memphis, has named **Donna L. Embry** as senior vice president in the payment processing division.



EMBRY



BRADLEY



GOLDEN



LANKFORD



BARKER



MCADARAGH

F&M Bank, Clarksville, has named **Howard Bradley**, former Mayor of Robertson County, as vice president for business development in **Springfield**. **Sara Golden** was named as vice president and assistant branch administrator for the bank's Middle Tennessee market, and **Mary Lankford** was named as vice president and market manager for the bank's Franklin/Williamson County market; **Michael Barker** as vice president, lender for Franklin's 320 Main Street office; **Jamie McAdaragh** was named manager/lender for the Tiny Town bank office.

F&M Bank's senior vice president and director of marketing and public relations **Fred Landiss**, retired at September's end.

First Farmers and Merchants Bank, Columbia, has launched a business banking division and named **Michael A. Jones** as the senior business banking officer.



STILL

FirstBank, Chattanooga, has named **Stephen Still** as relationship manager at Hamilton Place.



STILL

FirstBank, Memphis, has named **Tripp Thompson** as president of FirstBank Investment Partners division, succeeding **Bill Reid**, who is retiring this year.



THOMPSON

FirstBank, Murfreesboro, has named **Brandon Burks** as the Tennessee regional sales manager for FirstBank Mortgage.



BURKS

First Horizon National Corp., Memphis, has named **Dawn Morris**, a former U. S. Army officer turned banker, as executive vice president.



MORRIS

First National Bank of Middle Tennessee, McMinnville, has named **John Dietrich** as senior vice president/commercial lender.



DIETRICH

First Tennessee Bank, Chattanooga, has named **Jay Dale** as Chattanooga president, succeeding Jeff Jackson, who was promoted to the South Florida market leader for Capital Bank.

First Tennessee Bank Trust Services, Memphis, has named **Arthur W. Oliver** as senior vice president and relationship manager. In addition to his trust experience, Oliver served as a Colonel in the Tennessee Army National Guard and was awarded the Legion of Merit and the Bronze Star.



OLIVER



DAVIS



HOAG



HOWARD-SEATON



WRIGHT

First Tennessee Bank has welcomed four managers in East Tennessee: **Melissa Davis** as a Knoxville-based small business relationship manager; **Heather Hoag** as the financial center manager for the bank's Merchants Road location; **Megan Howard-Seaton** as private client relationship manager for FTB's Blount County region; and **Brittnei Wright** as the financial center manager at the Athens location.



COLE HODGES



BOUVIER

Franklin Synergy Bank has named **Matthew Cole Hodges** as senior vice president, commercial banking officer; and **David Bouvier** as mortgage loan officer.

Paragon Bank, Memphis, has named **Trevious Walker** as a financial services associate and **Era Walls** as an operational associate.

Pinnacle Financial Partners, Nashville, has named **Craig Newby** as a senior vice president and mortgage advisor.



NEWBY



LABOUNTY



HUGHES



MULLINIKS

Pinnacle Financial Partners, Memphis, has named **Pam Rogers LaBounty** as a senior vice president and mortgage advisor and **Rob Hughes** as a senior vice president and mortgage advisor for the bank's Shady Grove office, and welcomed **Nick Mulliniks** as a financial advisor.



CURD



HASELDEN

Pinnacle Financial Partners, Nashville, has added senior vice president and financial advisor **Samantha Curd** and treasury management advisor **Renee Haselden** to the bank's downtown Nashville office.

Powell Valley National Bank, Kingsport, has named **Ted Fields** as market executive and senior vice president and will head the bank at its office in downtown Kingsport.



FIELDS



KANDOI



HERNDON



HAYES



HUDSON

Horne LLP, Jackson, has promoted **Harsh Kandoi** to supervisor and **Colby Herndon** to senior associate, **Chris Hayes** to manager; and **Megan Hudson** to manager on the cyber team.



HAMRICK



HANNON

ServisFirst Bank, Nashville, has named **Sandy Hamrick** as a senior vice president; commercial banking relationship manager; and **Susan Hannon** as a vice president, commercial portfolio manager.

SmartBank, Knoxville, has promoted **Mike Honeycutt** to regional president, who will oversee Knox, Sevier, Hamblen, and Blount county markets.



HONEYCUTT

Simmons Bank, Memphis, has named **Brody Wamble** as community affairs officer.




WAMBLE

Tennessee Bank & Trust, Nashville, has named **Seth McGill**, CPA, as senior vice president and controller.



MCGILL

Winchester's Citizens Community Bank board of directors has elected **Mitch Coby** as president to succeed **Dennis Walker**, who will remain as chairman of the board. Coby brings 30 years' experience, and most recently served as president of BancorpSouth of Marshall County, Ala. 



COBY

Bank Notes

Apex Bank, Bulls Gap, opened a new branch office in Hawkins County located (105 N. Main St.).



Bank of Frankewing, Pulaski, recognized **Meade C. Hopkins'** 50 year-anniversary as CEO of the bank by naming its boardroom "the Meade C. Hopkins Board Room," and celebrated the event with refreshments to customers and the community.



Pictured are **Marc Borghetti, FCB**; **Steve Waller, FCB**; **Tyler K. Clinch, CEO & President**; **Merrell Graham, Mayor, Surgoinsville**; **Bob Jarnagin, Vice Mayor, Surgoinsville** in front of **First Community Bank of East Tennessee's**, soon-to-be branch in **Surgoinsville** (290 Bellamy Ave.).



Columbia's T. Randy Stevens, CEO of First Farmers and Merchants Bank, and his wife, **Leesa**, were honored at a gathering hosted by Saint Thomas Health Foundation, and Stevens' cardiac event is described in the foundation's 2017 *Annual Report*. Surrounded by hospital staff, volunteers, and leadership of Saint Thomas and a group of FFB colleagues, Stevens was able to formally thank the physician he credits for saving his life, and he has agreed to partner with the work and mission of Saint Thomas Hospital.



In **Memphis**, **First Tennessee Bank** EVP of consumer banking **Tammy LoCascio**; **Linda Barnes**, EVP of retail banking division of **Independent Bank**; and **CC Drayton**, shareholder of **Baker Donelson** all were recognized by *Memphis Business Journal's* 2018 *Super Women in Business*.

Clarksville's Legends Bank's senior vice president of marketing and public relations, **Britney Campbell**, was named recipient of the 2018 *Distinguished Alumni Award for Outstanding Service* from Austin Peay State University.



Front row L-R: **Savannah Cooper**, **Chloe Yearwood**, **Taylor Francisco**, **Savanna Swabe**, **Bailey Bridges** Back row L-R: **FVP/COO Dustin Atkins**; **Tafton Sloan**, **Samantha Russell**, **Will Mitchell**, **President/CEO Chris White**; **SVP/CFO Jeff Amburn**, **Madisonville's Peoples Bank of East Tennessee's**, new 2018-2019 Student Advisory Board of eight members selected by teachers from the area's high schools, will work with bank employees to learn more about the world of finance, how to incorporate financial concepts into their daily routines, and how to create opportunities to work with the community.

In **Nashville**, **Pathway Lending's** president and CEO, **Clint Gwin**, was appointed to the Consumer Financial Protection Bureau to serve a one-year term.



GWIN

The Peoples Bank (branches in Knoxville and Powell) has merged into and changed their name to **First U.S. Bank (Birmingham)** with **Shane Jackson** as market executive.

Pinnacle Financial Partners, Nashville, has opened a new loan production office in Southeast Nashville (at 5308 Mt. View Road) with **Reggie Smith**, financial advisor, and **James King**, financial advisor.



KING



Powell Valley National Bank held a ribbon cutting for its new downtown **Kingsport** location that looks like a replica of the Lincoln Memorial.



Reliant Bank, Brentwood, hosted a grand opening celebration at their **Murfreesboro** branch (1835 East Northfield Blvd.), and named **Natalie Hughes** as assistant vice president, branch manager.

Triumph Bank, Memphis, has converted their loan production office in **Brentwood** to a branch office led by **Bill Menkel** and team members, **Mark McCoy**, commercial banker; **Kent Stone**, mortgage manager; **Mary Blair McCreary**, private banker; and **Ben Clayton**, relationship banker. 🇺🇸

PREPARE. EDUCATE. DEVELOP.

In response to the mounting pressures placed on the banking community, Bank Director has created a board education membership program. Unlike other training programs, it is not a one-time learning opportunity, but rather an ongoing collection of resources in-person, in-print and online.

BankDirector. Strong Board. Strong Bank.
BankDirector.com

INTERESTED?

Call our Bank Services department at 615.777.8461, or email us at bankservices@bankdirector.com.



Community Building

If your bank's Facebook page has highlights from community involvement, tag @TNBankers in the post to possibly get it published in *The Tennessee Banker* magazine.



Athens Federal Community Bank, Athens, team members have participated in the annual Day of Caring to help partner agencies of United Way of McMinn and Meigs counties complete important maintenance and facility projects.



Athens Federal Community Bank, Athens, collected and donated \$9,585 to the American Cancer Society and Relay for Life of McMinn County for 2018.



The Bank of Perry County, Lobelville, and **William E. (Bill) Bates**, CEO, held their 4th annual Care "Fore" Kids charity golf tournament recently, raising \$13,000 for the Perry County Public Schools and the local Back Pack 4 Hunger program. Pictured are: **Bank of Perry County CEO Bill Bates**, Back

Pack 4 Hunger representative, **Melissa Tatum**, and **Bank of Perry County SVP Robby Moore**.

Capital Bank Foundation of First Horizon National Corp., Memphis, has partnered with the American Red Cross to provide relief assistance with those communities affected by Hurricane Florence by matching donations from the public to the American Red Cross, dollar-for-dollar, up to a total of \$25,000.



Carroll Bank & Trust, Huntingdon, was the Platinum sponsor for the 26th annual Huntingdon Heritage Festival, and the bank used their Facebook page to showcase local businesses's stories, such as their own history as The Bank of McMoresville, originally organized in 1907.



Citizens Tri-County Bank, Spencer, hosted a Happy Local Law Enforcement Appreciation Day to recognize Spencer's city police, Van Buren County Sheriff's Department, the state Highway Patrol, and all staff of the local justice and district attorney departments.



Commercial Bank & Trust Co., Paris, has sponsored Noon on the Square, a weekly 90-minute concert in downtown Paris, Tenn., offering entertainment from local performers such as The Legends, Johnny Mac, and the Ray Lewis Band.



Clarksville's Cumberland Bank and Trust, First Advantage Bank, Legends Bank partnered with United Way's Day of Action in the summer and sent teams of volunteers to work on service projects in the greater Clarksville region.



The Farmers & Merchants Bank, Dyer, made a donation to the Dyer Fire Department for their Fire Truck Restoration fund.



First Century Bank, Tazewell, Rob Barger, president and CEO; **Tina Cline**, senior vice president; and **Jessie Jeffers**, relationship banker all participated in the 2018 annual Over the Edge signature event by rappelling down 16 stories of the side of the Trotter Building in downtown Knoxville to raise funds for The Restoration House.



First Community Bank of East Tennessee, Rogersville East Main Street branch collected items for the Hawkins County Humane Society.



First Community Bank of East Tennessee, Rogersville, was the title sponsor of the Great Chili Cook-Off.

First Tennessee Bank, Chattanooga, team celebrated United Way's Day of Caring by volunteering and painting the United Way of Greater Chattanooga Training Room.



L-R: **Delinda Summers**, SCHAS; **Elaine Icenogle**, SCHAS; **Jim Millsaps**, **First Tennessee Community Bank** president

First Tennessee Bank Foundation contributed \$2,000 to the Senior Citizens Home Assistance Services (SCHAS) for their Sliding Scale Fee Program in Sevierville, so SCHAS can help elderly and disabled individuals stay in their homes and provide families with in-home caregivers.



First Tennessee Bank presented a \$7,000 grant first time to the Douglas-Cherokee Economic Authority from the Community Development Fund to support the Tennessee Reconnect Community Program, which helps adults, who have previously dropped out of post-secondary education, the opportunity to re-enroll and complete a degree, diploma, or certificate program.



Wilson Bank & Trust, Lebanon, donated bags of free classroom items to nearly 400 teachers following a summer collection drive at bank offices throughout Middle Tennessee that netted nearly \$12,000 in supplies and donations.

Featured Events

**NOVEMBER
27, 2018**

CALL REPORT

TBA Barrett Training Center, Nashville

Early Registration Deadline: November 13, 2018

TBA Member/Associate Member Early Registration: \$255

TBA Contact: Monique Jenkins, mjenkins@TNBankers.org

The instructions and requirements for the Federal Call Report change frequently, with revisions occurring nearly every quarter. This seminar, produced in partnership with TBA and Crowe LLP, will familiarize participants with the details of recent changes. In addition, this seminar will serve as a refresher course for the Call Report preparation and address related accounting principles and regulatory issues that affect the preparation of the Call Report. Participants will receive a detailed review of the most commonly prepared Call Report schedules, and each participant will have an opportunity to review and revisit the entire Call Report preparation process.

Participants will receive:

- A manual that is an excellent reference resource
- Review of the most recent regulatory changes
- Updated and detailed review of Call Report schedules
- Best practice ideas to apply to Call Report preparation

Program Cosponsor



**NOVEMBER
29, 2018**

COMMERCIAL REAL ESTATE ANALYSIS: INCOME PRODUCING REAL ESTATE

TBA Barrett Training Center, Nashville

Early Registration Deadline: November 15, 2018

TBA Member/Associate Member Early Registration: \$255

TBA Contact: Monique Jenkins, mjenkins@TNBankers.org

This program, presented by Jerry Crigger, will cover key concepts and analytical techniques related to income producing property risk assessment. Net operating income, cap rates/determination, mortgage ability, debt service coverage, debt yield, types of risk, HVCRE, types of real estate, and global cash flow are topics that will be part of the day's discussion. This program is structured for analysts, portfolio managers, and relationship managers who work with income producing property analysis and underwriting.





Employment Opportunities

POSITIONS AVAILABLE

1810-6 (M) HEALTHCARE BANKING PORTFOLIO MANAGER

Renasant Bank in Nashville is hiring a Healthcare Banking Portfolio Manager. This position is responsible for providing direct support to Relationship Managers, Group Manager and Senior Credit Officer with respect to portfolio management of new and existing customer relationships with an emphasis on financial analysis and modeling, loan and covenant compliance, due diligence, loan booking/monitoring and ongoing documentation of credit needs within the Healthcare Loan Division. Responsibilities: Collect and analyze financial data, collateral, industry trends and credit worthiness of customers and prospects. Assist Relationship Manager in the Preparation of Loan Submission Package, Renewals and/or Modification requests for credit approval. Attend client/prospect calls when necessary. Monitor Loan Portfolio for document and collateral exceptions, Loan Policy compliance, covenant and loan agreement compliance and ensure risk mitigation to avoid any losses. Follow trends in Healthcare industry including loan structures, pricing, terms, regulatory requirements and changes. Support Relationship Manager in related Portfolio Management activities whether related to credit, depository or other banking services. Negotiation of Loan documentation and loan closing coordination and booking. Perform other related duties and special projects as requested. Provide exceptional customer service to clients and internal partners. All other responsibilities as assigned. Qualifications: Bachelor's degree in Finance or Accounting or related work experience. At least 5 years of Credit/Financial Analysis and Portfolio Management experience with a demonstrated ability to proficiently underwrite and structure complex or unique commercial loans. Formal Credit Training with financial modeling experience. Legal documentation and financial covenant structuring experience. Understand loan documentation and loan structure needs including construction lending. Demonstrated strong written and verbal skills. Proficient computer skills including knowledge of Word, Excel, Power Point and other internal Bank program and systems, and Customer service orientation. EOE. To apply, visit <https://careers-renasant.icims.com/jobs/5099/healthcare-banking-portfolio-manager/job>

1809-9 (M) BRANCH SALES LEADER

CB&S Bank in Murfreesboro is hiring a Branch Sales Leader. The Branch Sales Leader plans, directs and organizes the sales activities of the branch following established procedures in order to meet or exceed our customer's expectations with regards to their banking needs. Oversees the operation of the branch and ensures profitability and compliance with all bank policies and procedures. MAJOR DUTIES AND RESPONSIBILITIES: Generates new business by conducting business development calls on existing customers and prospective customers in order to meet or exceed established sales goals. Directly supervises all branch sales personnel. Responsible for supervising, training, directing and coaching branch personnel with regards to all sales activities. Conducts annual and quarterly reviews for all branch sales staff. Works with the Branch Operations Specialist to supervise branch operations personnel. Maintains an active role in community and civic affairs. Maintains control and usage of the medallion stamp. Serves as chairperson for local board meetings; responsible for outlining the agenda along with various other board reports. Establishes and manages the branch loan portfolio. Interviews loan applicants, analyzes financial information and makes appropriate loan decisions. Identifies non-conforming credits which need additional approval or assistance. Presents loan requests above lending authority to loan committee for approval. Prepares loan documents, clearing any exceptions and construction inspections. Resolves customer complaints. Abides by specified lending authority as dictated by the loan policy and procedures. Manages the branch budget while maximizing profits and minimizing expenses. Performs all other duties assigned by supervisor. JOB QUALIFICATIONS: Bachelor degree from an accredited college with a concentration in accounting /finance preferred, or equivalent related experience. Two to three years of retail banking, consumer and commercial lending experience. Minimum of one to two years supervisory experience. Strong personal leadership skills, organizational skills and excellent verbal and written communication skills. Ability to analyze and summarize complex financial information and present recommendations for appropriate courses of action. Interested applicants may apply using the following link: <https://cbsbank.applicantpro.com>

Tennessee banks and associate members may list positions free-of-charge as a benefit of their membership in the Tennessee Bankers Association. Those interested in placing an ad or replying to position openings (refer to position number) should direct their inquiries to Penny Powlas at ppowlas@TNBankers.org, or 800-964-5525 or 615-244-4871. View more positions at TNBankers.org/jobbank.

Publisher's Statement of Ownership

UNITED STATES POSTAL SERVICE® (All Periodicals Publications Except Requester Publications)

Publication Title: The Tennessee Banker Issue Number: 53-8860 Date of Issue: 9/25/18

Frequency: Every other month Number of Issues Published Annually: 6 Total Number of Copies: 410 Number of Copies of Single Issues Published During Preceding 12 Months: 269

1. Complete the following information for each issue of this publication (Do not print below this line):

2. Publication Title: The Tennessee Banker Issue Number: 53-8860 Date of Issue: 9/25/18

3. Complete the following information for each issue of this publication (Do not print below this line):

4. Complete the following information for each issue of this publication (Do not print below this line):

5. Complete the following information for each issue of this publication (Do not print below this line):

6. Complete the following information for each issue of this publication (Do not print below this line):

7. Complete the following information for each issue of this publication (Do not print below this line):

8. Complete the following information for each issue of this publication (Do not print below this line):

9. Complete the following information for each issue of this publication (Do not print below this line):

10. Complete the following information for each issue of this publication (Do not print below this line):

11. Complete the following information for each issue of this publication (Do not print below this line):

12. Complete the following information for each issue of this publication (Do not print below this line):

13. Complete the following information for each issue of this publication (Do not print below this line):

14. Complete the following information for each issue of this publication (Do not print below this line):

UNITED STATES POSTAL SERVICE® (All Periodicals Publications Except Requester Publications)

Publication Title: The Tennessee Banker Issue Number: 53-8860 Date of Issue: 9/25/18

Frequency: Every other month Number of Issues Published Annually: 6 Total Number of Copies: 410 Number of Copies of Single Issues Published During Preceding 12 Months: 269

1. Complete the following information for each issue of this publication (Do not print below this line):

2. Complete the following information for each issue of this publication (Do not print below this line):

3. Complete the following information for each issue of this publication (Do not print below this line):

4. Complete the following information for each issue of this publication (Do not print below this line):

5. Complete the following information for each issue of this publication (Do not print below this line):

6. Complete the following information for each issue of this publication (Do not print below this line):

7. Complete the following information for each issue of this publication (Do not print below this line):

8. Complete the following information for each issue of this publication (Do not print below this line):

9. Complete the following information for each issue of this publication (Do not print below this line):

10. Complete the following information for each issue of this publication (Do not print below this line):

11. Complete the following information for each issue of this publication (Do not print below this line):

12. Complete the following information for each issue of this publication (Do not print below this line):

13. Complete the following information for each issue of this publication (Do not print below this line):

14. Complete the following information for each issue of this publication (Do not print below this line):

UNITED STATES POSTAL SERVICE® (All Periodicals Publications Except Requester Publications)

Publication Title: The Tennessee Banker Issue Number: 53-8860 Date of Issue: 9/25/18

Frequency: Every other month Number of Issues Published Annually: 6 Total Number of Copies: 410 Number of Copies of Single Issues Published During Preceding 12 Months: 269

1. Complete the following information for each issue of this publication (Do not print below this line):

2. Complete the following information for each issue of this publication (Do not print below this line):

3. Complete the following information for each issue of this publication (Do not print below this line):

4. Complete the following information for each issue of this publication (Do not print below this line):

5. Complete the following information for each issue of this publication (Do not print below this line):

6. Complete the following information for each issue of this publication (Do not print below this line):

7. Complete the following information for each issue of this publication (Do not print below this line):

8. Complete the following information for each issue of this publication (Do not print below this line):

9. Complete the following information for each issue of this publication (Do not print below this line):

10. Complete the following information for each issue of this publication (Do not print below this line):

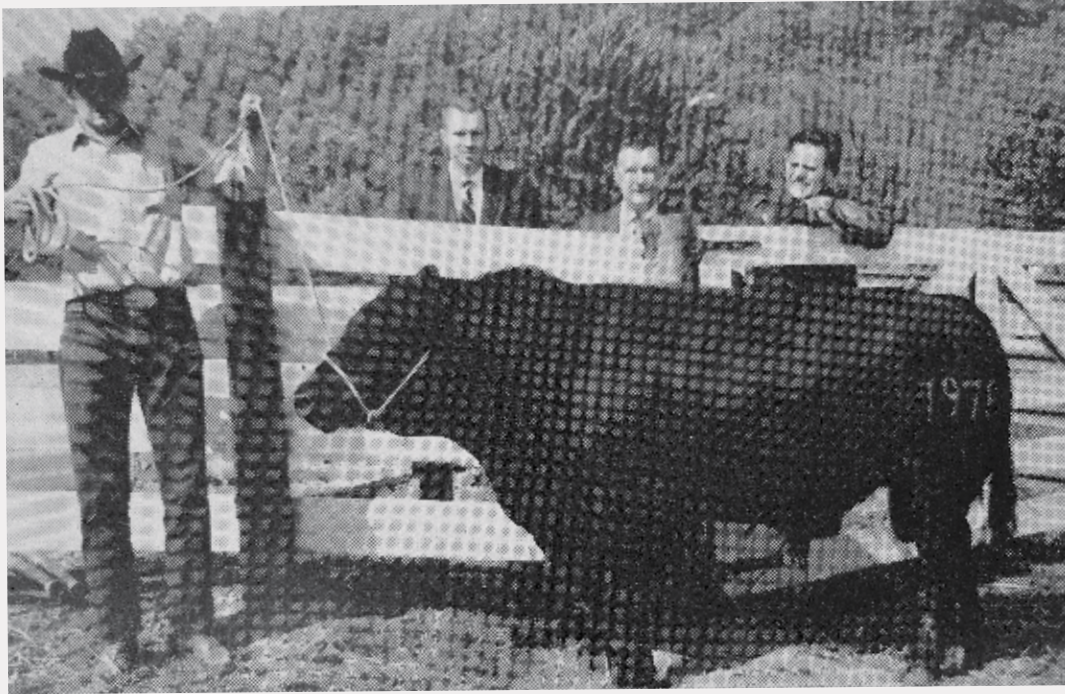
11. Complete the following information for each issue of this publication (Do not print below this line):

12. Complete the following information for each issue of this publication (Do not print below this line):

13. Complete the following information for each issue of this publication (Do not print below this line):

14. Complete the following information for each issue of this publication (Do not print below this line):

Banking on Beef



Charles McPeake, Giles County assistant extension agent; Edwin Moore, vice president, First National; Billy Harwell, assistant vice president, First National; and Terrell Jackson, Giles County Extension leader

Beef is big business in Giles County.


In 1970, the county's farmers boasted more than 73,400 cows—more than any other Tennessee county.

To help further promote the local industry, First National Bank of Pulaski grabbed an opportunity by the horns in the early 60s. The bank established a bull leasing and heifer buying program. In 1963, the bank bought their first herd of cattle, three Angus and three Herefords. Leasing bulls from the bank was quite simple. A farmer leased a bull for six-month period at 10 percent of the bank's purchase price. The bank could recover its investment in five years. The farmer was responsible for following good husbandry practices and paying any veterinarian bills. The farmer also had the option to buy the bull outright for the amount still unpaid on the original price.

"I feel this program has done more to upgrade cattle in the county than anything else," said farmer Buddy Guinn, who leased one of the original bulls.

After the success of the leasing program, they began promoting performance testing to further improve beef cattle.

Robert E. Curry, the bank's president, announced the bank would pay the enrollment fee for any Giles County farmer who performance tested his cattle in a program directed by the UT Agricultural Extension Service.

The bank even bought a set of portable scales and a portable chute to be used during the tests. "We'll even send one of the bank's representatives out to the farm to help with the weighing," Curry quipped. 

Originally featured in *The Tennessee Banker* in June 1971.

Professional Development Calendar

2018

November 27

Call Report Preparation

TBA Barrett Training Center, Nashville

November 29

Commercial Real Estate Analysis: Income Producing Real Estate

TBA Barrett Training Center, Nashville

November 30

2018-2019 Senior Human Resources Forums, Session 1 of 3

TBA Barrett Training Center, Nashville

December 4

2018-2019 Senior Compliance Officer Forums, Session 1 of 4

TBA Barrett Training Center, Nashville

2019

January 9, 10, 11

2018-2019 Senior Lender Forums, Session 2 of 3

TBA Gilliam Board Room, Nashville

January 22, 23, 24

CEO Forums, Session 1 of 3

TBA Gilliam Board Room, Nashville

January 22 & 23

Fundamentals of Compliance

Nashville, TBA Barrett Training Center

February 4

Legislative Reception

War Memorial Auditorium, Nashville

February 5 & 6

Credit Conference

Omni Hotel, Nashville

February 11, 12, 13

CFO/Controller Forums, Session 1 of 3

TBA Gilliam Board Room, Nashville

February 18-20

The Southeastern School of Advanced Commercial LendingSM

TBA Barrett Training Center, Nashville

February 21 & 22

Essentials of Commercial Lending

TBA Barrett Training Center, Nashville

February 28

2018-2019 Senior Compliance Officer Forums, Session 2 of 4

TBA Barrett Training Center, Nashville

March 5 & 6

Compliance Conference

Embassy Suites Hotel & Conference
Center, Murfreesboro

NOTE: All programs and dates listed are subject to change. Occasionally other timely programs are added to the calendar throughout the year. We encourage you to visit www.TNBankers.org/calendar for the most current information about TBA events.

Proudly serving Tennessee's
financial institutions for 60 years



Beverly Horner



Michael Davis



Gina Pruitt

audit • tax • accounting • regulatory • valuation
risk assurance • forensics • transaction advisory
kraftcpas.com/tn-banks • 615-242-7351



**Trust us to be your
correspondent bank,
and we'll never be
your competition.**

More than ever, it is essential that your correspondent bank be a part of your team and not the competition. Providing a full range of correspondent banking, investment, compliance and insurance solutions, FNBB is always your ally, never your competition. In fact, no one does more to help community banks grow and succeed.

Charles Kown | Reaves Crabtree



Service Beyond Comparison

800.318.6272 | www.bankers-bank.com