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Call 800-356-8805.

Send us your thoughts or ideas on Virginia Banking! Please email Monica McDearmon at mmcdearmon@vabankers.org. Has your information changed? Please email Kellee Edelin at kedelin@vabankers.org with your new contact information.
Calendar of Events

INSTRUCTOR-LED SEMINARS

CFO CONFERENCE – RICHMOND
AUGUST 28-30, 2017

FINANCIAL MANAGERS SCHOOL AT THE GRADUATE SCHOOL OF BANKING — UNIVERSITY OF WISCONSIN – MADISON
SEPTEMBER 10-15, 2017

BSA/AML COMPLIANCE MANAGEMENT SEMINAR – KINGSPORT, TN
SEPTEMBER 11, 2017

COMMERCIAL LENDING SCHOOL – GLEN ALLEN
SEPTEMBER 26-27, 2017

LEADERSHIP CONFERENCE – STAUNTON
OCTOBER 12-13, 2017

FOURTH QUARTER TRUST & WEALTH MANAGEMENT PEER EXCHANGE – GLEN ALLEN
OCTOBER 26, 2017

CREDIT & LENDING CONFERENCE – CHARLOTTESVILLE
OCTOBER 30-31, 2017

WOMEN IN BANKING CONFERENCE – MANAKIN SABOT
NOVEMBER 9, 2017

ENTERPRISE RISK MANAGEMENT WORKSHOP – GLEN ALLEN
NOVEMBER 15-16, 2017

EBL EVENTS

MIX & MINGLE – VIRGINIA BEACH
AUGUST 24, 2017

MIX & MINGLE – ROANOKE
NOVEMBER 2, 2017

WEBINARS

NEW BSA OFFICER TRAINING
AUGUST 24, 2017

UNDERSTANDING THE 2018 BENEFICIAL OWNERSHIP RULES – UPDATE
AUGUST 29, 2017

BSA/AML FOR LENDERS
SEPTEMBER 6, 2017

ALERT! NEW CURRENCY TRANSACTION REPORT AND SUSPICIOUS ACTIVITY REPORT UPDATE
SEPTEMBER 6, 2017

CORE MANAGEMENT SKILLS
SEPTEMBER 7, 2017

COMMERCIAL LOAN AGREEMENTS AND COVENANTS
SEPTEMBER 7, 2017

HMDA AND FAIR LENDING
SEPTEMBER 19, 2017

CRE APPRAISALS: TWO-PART SERIES
AUGUST 14, 2017

NEW BUSINESS ACCOUNTS: THE INTERVIEW, CIP, NEW CDD RULES AND AUTHORITY
AUGUST 15, 2017

REGULATION O – LENDING TO INSIDERS
AUGUST 15, 2017

SAME DAY ACH: ROUND TWO
AUGUST 16, 2017

APPLICANTS AND APPLICATIONS
AUGUST 17, 2017

DOS AND DON’TS ON SIGNATURE CARDS
AUGUST 27, 2017

INTRODUCTION TO ACH – PART 3
AUGUST 18, 2017

CRE APPRAISALS: APPRAISAL COMPONENTS, APPROACHES TO VALUE AND CAP RATES
AUGUST 21, 2017

FLOOD INSURANCE: COMPLIANCE ISSUES AND ENFORCEMENT TOPICS THAT CONTINUE TO PLAGUE LENDERS
AUGUST 22, 2017

OPENING TRUST ACCOUNTS: DOCUMENTING AUTHORITY & LIABILITY
AUGUST 23, 2017

CALL REPORT FOR BANKS – RECENT CHANGES, HIGHLIGHTS AND PITFALLS
AUGUST 23, 2017

NEW BSA OFFICER TRAINING
AUGUST 24, 2017

COMPLIANCE PERSPECTIVES: A MONTHLY UPDATE
AUGUST 24, 2017

DEALING WITH CASUAL DAYS, DRESS CODES AND WORK APPEARANCE
AUGUST 25, 2017

BSA RISK ASSESSMENTS
AUGUST 29, 2017

CASH MANAGEMENT: HOW SALES, OPERATIONS AND TECHNOLOGY CAN WORK TOGETHER TO GENERATE MORE FEE INCOME
AUGUST 29, 2017

SIXTY CRITICAL STEPS FOR HANDLING DELINQUENT AND ABANDONED SAFE DEPOSIT BOXES
AUGUST 30, 2017

Visit www.vabankers.org/event-calendar to learn more about these events. Contact Walt Lyons at wlyons@vabankers.org to be added to the VBA’s Weekly Webinar Update.
At our very successful VBA Annual Convention in June, we shared a lot of new initiatives the VBA has undertaken over the past year that flow directly from our current strategic plan. These efforts center around attracting more young people to consider banking as a career, providing career-long professional development for bankers at all levels and reinventing a few conferences in response to changing member needs. In short, the past VBA program year – under the leadership of 2016-2017 VBA Chairman John Stallings of SunTrust Bank – was active and productive.

We also acknowledged that the ever-changing VBA – to reflect an ever-changing industry – is entering its 125th anniversary year, a milestone we will celebrate at next year’s 125th Annual Convention. To help us reflect on the significance of being a 125-year-old organization, we highlighted several iconic American milestone anniversaries, marveling at their staying power as well. Here are some oldies, but goodies:

50 YEARS OLD – The Big Mac, the crown jewel of the McDonald’s brand, turns 50 years old in 2017. This burger has changed very little since that year and I bet most of you – like me – can still recite and/or sing the recipe for the Big Mac!

60 YEARS OLD – The Cat in the Hat was released on March 12, 1957. How many of us grew up reading this favorite Dr. Seuss book?

75 YEARS OLD – During WWII, the U.S. Military enlisted a new light reconnaissance vehicle. The Jeep Brand recently celebrated its 75th anniversary with special editions of every vehicle in their troop.

80 YEARS OLD – Walt Disney premiered "Snow White and the Seven Dwarves" in 1937 at the Carthay Circle Theater in Los Angeles. It was the very first technicolor, full-length animated English-language feature film to be created. The film initially had a budget of $1.5 million and was expected to be a failure, but Disney was proven correct in his gamble as the film sold out at its premiere, went on to become a beloved classic and had made over $6 million by 1939. It now has the Guinness World Record for “highest box office film gross for an animation – inflation adjusted”.


100 YEARS OLD – The Converse Rubber Shoe Company launched its canvas and rubber athletic footwear in 1917. In Indiana, a high school basketball player named Chuck Taylor soon began wearing the all-black shoes. Four years later, Taylor was working for Converse, where he suggested some tweaks to the sneakers. The rest is history. During WWII, GIs wore Chucks in training, which helped turn the humble sneaker into an American icon.

And now, the VBA is almost 125! A lot has changed in the industry and at the VBA over the years. Without question, both Virginia banking and the VBA have demonstrated resilience in the long term. We will be excited to report on even more accomplishments next year, and continue to look ahead to how we will serve the industry in the next 125 years.

Finally, please share with us your ideas for next year’s 125th Annual Convention, and/or your stories and memories of your time at previous Conventions and other VBA events. Just email a favorite memory or idea to bwhitehurst@vabanoters.org.

We thank our member banks for letting the VBA proudly serve them since 1893.

Email Bruce Whitehurst at bwhitehurst@vabankers.org with any comments on this article or tweet him at @BruceTW.
Effective July 1, 2017, Virginia will repeal the Privacy Expectation Afterlife and Choices Act and adopt the more robust and encompassing Uniform Fiduciary Access to Digital Assets Act (“Act”). The Act modernizes fiduciary law in the age of the internet, working in conjunction with Virginia’s existing laws on probate, guardianship and conservatorship, trusts, and powers of attorney. It does not change banking, contract, criminal, or other laws applicable to fiduciaries, but fills in the blanks for access to digital assets. Some digital assets have real, tangible value and present unique privacy concerns. Often, terms of service agreements govern digital assets rather than state law, creating problems when a user passes away or loses the ability to manage his or her assets.

Under the Act, a “digital asset” is an electronic record a user owns or has a right or interest in and a “custodian” is an individual or company who processes, receives, or stores the digital asset for the user. The definition of “digital asset” does not include an underlying asset unless the asset is itself an electronic record. For example, an online bank account is a digital asset, but the funds in the account are not. Conversely, bitcoins are digital assets.

The Act addresses access to digital assets for four types of fiduciaries: personal representatives of deceased persons’ estates, agents under powers of attorney, and trustees.

The Act provides legal authority for fiduciaries to manage digital assets in accordance with the user’s estate plan while protecting the user’s private communications from unintended disclosure. The user can specify whether the custodian should preserve, distribute or destroy his or her digital assets. How the user indicates his or her directions for digital assets depends on whether the custodian provides an online tool for access to the assets.

- If the custodian provides an online tool (separate from the general terms of service) that allows the user to grant another person access to the user’s digital assets or direct the custodian to delete the user’s digital assets, the Act makes the user’s online instructions via the online tool legally enforceable.

- If the custodian does not provide an online tool or if the user declines to use the tool, the user may give legally enforceable directions for the preservation, distribution or destruction of digital assets in a will, trust, power of attorney or other record.

- If the user has not provided any direction, either through an online tool or the user’s estate plan, the custodian’s terms of service for the user’s account determine whether the fiduciary may access the digital assets.

When disclosing the user’s digital assets, the custodian has the discretion to grant the fiduciary full or partial access to the user’s account, as long as the access allows the fiduciary to perform his or her required tasks. The custodian may also provide the fiduciary with a copy of the digital assets the user could have accessed had he or she been alive.

“Just because a fiduciary has access to digital assets does not mean they own the assets, nor may they make transactions with those assets.”

Mel Tull
General Counsel,
Virginia Bankers Association

VIRGINIA UNIFORM FIDUCIARY ACCESS TO DIGITAL ASSETS ACT
or had full capacity to access the account at that time. The Act contemplates that custodians have different business models and methods for disclosure. It allows custodians to assess reasonable administrative charges for disclosure, recognizing that such requests may be outside of the custodian’s ordinary course of business. If a user deletes an asset, the custodian does not need to disclose the deleted asset to the fiduciary, even if the custodian can recover it. Under the Act, deletion of an asset is an indication that the user did not intend for the fiduciary to have access to the asset. If a custodian receives an unduly burdensome request, it may decline to disclose the digital assets. Both the fiduciary and custodian can seek guidance from a court maintaining jurisdiction over the assets.

Pursuant to the Act, the custodian must respond to the fiduciary’s request for access to the digital assets within sixty days of receiving proper proof of the fiduciary’s authority to access the assets. Depending on the fiduciary’s role, proper proof may be in the form of a certified letter of appointment, court order, power of attorney expressly granting the requisite authority, or a certified copy of the trust instrument. Custodians of digital assets that comply with a fiduciary’s request for access are immune from liability under laws that prohibit unauthorized access if the fiduciary provides proper proof under the Act.

It is important to remember that just because a fiduciary has access to digital assets does not necessarily mean the fiduciary owns the assets or may engage in transactions with the assets. The Act is an overlay statute, and the fiduciary’s authority to engage in transactions involving the underlying assets continues to be governed by existing laws that specify the fiduciary’s rights and obligations to marshal, protect and distribute assets of a decedent or protected person. For example, under other applicable laws, a fiduciary may have certain legal rights to a user’s bank account. The Act affects the fiduciary’s access to electronic records for the bank account. It does not affect the fiduciary’s authority under other laws to engage in transactions involving the funds in the account, even though the fiduciary may make such transactions electronically.

For more information about the Uniform Fiduciary Access to Digital Assets Act, contact Mel Tull, VBA General Counsel, at mtull@vabankers.org or (804) 819-4710. This article has been prepared for informational purposes only and is not legal advice.

VBA Education Foundation Annual Fund:
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Help the VBA Education Foundation reach the 2017 goal of $30,000 for the Annual Fund Campaign by making a contribution to the Walter Ayers Fund for Financial Education.
Contact Courtney Fleming at cfleming@vabankers.org or 804-819-4748 for more information.
State Election Preview

As is the case every year, it is election season in Virginia. Along with New Jersey, Virginia is on an off-off year election cycle for our statewide elected officials, meaning it doesn’t coincide with Presidential or even mid-term congressional elections that help drive voter turnout. That means there will be a distinct national focus on Virginia’s gubernatorial selection for two main reasons. First, since New Jersey seems destined to have their race for Governor be a landslide for the Democratic candidate seeking to replace Chris Christie, Virginia hosts the only high-profile statewide election in 2017. Due to our unique structure of a one-time, four-year term for Governor, Virginia is always poised to have the first big state vote after a presidential election, bringing with it national attention as a potential test of the President’s political strength or weakness. Those dynamics, amplified further by the current national partisan divisiveness, are magnified as Virginia remains categorized as a purple or swing state…for now.

Because of pundits and political observers’ view of the outcome as a bellwether for the prospects of both political parties in advance of Virginia’s recent electoral history (we are the only southern state that went for Hillary Clinton after twice backing President Obama, two Democratic U.S. Senators and all three current statewide office holders), the race is viewed as competitive at the onset. This only heightens the stakes both national parties hold in the outcome.

With the June 13 primaries settling the tickets on both sides of the aisle, there is greater clarity on the players if not the environment as we enter the general campaign. On the Democratic front, current Lieutenant Governor Ralph Northam won his party’s nomination by besting former Congressman Tom Perriello. Long considered the presumptive candidate and armed with the near unanimous backing of his party’s elected officials and the establishment wing, Northam was thrown a curveball when Perriello entered the contest at the beginning of the year. Running as a progressive and focused on combatting President Trump, Perriello was hoping to capture an energized liberal wing of the party, touting endorsements from former Obama administration officials and Senators Bernie Sanders and Elizabeth Warren. While observers expected a close race, Northam ultimately prevailed by a wide double-digit margin.

For the GOP, Ed Gillespie – a former Republican National Committee Chairman, Counselor to President George W. Bush and federal lobbyist – was viewed as the inevitable Republican nominee, having nearly knocked off Senator Mark Warner in 2014. Facing Prince William Board of Supervisors Chairman and deposed Trump campaign state lead Corey Stewart and moderate state Senator Frank Wagner from Virginia Beach, most polls and political commentators had Gillespie besting both by wide margins. On election night, however, Gillespie emerged victorious over Stewart by just over one percentage point, roughly 4,500 votes.

Besides the race for the three top spots in Virginia state government, all 100 House of Delegates seats are on the ballot in November.

“Besides the race for the three top spots in Virginia state government, all 100 House of Delegates seats are on the ballot in November.”

Email Matt Bruning at mbruning@vabankers.org with any comments on this article.

Legislative Update

Matt Bruning
Senior Vice President, Government & Member Relations, Virginia Bankers Association

Email Matt Bruning at mbruning@vabankers.org with any comments on this article.

Legislative Update

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Lt. Governor nominee to unopposed Attorney General candidate John Adams, while the Democrats selected Justin Fairfax for Lt. Governor to round out the ticket with current Attorney General Mark Herring running for re-election – the primary raised some interesting and noteworthy questions as we move towards the November 7 election. Turnout in the Democratic primary surpassed expectations with over 540,000 ballots cast, far outpacing historic figures in similar contests. Republicans lagged with 365,000 voters coming to the polls. It remains to be seen whether this is indicative of a more energized electorate with new voters choosing the Democratic message, a backlash against the Trump administration, or indicative of a more permanent demographic shift occurring in Virginia. Regardless of causation, the result should augur favorably for the Democrats moving forward.

The close election on the Republican side poses a difficult path forward for Gillespie. How he balances reaching out to independent and new voters with a more centrist message while bringing onboard more conservative, Republican-base voters that chose Stewart for his Trump-like campaign on divisive matters is a conundrum that lacks a clear direction at this point. And with a national focus that will pervade the race, even as both candidates attempt to discuss local issues, forecasting what will occur in Washington with this President and Congress that could impact the election even days before voting seems to be a fool’s errand.

Besides the race for the three top spots in Virginia state government, all 100 House of Delegates seats are on the ballot in November. While Republicans hold a large 66-seat majority, Democrats point to having 54 candidates running in seats currently held by Republicans as a sign of the energy and ability to at least cut into those margins. While these races tend to focus on local issues and the power of incumbency, especially in districts drawn by Republicans, the nationalization and direction of the top of the ticket could have ramifications in those House elections. Overall, the national political spotlight will be on Virginia, so get ready for the onslaught of campaign mailers and TV ads.

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FOUR VIRGINIA BANKERS GRADUATE FROM THE GRADUATE SCHOOL OF BANKING AT LOUISIANA STATE UNIVERSITY

One hundred and sixty-four bankers graduated from the Graduate School of Banking at Louisiana State University on June 2, 2017. This three-year program provides courses covering all aspects of banking, economics and related subjects. Students traveled from eighteen states and Mexico to participate in this session. Four bankers received diplomas from Virginia, including Michelle Stone Fitch, Federal Reserve Bank of Richmond; William Andrew Meece, Carter Bank & Trust; Stuart A. Tripp, III, Bureau of Financial Institutions; and James Irwin Young, Skyline National Bank. Congratulations to all the graduates!

RAKES ANNOUNCES RETIREMENT FROM NATIONAL BANKSHARES, INC.

James “Jim” G. Rakes, president and CEO of National Bankshares, Inc., announced that he will retire effective August 31, 2017. Rakes is currently president and CEO of the company, chairman of the Board of Directors of the company’s wholly owned banking subsidiary, the National Bank of Blacksburg (National Bank), and is president, CEO and director of National Bankshares Financial Services, Inc., the company’s wholly owned financial services subsidiary. He will continue to serve as chairman of the National Bankshares Board of Directors until May 2019.

Jim is a past VBA chairman and was founding chairman of Bankers Insurance. During his 35 years at National Bank and National Bankshares, Jim was an active leader in the community. He served on the boards of numerous nonprofit and economic development organizations, including the New River Community College Foundation and Lewis Gale Hospital Montgomery.

JOE FACE CELEBRATES 20 YEARS AS VIRGINIA’S BANKING COMMISSIONER

Congratulations to Joe Face, Commissioner of Financial Institutions, State Corporation Commission (SCC), on his 20th anniversary as Virginia’s Banking Commissioner. Joe first joined as a banking examiner in 1979 and during his 38-year tenure with the SCC, has worked in every regulatory section of the division. Virginia banking has been well served under his balanced and thoughtful guidance and supervision. On behalf of all Virginia banks, we thank Joe for his career-long service.

WE WILL MISS...

James “Jim” Rogers Berry passed away on July 1, 2017. Jim retired as regional president of Jefferson National Bank in 1998 and continued to play a role in business development for Virginia National Bank until 2014. During his tenure, he served on the board of the VBA and was president of the Virginia Young Bankers Section. Jim’s family is in our thoughts during this difficult time.

Betty Haymaker Carroll, 80, of Bunker Hill, West Virginia passed away Friday, July 7, 2017. Betty was the president & CEO of Farmers and Merchants National Bank until her retirement in 2001. Betty worked in various roles during her time with Farmers and Merchants and was extremely involved in her community, serving on the board for a variety of organizations. Her family is in our thoughts during this difficult time.
CONSULTING & TRAINING

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Address: 4900 Cox Road, Suite 245
Glen Allen, VA 23060
CONTACT NAME: LAURA HOWARD
Phone: (804) 920-1039
Fax: (804) 876-2400
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Newgen Software Inc. is a global leader in banking process automation with more than 200 leading banks. Newgen's banking process management framework automates critical business processes for banking institutions across commercial lending, consumer lending, customer on-boarding, online account opening, trade finance, and digital and mobile customer experience strategy.

MARKETING

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Bowles Rice LLP is a regional, full service law firm with seven offices in West Virginia, Virginia and Pennsylvania. Representing more than 70 banks and bank holding companies, the firm’s banking team includes widely recognized, experienced lawyers who focus their practices on the issues affecting the financial services industry.

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Treasury’s Roadmap to Regulatory Relief

Treasury’s Roadmap to Regulatory Relief

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here’s a saying in Washington that “person-
el is policy.” The truth of that statement is illustrated well by the Treasury Department’s recent report on ways financial regulation can be reformed to promote economic growth.

The long-awaited report, issued in response to the president’s executive order and informed by outreach meetings with community bankers and 10 different ABA white papers, includes more than 100 recommendations for improving banking rules.

While many of the recommendations align with those that ABA and the state associations have long endorsed, perhaps what is most exciting is the fact that 70 to 80 percent of them, by Treasury Secretary Steven Mnuchin’s estimate, can be put into motion by regulators through their independent rulemaking authority. That assumes the regulators agree with the recommendations, of course – and that’s where the “personnel is policy” part comes in.

President Trump is in the process of appointing new leaders at the bank regulatory agencies. While these agencies are and will remain independent, the president will do what all presidents do and nominate qualified, experienced individuals who share his philosophy about regulatory oversight. What’s more, the president has shown no hesitancy in nominating individuals who have actual experience in the field they would be overseeing – like former bank CEO Joe Otting to be the next comptroller of the currency. This is a welcome change, in my view. It is simply good public policy to have those with real-world banking expertise at the table when critical regulatory policy is being decided.

Otting, along with Jim Clinger, the president’s nominee to replace FDIC Chairman Marty Gruenberg, and other new leaders to be installed over the next several months, can be expected to embrace and, over time, implement many of the recommendations in Treasury’s report. That makes it a living roadmap with lasting impact – not a pro forma government report that is issued and forgotten.

Among the roadmap’s many recommendations that have the potential to deliver much-needed relief to banks are suggestions to: Exempt community banks from Basel III; address problematic treatment of mortgage servicing assets and commercial real estate loans; ease appraisal requirements in rural areas; increase the threshold for small creditor Qualified Mortgage loans; revisit the volume and nature of supervisory Matters Requiring Attention; more clearly define the Consumer Financial Protection Bureau’s UDAAP standard; streamline the FDIC de novo application process; and revisit the 2013 interagency leveraged lending guidance.

The report also highlights numerous mortgage rules that the CFPB could address on its own, including aligning the QM standard with GSE eligibility requirements, eliminating underwriting requirements that deny mortgages to qualified borrowers, modifying the ability-to-repay calculation to help banks meet the needs of self-employed and non-traditional borrowers, clarifying ongoing problems with the TILA-RESPA integrated disclosures, improving flexibility in the loan originator compensation rule and delaying the Home Mortgage Disclosure Act data expansion.

Other action items, including those requiring legislation, would exempt community banks with less than $10 billion from the Volcker Rule, streamline the stress test process and raise the stress test asset threshold from $10 billion to $50 billion (for a complete summary of the report, visit aba.com/executiveorders).

While some are heavier lifts than others, these are all sensible, doable reforms, and that is key. Despite spanning 150 pages, Treasury’s report does not overreach. The recommendations are grounded in common sense, adding to their credibility and enactability. That give us hope that community banks, which helped shape this roadmap for relief, will see tangible results in the coming months and years.

It is simply good public policy to have those with real-world banking expertise at the table when critical regulatory policy is being decided.

Email Rob Nichols at nichols@aba.com.
CEO FORUM

November 2-3, 2017
Boar’s Head Inn | Charlottesville, Virginia

An Event Designed Exclusively For Bank Presidents and CEOs
2016-2017 VBA Chairman John Stallings of SunTrust Bank presided over a memorable VBA Annual Convention at The Homestead June 18-21.

In addition to various social and networking events, timely and relevant business sessions were held on Monday and Tuesday mornings featuring presentations from ABA Chairman Dorothy Savarese on the ABA’s Power Up initiative, the landscape in Washington, and the new Treasury Department recommendations; from Bruce Whitehurst on the VBA and the industry; from John Stallings with his Chairman’s report; from Oscarlyn Elder, group managing director, SunTrust Wealth Management, on “Investing at a Crossroads”; from FutureSight Lab’s Seth Mattison on “Future Forces: Leadership Insights for the New World of Work”; and from Axios founders Jim VandeHei and Mike Allen with a political outlook.

We were honored to have Speaker of the Virginia House of Delegates, Bill Howell, and his wife Cessie with us at this year’s event. John Stallings, on behalf of the Board, presented Bill with a board resolution commending his years of service in the General Assembly.

VBA Education Foundation (VBAEF) Chairman Jeff Szyperski of Chesapeake Bank kicked off the VBAEF Annual Fund Campaign during Monday’s business session, highlighting the VBA Bank Day Scholarship Program. Funds raised during the campaign go to the support of a variety of programs, scholarships and organizations such as the Virginia Council on Economic Education and the Virginia Jump$tart Coalition. In the past year, the Foundation has contributed a total of $104,500 to the programs it supports. If you would like to contribute to the Annual Fund Campaign this year, please email Courtney Fleming at cfleming@vabankers.org. Your Contribution Matters!

Four concurrent breakout sessions were offered Monday morning. The session topics included: Top Ten Topics for Audit Committees to Discuss with External Auditors in 2017 presented by Dixon Hughes Goodman LLP; M&A Alternatives: Acquire, Be Acquired, Merge or None of the Above presented by Olsen Palmer LLC; The Seven Secrets of Consistently High Performing Community Banks presented by ProBanks Austin; and So You Have an Activist Investor, Now What? presented by Dixon Hughes Goodman LLP.
Congratulations to 2017-2018 VBA Chairman Bill Hayter, First Bank & Trust Company, and VBA Chairman-Elect Scott Harvard, First Bank, Strasburg, who were elected during Tuesday’s business session. They were both installed at Tuesday night’s banquet, which featured a Nashville Singer/Songwriter Showcase, dinner and dancing.

Thank you to the bankers, sponsors, associates and guests for making the Convention a huge success. Join us next year as the VBA celebrates 125 years! The 125th VBA Annual Convention will be held June 17-20, 2018 at The Homestead.

Please share with us your ideas for next year’s 125th Annual Convention, and/or your stories and memories of your time at previous Conventions and other VBA events. Email a favorite memory or idea to Chandler Owdom at cowdom@vabankers.org.
Mike Allen and Jim VandeHei, Axios

Attendees before the Tuesday night banquet at the Chairman’s Reception.

John Stallings installs 2017-2018 VBA Chairman Bill Hayter, pictured here with his wife Julia.

Johnny Millerson presents John Stallings with a gift thanking him for his contributions during his year as VBA Chairman.

Nashville Singer/Songwriter Showcase at the Tuesday night banquet.

Jeff Szyperski, VBA Education Foundation Chairman, kicked-off the VBAEF Annual Fund Campaign.

Guests at the Past Chairmen and Presidents Dinner.

Gary Shook (right) with his son Rodman and wife Ann Rodman before the Tuesday night banquet.
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TSVS
How did you get into banking and what attracted you to a banking career?

I started my career as a lender, credit analyst and examiner with the Farm Credit System. I traveled the southeast reviewing credit and gaining good working knowledge of loans done correctly and those that were not. In 1979, I was asked to be the CEO of a newly formed entity known as First Russell County Bank, the predecessor of The First Bank and Trust Company.

Talk about some key mentors you have had and what you learned from them.

When I was asked to be the bank CEO, I was only 25 years old and had limited experience. The Federal Reserve would not approve my appointment without a mentor for one year. Pat Basinger was a retired banker and was by my side for the first year. He taught me the honor and the responsibility of the position to the community, the customers, the employees and the shareholders.

You became CEO of First Bank & Trust Company at age 25. What do you wish you would have known about leadership in your early 20’s?

That’s a tough one and the honest answer is that I knew very little about true leadership in my early 20’s. I gained valuable lessons at the feet of Pat Basinger but as Julius Caesar noted, “Experience is the teacher of all things.” I made mistakes along the way and probably could have handled some situations differently, but I learned and grew from every experience in my career. Also, I grew up on a dairy farm and was taught to work hard. Throughout my career, I have tried to lead by example and demonstrate that work ethic.

So far, what has been the highlight of your banking career? What is one thing you would change?

It would be hard to choose a single highlight. We have grown the institution from $1 million in capital to a $1.7 billion organization. The highlights along the way are too numerous to name. With the exception of things that were beyond our control, such as economic downturns, I am not sure I would change anything.

First Bank & Trust Company was ranked 8 among high-performing agriculture-oriented banks in 2015 by the ABA. You are a lifelong farmer, so you understand the needs of the bank’s many agricultural customers. How else has your farming experience influenced your banking career?

Many of us are lifelong farmers. We know the industry and understand its cyclicality and its volatility. We know firsthand the capital required, the acceptable debt levels and the effect of outside factors. A good working knowledge of the industry is key in agricultural lending.
Your employees serve an average of 12 years each. Wow! What is it about your organization’s culture that causes this high retention rate?

It is a toss-up between two things. A lot of organizations claim to be family-oriented but we live it; we are there for each other in good times and bad. We work hard together, celebrate together and support each other. We are family. The second is that we empower our employees to make decisions so that they have a sense of ownership.

You teach your employees to be “dream makers, not dream breakers.” What do you mean by this and how do you encourage this with your employees?

Many people come to us with a well-thought-out plan for a viable business and these are the types of loans we readily make. Some come to us in the infancy stages of what might or might not be a good idea. We encourage our officers to support the business ideas that are viable and to coach people who are still in the infancy stage. Part of being a good financial partner is being truthful enough to say, “your idea needs more work.” Sometimes, the smartest thing we can say is “no”. I have said many times that there is nothing worse than supporting a bad plan and then having to sit next to that person on Sunday morning in church as the business is failing. Or, even worse, is having to sit next to that person when the legal proceedings begin.

What steps have you taken to become a better leader? What has been its impact?

In the early years of the bank, I was operating on a thin margin with limited capital. I had to be careful with every dime and had to be in control of decision making and spending. After all, one bad loan or careless expenditure could have been the difference in our shareholders getting a dividend or going without. Over the years and as we grew, I learned to provide others with the autonomy they needed to get the job done.

What one book that has impacted your leadership more than any other?

I cannot name one book that has influenced my leadership. I enjoy reading all kinds of military history and studying the strategies and tactics of many of the military leaders. It is interesting how they planned their attack, stood shoulder to shoulder with their troops and persisted in the face of adversity. I particularly like leaders like Andrew Jackson who were willing to stand against all odds. This is not unlike strategy and leadership in business.

Your bank has a robust Young Bankers Management Team that gathers to build relationships, generate innovative ideas, participate in community service and volunteerism efforts and more. Why did you start this team and how do you encourage and develop promising leaders at your bank?

Three reasons: retention, ownership and service. We recognized that we were spending a great deal of financial and human capital training people and that we needed to make sure we retained individuals after training. Most of our senior lenders have known each other for many years, dating back to prior organizations. They have a network of colleagues upon which to rely. The Young Bankers group was formed as a way to unite our bankers under the age of 35 into a cohesive group. Knowing each other and networking gives them a colleague network across our footprint. They can rely on each other and vet ideas amongst themselves. Further, as a team, they have a united voice in the organization which gives them ownership. We recognized that Gen X and Millennials want to be involved and want to feel they are making an impact. Finally, we teach them that to be leader you must first serve. For this reason, they do charitable work

Continued on next page
in our communities. Projects they have participated in have been local food banks, the Gatlinburg/Sevierville relief effort, Habitat for Humanity and March of Dimes.

Since 1979, First Bank & Trust Company has donated more than $2.5 million to charitable organizations, and more than $731,000 to education. Why is it important to stay involved in your community and what causes are particularly near and dear to you?

The Bible teaches that to whom much is given much will be required. We have been very blessed in this organization and we believe in giving back to the community that supports us. We support many organizations running the gamut from feeding the hungry to education and arts. We don’t do these things to make ourselves feel good. We do them because we care and because it is required of us.

How long have you been involved with the VBA and what impact has this involvement had on your bank and on your career as a banker? What is the greatest benefit you see from membership in the VBA, both for banks and for bankers?

I have been involved with the VBA since 1980. The interaction and camaraderie with peers all over the state is invaluable. We also benefit from the health insurance program, title insurance and training and education programs.

Tell us something about yourself that would surprise our readers.

I think one thing that surprises people is that I like to tease and have a good time. My wife tells me that was one thing that surprised her about me. I have a serious job that I take very seriously. When I relax, I like to laugh. Readers might also be surprised to learn that I enjoy aviation and flying my plane. 😄
Bureau Reporting Changes

Experian, Equifax, and Transunion (the Bureau) announced a change that went into effect July 1, 2017 in the way that they will be reporting credit for consumers. The changes will affect the credit reporting of most, if not all, Civil Judgements and Tax Liens. The Bureaus are raising the standard for Personal Identifying Information (PII) required when reporting Civil Judgements and Tax Liens against consumers. The Bureaus expected the changes to affect 8-10% of all credit reports and could result in inflated scores for these borrowers. 64% of consumers with tax liens have just one tax lien and 69% of consumers with civil judgements have just one judgement against them; however there are situations that could arise where a consumer has multiple liens and/or judgements that will no longer be reported. The National Consumer Assistance Plan (NCAP) encompases a series of iniatives designed to strengthen the quality of credit reports. The plan is to make consumer reports more transparent, easier for a consumer to understand, and ensure accuracy and timeliness of data maintained in the reports.

The other side of the coin is the impact on the financial industry in relation to making safe and sound credit decisions when using the revised reports. The revised reports will require the financial industry to take a more proactive approach when it comes to evaluating a consumer’s credit worthiness. Banks and other institutions have relied on consumer credit reports for years when making a determination about the likelihood of a consumer repaying a credit obligation. The days of being able to rely on consumer credit reports to tell the whole story has come to an end. Banks and other institutions will now need to have a more robust interviewing system in place to address a consumer’s predictive behavior.

While the reporting change affects a small portion of the reports being pulled and reviewed, it will have the greatest impact for those who have marginal credit scores. FICO believes that out of 200 million Americans that currently have a credit score, about 12 million consumers will see their scores increase. The increase is thought to potentially raise the credit score for those individuals by approximately 20 points. This equates to about 6.5% of the population who currently have a score that will be positively affected by the change in reporting. This impacts the banks and financial institutions that have borrowers that would be on the cusp of the credit score requirements and could now appear to have a stronger credit standing. Banks and other institutions will need to determine if the risk of business as usual is more than they are willing to bear and if there is a need to amplify their underwriting processes to ensure they have the whole story when it comes to borrowers, their financial obligations, and financial stability. A system of more robust interviewing, reference checking, and an addition of predictive measures will help to reduce the risk banks and other institutions face.

One additional consideration for banks to make is whether the change in the reporting will result in employees who would not have been hireable based on credit, but may now have adequate scores to procure employment. Many times banks will use credit scores as a determining factor for making or denying applicants for employment. There is an increased possibility that a person who was once considered un-hireable may now meet the credit standards put forth by the bank and be eligible for hire.

As the industry and consumer needs evolve, the Bureaus will continue to seek ways to ensure the data they maintain on consumer files is accurate and timely. Changes that are currently being made by the Bureaus are not seen as pulling a splinter out of your hand but rather as fixing a broken arm. Judgements and liens are in the major derogatory events category of the credit formula and thus thought to make it much tougher for banks to rely on simply the credit score. This will inevitably put the responsibility on the financial industry to continue to assess the practices utilized when making safe and sound credit decisions. A continual review and assessment of your policies, procedures, and underwriting guidelines will ensure that banks and other institutions have addressed changes to the industry landscape.
Get to Know the Statewide and Regional Winners of the VBA Bank Day Scholarship Program

Congratulations to the Statewide Winner, Sierra Espeland

In March, more than 400 high school seniors shadowed at banks in their communities as a part of the VBA Bank Day Scholarship Program. Through this program, seniors get the chance to experience a day in the industry and learn about banking, financial services and the ways that banks support their communities. After they spend a day in the bank, students are asked to write an essay about their experience and reflect on what they learned. The VBA Education Foundation awards scholarships based on these essays to twelve students totaling $26,000.

This year, there were six regional winners who each received a $2,500 scholarship, six honorable mention winners who each received a $1,000 scholarship, and one of the regional winners was also selected as the statewide winner, and received an additional $5,000 scholarship.

Congratulations to this year’s statewide winner, Sierra Espeland from Colonial Forge High School, who shadowed at Burke & Herbert Bank. As Sierra said in her essay, “Put simply, community banks are a fundamental brick upon which society is built. They facilitate growth by providing capital for new entrepreneurs, engaging their employees in the community with service projects, and developing personal relationships with their customers. Without banks, our community would have greater difficulty functioning, and we would not be able to sustain the growth we are currently able to. My experiences at Bank Day have been invaluable in helping me to understand the ‘why’ and form a ‘how’ for my financial future, and cultivate an appreciation for the building blocks of our community: banks.”

The VBA Bank Day Scholarship Program will take place next year on March 20. Please contact Monica McDearmon at mmcdearmon@vabankers.org to learn how to participate.

Get to Know the Regional Winners of the VBA Bank Day Scholarship Program

STATEWIDE SCHOLARSHIP WINNER & NORTHERN VIRGINIA REGIONAL WINNER - $7,500

Sierra Espeland – Northern Virginia Region
SCHOOL: Colonial Forge High School
BANK SHADOW: Burke & Herbert Bank
COLLEGE ATTENDING IN THE FALL: University of Vermont
POTENTIAL MAJOR: Astrophysics/Civil Engineering
HIGH SCHOOL ACTIVITIES: Field Hockey, Soccer, Lacrosse, National Honor Society, French Honor Society, FIRST Robotics

FAVORITE THING ABOUT BANK DAY: My favorite thing about Bank Day was the opportunity I had to interact with the people my host bank impacted.

ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN’T KNOW BEFORE: I learned about the decision process banks utilize in order to best support the community.

ONE FUN FACT ABOUT YOURSELF: I will be playing field hockey in college at the University of Vermont!

REGIONAL SCHOLARSHIP WINNERS - $2,500

Camryn Cook – Southwest Virginia Region
SCHOOL: Castlewood High School
BANK SHADOW: New Peoples Bank
COLLEGE ATTENDING IN THE FALL: Virginia Tech
POTENTIAL MAJOR: General Engineering
HIGH SCHOOL ACTIVITIES: Future Business Leaders of America, Beta Club, Basketball Cheerleading, Academic Team, Track and Field, Drama and Forensics

FAVORITE THING ABOUT BANK DAY: Meeting all of the employees of New Peoples Bank and learning how they work together to fulfill different tasks throughout the bank.

ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN’T KNOW BEFORE: I learned that banking is very technologically advanced, complex, and that it takes many people working individually to come together to be successful.

ONE FUN FACT ABOUT YOURSELF: I love cats!
William Omberg – Capitol Region
SCHOOL: Douglas S. Freeman High School
BANK SHADOW: Union Bank & Trust
COLLEGE ATTENDING IN THE FALL: The University of Virginia
POTENTIAL MAJOR: Commerce with a Concentration in Finance
HIGH SCHOOL ACTIVITIES: Intern at JoycePayne Partners, server at DeLuca Gelato, Online Editor-in-Chief of DSP's The Commentator
FAVORITE THING ABOUT BANK DAY: John Asbury's explanation of fractional reserve banking.
ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN'T KNOW BEFORE: The Community Reinvestment Act and its applications.
ONE FUN FACT ABOUT YOURSELF: I live vicariously through LeBron James.

Elizabeth T. Rice – Central/Southside Region
SCHOOL: Parry McCluer High School
BANK SHADOW: Bank of Botetourt
COLLEGE ATTENDING IN THE FALL: Radford University
POTENTIAL MAJOR: Interior Design
HIGH SCHOOL ACTIVITIES: Volleyball, National Honor Society, Relay for Life, Tutoring
FAVORITE THING ABOUT BANK DAY: Learning how much the bank and its employees give back to the community.
ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN'T KNOW BEFORE: How many different products banks have to offer.
ONE FUN FACT ABOUT YOURSELF: I helped raise newborn kittens that my family rescued.

Virgil Thornton II – Hampton Roads/Eastern Shore Region
SCHOOL: Hampton High School
BANK SHADOW: Old Point National Bank
COLLEGE ATTENDING IN THE FALL: Virginia Tech
POTENTIAL MAJOR: Civil & Environmental Engineering
HIGH SCHOOL ACTIVITIES: Archery Club, National Honors Society, Sigma Beta Club, Hampton Youth Commission
FAVORITE THING ABOUT BANK DAY: Personalities of the bankers.
ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN'T KNOW BEFORE: One of the main goals of the bank is actually to aid the community through services, sponsorship and volunteerism. They want to improve their community and they care deeply about the financial safety of all of their customers.
ONE FUN FACT ABOUT YOURSELF: I take breakdancing classes every Saturday.

Skylar Wampler – Valley Region
SCHOOL: Broadway High School
BANK SHADOW: F&M Bank
COLLEGE ATTENDING IN THE FALL: Undecided
POTENTIAL MAJOR: English
HIGH SCHOOL ACTIVITIES: Musicals, Marching Band, Debate Team, Various Academic Clubs
FAVORITE THING ABOUT BANK DAY: Communicating with the employees.
ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN'T KNOW BEFORE: A lot of information about stocks and bonds. I knew almost nothing.
ONE FUN FACT ABOUT YOURSELF: I really like to be outdoors.

Molly Avery – Northern Virginia Region
SCHOOL: Fauquier High School
BANK SHADOW: The Fauquier Bank
COLLEGE ATTENDING IN THE FALL: University of Mary Washington
POTENTIAL MAJOR: English
HIGH SCHOOL ACTIVITIES: School Literary Magazine, Ukulele Club
FAVORITE THING ABOUT BANK DAY: Meeting so many amazing people.
ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN'T KNOW BEFORE: How much technology it takes to run a bank.
ONE FUN FACT ABOUT YOURSELF: I'm a bookworm.

Madeline Enderle – Capitol Region
SCHOOL: Patrick Henry High School
BANK SHADOW: Wells Fargo
COLLEGE ATTENDING IN THE FALL: University of Mary Washington
POTENTIAL MAJOR: Business
HIGH SCHOOL ACTIVITIES: I swam on the high school varsity swim team during all four years of high school and competed at conference and regionals. I was an active
member of the National Honors Society, National Beta Society, and Sociedad Honoraria Hispánica. I served as a political page at various local and state events, one of which was registering students at my high school’s voter registration drive. I am also a 2017 Hanover Scholar.

FAVORITE THING ABOUT BANK DAY: I enjoyed meeting a variety of different professionals who are passionate about their work and are committed to giving back to our community.

ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN’T KNOW BEFORE: While attending Bank Day, I learned about the various tools Wells Fargo offers to help their customers track how their money is being spent and monitor their accounts from their phones.

ONE FUN FACT ABOUT YOURSELF: I enjoy taking pictures using black and white film.

Hannah Jenkins – Southwest Virginia Region
SCHOOL: Tazewell High School
BANK SHADOW: New Peoples Bank
COLLEGE ATTENDING IN THE FALL: Southwest Community College
POTENTIAL MAJOR: Clinical Psychiatry
HIGH SCHOOL ACTIVITIES: Model General Assembly, Interact
FAVORITE THING ABOUT BANK DAY: Getting a behind the scenes look at what bankers do on a day to day basis.

ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN’T KNOW BEFORE: How to build credit efficiently in a smart way.

ONE FUN FACT ABOUT YOURSELF: I’m left handed.

Lauren Lawson – Central/ Southside Region
SCHOOL: Appomattox County High School
BANK SHADOW: The Farmers Bank of Appomattox
COLLEGE ATTENDING IN THE FALL: Virginia Tech
POTENTIAL MAJOR: Architecture
HIGH SCHOOL ACTIVITIES: Tennis, Swimming, Cross Country, Class Committee Chairman, FBLA, SODA, CVCC Cohort Program
FAVORITE THING ABOUT BANK DAY: I liked watching the behind the scenes of how intricate the banking system is.

ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN’T KNOW BEFORE: Many of my career goals are applicable in the banking field.

ONE FUN FACT ABOUT YOURSELF: I am color blind!

Chandler Showalter – Valley Region
SCHOOL: Waynesboro High School
BANK SHADOW: F&M Bank
COLLEGE ATTENDING IN THE FALL: University of Virginia
POTENTIAL MAJOR: Commerce
HIGH SCHOOL ACTIVITIES: Soccer, Cross Country, Concert Choir, National Honor Society, Pep Club, Young Life
FAVORITE THING ABOUT BANK DAY: Experiencing the relationship between F&M Bank and a small business firsthand.

ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN’T KNOW BEFORE: I learned about all of the different types of savings and checking accounts I could open that would earn me interest.

ONE FUN FACT ABOUT YOURSELF: I hope to study abroad at Virginia Tech’s School of Architecture and Design in Switzerland.

Jordan S. Wideman – Hampton Roads/Eastern Shore Region
SCHOOL: Hampton High School
BANK SHADOW: Old Point National Bank
COLLEGE ATTENDING IN THE FALL: George Mason University
POTENTIAL MAJOR: Finance
HIGH SCHOOL ACTIVITIES: International Baccalaureate Candidate which includes 240 hours of community service, National Honor Society, National Junior Honor Society, German Club, National Society for High School Scholars and graduating with highest honors.
FAVORITE THING ABOUT BANK DAY: The involvement of the more interactive side of banking.

ONE THING YOU LEARNED ON BANK DAY THAT YOU DIDN’T KNOW BEFORE: Bankers are committed to and involved in the communities they serve.

ONE FUN FACT ABOUT YOURSELF: I’m a social comic.
This October, join the thousands of volunteer bankers participating in the national Get Smart About Credit campaign. Our 2017 program will focus on five critical areas: Paying for College, Protecting Your Identity, Knowing Your Credit Score, Managing Your Money and—new this year—Careers in Banking. Take advantage of this opportunity to raise your bank’s profile in the community while bringing the lessons of sound money management to young people.

Get Smart About Credit Day is October 19, 2017. Register today!

NEW! BANKERS AND YOU PRESENTATIONS THAT EXPLORE CAREERS IN BANKING.

aba.com/GetSmart
The VBA Executive Leadership Institute, a leadership development program, is designed to actively enhance the leadership, organizational and performance skills of the highly motivated, high-potential and successful banker. Participants work with Karen Conrad, president and owner of Karen Conrad and Associates, LLC, and Nancy Eberhardt, CEO of Pathwise Partners, LLC, over the course of five months to create a leadership declaration and determine a path to carry that declaration forward in their organizations. We asked some of the members of the Class of 2017 about their experiences:

**Clyde Cornett**
Chief Financial Officer, Virginia Community Capital, Inc.

What is the most valuable piece of information you learned? Karen said to us, “When you are talking to others, you have to believe them – whatever they tell you.” I thought, “She is insane! Does she not know people lie?” I understood later what she meant. You have to believe that for them, whatever they tell you is their truth – whether it is factual or not is irrelevant. You have to meet them there and go forward. This completely changed my approach to coaching staff.

How has your definition of “leadership” changed? Leadership meant being bold and confident, which came from already knowing the answers. But I think it’s more about being boldly vulnerable and knowing how to help people achieve their potential – they probably already have the answer, they just can’t see it yet. A good leader will just help them uncover it for themselves.

Can you describe one thing you’ve learned at the Executive Leadership Institute that you’d like to implement at your bank? The power of listening and asking powerful questions. It is so much more valuable than trying to problem-solve for others.

What do you think is the single most important leadership characteristic in serving as a leader of a bank? This is such a data-driven industry and we focus too much on data without context. The really successful leaders are probably the ones that have figured out it really is a people business. How we make our customers and employees feel and what they do with that feeling will be one of the most important factors in success.

**Eric Crawford**
AVP/Branch Manager, The Bank of Southside Virginia

What is the most valuable piece of information you learned? The communication with your team and relationship with your team is the most important part of leadership.

How has your definition of “leadership” changed? Leadership has as much to do with you and your involvement as it does with your team.

Can you describe one thing you’ve learned at the Executive Leadership Institute that you’d like to implement at your bank? Having your team present solutions instead of providing them is an effective leadership method.

What do you think is the single most important leadership characteristic in serving as a leader of a bank? Trust. You must trust your team and they must trust you for leadership to work effectively.

**Josh Gilman**
Chief Information & Cyber Security Officer, Middleburg Bank, A Division of Access National Bank

What is the most valuable piece of information you learned? Strategies on how to...
increase listening and engagement skills as a leader. How has your definition of “leadership” changed? My definition has further developed to include communication techniques to engage others and deliver clear messages.

Can you describe one thing you’ve learned at the Executive Leadership Institute that you’d like to implement at your bank? Developing a culture of accountability.

What do you think is the single most important leadership characteristic in serving as a leader of a bank? Integrity.

**Leigh Houghland**
Regional Executive, Chesapeake Bank

What is the most valuable piece of information you learned? Leadership is not so much about telling and more about listening.

How has your definition of “leadership” changed? The class helped me to understand that leadership doesn’t have to be hard.

Can you describe one thing you’ve learned at the Executive Leadership Institute that you’d like to implement at your bank? All of it! I certainly enjoyed some of the coaching discussions and how to get to the bottom of employee issues.

What do you think is the single most important leadership characteristic in serving as a leader of a bank? Maintaining healthy communication with everyone.

**Jenni Kiefhaber**
Director of Operations, Chain Bridge Bank

What is the most valuable piece of information you learned? To listen, intentionally.

How has your definition of “leadership” changed? Leadership isn’t really about you, it’s about the people you lead.

Can you describe one thing you’ve learned at the Executive Leadership Institute that you’d like to implement at your bank? I love the difficult question, asking instead of telling employees. I think that will really help our employee base confidently grow themselves.

What do you think is the single most important leadership characteristic in serving as a leader of a bank? Accountability.

**Tracy Pastella**
CCO/Director of IA, Chesapeake Bank

What is the most valuable piece of information you learned? How to change the question to have an intentional conversation to resolve an issue with my reports.

How has your definition of “leadership” changed? I believe that a leader listens and provides guidance to develop others as well as facilitate conversations so the employee is motivated to answer and solve the problem themselves.

Can you describe one thing you’ve learned at the Executive Leadership Institute that you’d like to implement at your bank? Developing a culture of accountability. When a member of the team attends a seminar or conference, they are to provide the team with three to four key takeaways. This provides every team member the opportunity to speak and present.

What do you think is the single most important leadership characteristic in serving as a leader of a bank? The single most important characteristic in serving as a leader of a bank is to actively listen.

**Jonah Pence**
VP/Commercial Relationship Manager, Farmers & Merchants Bank

What is the most valuable piece of information you learned? Distinguishing between judging and learning behaviors.

How has your definition of “leadership” changed? The importance of emotional intelligence, which is a key component to leadership.

Can you describe one thing you’ve learned at the Executive Leadership Institute that you’d like to implement at your bank? Financial chatbot technology.

What do you think is the single most important leadership characteristic in serving as a leader of a bank? The ability to inspire others through your own actions and communication.

**Tom Rasey**
First Vice President, The Farmers Bank of Appomattox

What is the most valuable piece of information you learned? I found that success as a leader can be directly tied to the investment an individual is willing to make in the success of those around them. Leadership is not just setting an example for others to follow, but is active engagement with others so that they may attain their highest level of performance.

How has your definition of “leadership” changed? I previously viewed leadership as a position to attain through hard work and dedication, but I have learned it is more about the relationships with those you work with and maximizing the talents and skills in others. It is not self-centered, but rather others-focused.
Can you describe one thing you’ve learned at the Executive Leadership Institute that you’d like to implement at your bank? I was introduced to the concept of creating a coaching culture of accountability through the program that I immediately brought back to the bank for implementation. In order to bring about the change you desire, an expectation must be established and an investment must be made in coaching to see employees strive toward the desired goal.

What do you think is the single most important leadership characteristic in serving as a leader of a bank? In one word, commitment. This is not just commitment to the bottom line, but to recognizing the intrinsic value in every individual in the organization and to developing a culture that lives and breathes the values you wish to champion.

What do you think is the single most important leadership characteristic in serving as a leader of a bank? Be a strong communicator.

**Steve Witt**
Senior Vice President, Freedom Bank of Virginia

What is the most valuable piece of information you learned? The concept of being self-aware and understanding the ongoing process to effectively communicate with others. The tools provided in this class around communication have been invaluable.

How has your definition of “leadership” changed? I would say that it has not changed, but rather expanded. Leadership is more encompassing as we face new challenges as society changes. The leadership role is built around effective communication to all levels. We cannot forget to take a view from the balcony sometimes and communicate effectively to get the desired results. We must be self-aware and have self-regulation.

Can you describe one thing you’ve learned at the Executive Leadership Institute that you’d like to implement at your bank? I do not think one particular principle is what I would institute. My goal is to get executive and senior management to understand the effectiveness of inclusion of all employees through communication and that there is more than one right answer. I want to create a culture of effective communication and inclusion across all levels.

What do you think is the single most important leadership characteristic in serving as a leader of a bank? Emotional intelligence, which is all-encompassing of several characteristics. I do not think I can identify a single most important characteristic; although, I would lean towards social skills.

**Kevin Wood**
Senior Vice President, Chesapeake Bank

What is the most valuable piece of information you learned? A better understanding of myself and applying leadership skills using that understanding.

How has your definition of “leadership” changed? Leadership involves more than just taking charge.

Can you describe one thing you’ve learned at the Executive Leadership Institute that you’d like to implement at your bank? Too many to mention! I want to better lead my team and make each person as successful as they can be in their job and in their lives. I have a lot of new tools and skills to help me accomplish that goal.

What do you think is the single most important leadership characteristic in serving as a leader of a bank? Serving others.
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