

# District Update

*CRA Leadership Councils were established to recognize and encourage community reinvestment efforts throughout the 12th District. The Councils, which are affiliated with the local CRA roundtables, actively participate with the San Francisco Fed's Community Affairs staff to identify critical community and economic development needs, and to develop new products and services. In this ongoing feature, we ask Council members to talk about their backgrounds and how they became involved in CRA, their responsibilities, successes and any advice or words of wisdom they would like to share. This time we are pleased to feature Marcia McAdams of Pacific Century Bank, Ronald Mumford of Lewiston State Bank, and Brent Warren of KeyBank.*



MARCIA A. McADAMS  
VICE PRESIDENT, CRA & COMPLIANCE OFFICER  
PACIFIC CENTURY BANK, N.A.; ENCINO, CALIFORNIA

The CRA and compliance hats were officially—albeit abruptly—handed to me in 1982. I didn't even have to apply. This was in addition to managing the special assets department. Competition was nonexistent; no one wanted any of the jobs that I was responsible for. Does that sound familiar? Once my initial terror subsided I decided that I enjoyed the CRA and compliance duties. I have been the CRA and Compliance Officer for Pacific Century Bank since 1992.

Pacific Century Bank, N.A. is an affiliate of Bank of Hawaii under the holding company, Pacific Century Financial Corporation. Pacific Century is a large bank by CRA standards serving the southern California market focusing on mid- and large-sized businesses. Our primary credit products are commercial, real estate construction, SBA, leasing and asset based lending, with departments for entertainment, private banking, international and investment. This has made the CRA enormously challenging for me. Recognizing the credit needs of small businesses, the bank implemented a small business credit product which has been highly successful.

Staffing is limited, so I have learned to be creative when developing community development service opportunities for staff participation. I try to keep the type of service small to limit the

time requirement and make it enjoyable. Operation Hope's *Banking on the Future* program fits this criteria well which has made it very successful. Another successful *small* activity is getting a staff member appointed to a credit review board for a CDC or CDFI. Because the staff member is able to review credits for the CDC or CDFI at their desk, this keeps out of office time to a minimum.

When I need to develop something from scratch I try to work smarter not harder, so I'll call on a CRA buddy from my networking database. Networking is the giant perk of conferences and organization meetings. I have long since learned that there is no benefit in keeping things to myself; I share whatever I can with the hope that I will get an assist from someone in return.

Much satisfaction is derived from my duties associated with community service. I have learned a great deal in the course of working with community organizations as these activities enable me to work on projects that expand my knowledge far beyond that of my everyday responsibilities. As a founding board member I recently assisted with the development of by-laws and a business plan for the Arizona Native American CDC, that, when formed, will serve the credit needs of Native Americans. I also serve on two

to three short-term special project task force committees at any one time. I am an appointed advisory committee member to the board of the Los Angeles Local Development Corporation. And what a thrill it was to qualify for the Fed's Leadership Council, which gives me the opportunity to work collaboratively with other CRA officers to benefit the community.

One of my greatest successes has been the CRA training I enlisted from my bank's regulatory agency, the OCC. Edward (Bert) Gregg, National Bank Examiner and Susan A. Howard, Community Affairs Specialist, conducted two incredibly informative three-hour seminars for a total of 140 Bank staff. Talk about a success story, I now receive the reports that I need, CRA information is included in a credit write up and two large community development loans were identified last year.

What does it take to be a CRA officer? In addition to the standard credentials, it takes fortitude, tenacity, flexibility, creativity, generosity with personal time, the ability to work independently and organization. My boss calls me a zealot and we laugh. I don't mind because it works and everyone benefits. The rewards are returned tenfold for the little that I contribute.



RONALD MUMFORD  
VICE PRESIDENT & CRA OFFICER  
LEWISTON STATE BANK; LEWISTON, UTAH

I had represented Lewiston State Bank on several legal matters for about eight years when they approached me about a full-time position. The position was typical of many in a small bank in that it encompassed many functions—in my case this included legal work, real estate loans and serving as the compliance officer. Later, the duties of CRA officer were added.

Lewiston State Bank is a three-branch/affiliate community bank with total assets of \$115 million. Lewiston State Bank has offices in Lewiston and North Logan, Utah. Our affiliate, Lewiston State Bank of Idaho is located in Preston, Idaho. Previously, we were known primarily as an agricultural bank, but in the past several years have expanded our products and services to serve non-ag small businesses. We also have added consumer products and services to better serve households in our community.

At Lewiston Bank, my plate is filled with responsibilities in CRA, compliance, legal duties, collections (including repossessions & foreclosures) and as many real estate loans as management can get me to do. I enjoy this diversity, but am always looking for ways to prioritize and simplify. In particular, I appreciate receiving time-saving web sites, forms, checklists and other resources. Two resources in particular that I have found valuable are:

HUD's web site to obtain updated median family income and the Kansas City Fed's 1st Source web site for rural CRA ideas.

I am proud of the work that our bank has done in rural communities helping to identify and fulfill their needs, particularly those of small businesses and farmers, whose needs are often distinct from those located in large urban communities. This has shown me that a significant CRA work can be accomplished through worthy small projects. A borrower who came to us for a loan to begin his small "adventure cameraman" business—getting shots of hunts, hikes and outdoor adventures—perfectly illustrates this point. The borrower had experience and talent, but few funds to begin and the equipment was expensive. We tapped into a business development fund and helped him secure an eligible co-signer in order to make the loan. He thanked us repeatedly, because he knew that we had "reached" for him. For the time this loan took, we probably could have done many other loans with a higher return. But in terms of personal satisfaction and good PR, this loan was a top producer.

My advice for CRA Officers, especially in a small bank, would be to include the entire bank in the work of CRA. If you need to, convince management that a "team approach"—with

everyone doing a little to support CRA—brings greater results than does the work of one person or even a department. CRA does not have to be difficult. What is needed is:

1. a "CRA attitude", which is a commitment to the principle that every bank has a responsibility to serve all the members of its community
2. a willingness to learn
3. a commitment to promptly implement CRA actions that are learned

It is also very important to get involved in committee work outside of the bank. The Fed's Leadership Council is an example. This provides an opportunity to hear opinions and to share in a variety of bank and customer perspectives with other CRA Officers. These perspectives can assist you in implementing CRA programs that will be most beneficial and appropriate to those you serve.



BRENT WARREN  
CRA MANAGER  
KEYBANK; PORTLAND, OREGON

I originally intended to be an elementary school teacher. After finishing graduate school and teaching for a year in California, I moved to Portland, Oregon and began substitute teaching. During a Christmas break, I signed up with a temp agency. My first assignment was to a large financial institution that was going through a merger. Nineteen years and nine mergers later I am *still* a banker. After stints in consumer and mortgage lending, loan servicing, training, loans under foreclosure/REO, credit administration and regulatory compliance, I became the CRA Manager for KeyBank in Oregon. In this capacity, I manage the office, coordinate the CRA grant process, and help identify lending and investment needs in the community.

KeyBank is an \$87 billion financial services corporation with branches in 14 states and lending operations in 49 states. In Oregon, KeyBank has assets of just over \$1 billion and 59 branches located mostly in the urban areas along the I-5 corridor. KeyBank's market share is about 4% of the state total—a distant 6<sup>th</sup> place among financial institutions. Although we are a full service commercial bank, our primary focus has been small business lending. This accounts for small business loan production that far exceeds our local market share. In 1999, KeyBank in Oregon was awarded the Minority Lender of the Year Award by the SBA. Last year

we received our first CRA rating from the OCC (having recently converted to a National Bank charter). We received an Outstanding rating in every state.

KeyBank is also a major player in affordable housing finance—both single family and multi-family. Our ever-evolving *Home Assist* home mortgage product for low/mod-income borrowers is one of the best in the country. It has very flexible underwriting, 3% down payment with no private mortgage insurance and no loan fees or points, and can be used for purchases or refinances. Additional funds can be borrowed for home improvement or repairs. The bank has also made community development lending a high priority. We market ourselves as a 'one-stop-shop' offering everything from acquisition/pre-development, construction and permanent loans to direct tax credit investments. We are also able to provide bond underwriting and placement for affordable housing.

In Oregon, I am located in the same office with the single-family mortgage specialists, multi-family community development lenders and tax credit investors, making it easy to talk about projects and cross-refer clients. Several of my counterparts at other banks tell me they are jealous of this unique structure and feel that it gives KeyBank a competitive advantage in the marketplace.

Some of the more interesting and innovative projects successfully undertaken by our community development team include:

- The Yards at Union Station: a large multi-phase, mixed-income tax credit project built on a "brown-field" site
- St. Anthony Village: a five acre village that includes independent senior housing, assisted living, Alzheimer's patient housing, a preschool and a church
- Villa de Suenos: a large housing project that contains a county-run medical clinic and daycare facility

I feel that being involved in the community is essential to my success because it helps to keep me on the pulse of development opportunities. In addition to being a member of the Fed's Leadership Council, I chair two committees: the Oregon Bankers Association Community Involvement Committee and the Consortium of Salem Area Lenders (CONSALL). I also serve on the loan committee for CONSALL and am the board president for Habitat for Humanity of Oregon. Because of the banking environment these days, in many ways this is still a "temp job", even after 19 years. Even so, being a CRA Manager is a great job!