

FDIC News

The Federal Deposit Insurance Corporation Employee Newsletter

MAY 2016

INSIDE

FDIC Community Banking Conference Focuses on 'Strategies for Long-Term Success'	5
2016 Mentoring Program Orientation Fuels Developmental Partnerships	9
Inside/Out	12
Sally Kearney Marks Two Decades with the <i>FDIC News</i>	14

FDIC Conference Examines Community Bank Strategies for the Future

Community bankers, academics, and regulators discuss the way forward for a vital segment of the U.S. financial services industry.

By SALLY KEARNEY
Office of Communications

What does the future hold for community banks in the United States? This was the question examined in detail at the FDIC's Community Banking Conference held April 6 at Virginia Square. Speakers and panelists explored the opportunities and challenges facing this critical segment of the financial services industry at an important juncture. Now that the sector has emerged from the financial crisis and its aftermath, what lies ahead? What are some of the new challenges on the horizon? What opportunities are waiting to be seized? And what strategies are community banks using to thrive in a dynamic and changing environment?

Weaving a New Narrative

With the theme "Strategies for Long-Term Success," the conference drew about 250 community bankers and other industry participants, who took part in the daylong discussion. Throughout the conference,

bankers shared stories that were striking in their portrayal of individual institutions: their histories, communities, markets, geographical settings, approaches, and successes. From a bank in the high north country of New Mexico that finances sustainable homes built from used tires and beer cans to a bank headquartered in the lowlands of New Orleans that survived the wreckage of Hurricane Katrina through hard work and resourcefulness, the bankers' stories were both vivid and compelling. They brought to life the unique situations of each bank while highlighting their commonalities. Together, these stories made for a composite picture of resilience, innovation, adaptability, and durability.

Chairman Martin Gruenberg underscored the essential role of community banks as he opened the conference. He told the story of a sector that has pulled through the financial crisis—and before

see **Strategies**, page 2, column 1

The *FDIC News* is published monthly by the Office of Communications of the Federal Deposit Insurance Corporation, 550 17th Street N.W., Room 7102 Washington, DC 20429
Martin J. Gruenberg, Chairman, FDIC
Barbara Hagenbaugh, Deputy to the Chairman for Communications
Sally J. Kearney, Editor, *FDIC News* (202) 898-8675 Phone, (202) 898-3543 Fax skearney@fdic.gov
LaJuan William-Young, Writer
Heather Woods, Graphic Design and Printing Unit, FDIC Division of Administration

FDIC News Editorial Board:

HEADQUARTERS

Valerie Baltimore, DIT, (703) 516-1145
Lisa Brown-Jones, OMWI, (703) 562-6087
Kathleen Gunning, Legal Division, (703) 562-2378
Cheryl Hayman, Office of the Internal Ombudsman, (202) 898-3766
Lester Henderson, DRR, (703) 254-2985
Michael Korwin, Legal Division, (703) 562-2669
Lynne Montgomery, DIR, (202) 898-7379
Louise Murrill-Graves, DOA, (703) 516-5297
George Parkerson, RMS, (202) 898-3648
Luke Reynolds, DCP, (202) 898-7164
Titus Simmons, OCFL, (202) 898-7024
Richard Sousane, DOF, (703) 516-5118
Gordon Talbot, OO, (703) 562-6046

Sharon Tushin, OIG, (703) 562-6340
Beth Wiggins, CU, (703) 516-1327

REGIONS

Atlanta
Keith Kilgore, RMS, (678) 916-2199
Chicago
Shawn Meyer, RMS, (608) 833-0737 x8915
Dallas
Curtis Smith, DRR, (972) 761-2898
Kansas City
Jeremy Hauser, RMS, (816) 234-8160
New York/Boston
Patricia Cali, RMS, (609) 860-6750 x4630
San Francisco
Karen Hammer, RMS, (323) 545-9260 x4256
Laura Rapp, RMS, (415) 808-8112

COMMUNITY BANKING CONFERENCE

Strategies, from page 1

that, decades of consolidation—as a steadfast pillar of the U.S. financial services industry. Drawing on FDIC research, he said that while community banks today account for just 13 percent of banking industry assets, they hold 44 percent of all small loans to businesses and farms. For more than 20 percent of the nation’s 3,100 counties, the only banks operating in those counties are community banks. These institutions therefore play a critical role in terms of access to basic banking services and credit for consumers, farms, and small businesses.

Throughout the conference, bankers shared stories that were striking in their portrayal of individual institutions: their histories, communities, markets, geographical settings, approaches, and successes. From a bank in the high north country of New Mexico that finances sustainable homes built from used tires and beer cans to a bank headquartered in the lowlands of New Orleans that survived the wreckage of Hurricane Katrina through hard work and resourcefulness, the bankers’ stories were both vivid and compelling. They brought to life the unique situations of each bank while highlighting their commonalities. Together, these stories made for a composite picture of resilience, innovation, adaptability, and durability.

Because they figure prominently in the U.S. financial system, community banks matter significantly to the FDIC. “[T]he FDIC is the lead federal supervisor for the majority of community banks in the United States, and the future of community banking has long been a priority for us,” Chairman Gruenberg said. He noted that “there is a very strong public interest in ensuring that they continue to function and serve their communities in the years ahead.”

Community banks are entering this next post-crisis phase in a strong position, out-

pace the banking industry as a whole both in earnings growth and loan growth. “Community banks have evolved, changed, and grown to meet the needs of their customers and the challenges of the market,” he said. “They have succeeded to a remarkable degree.”

While acknowledging that the economic recovery since 2009 has been marked by below-average growth and low interest rates—not an easy environment for community banks—Chairman Gruenberg also noted that the majority of community banks have nevertheless addressed problem loans, strengthened balance sheets, and increased earnings. In other words, on balance, community banks have a positive story to tell while also recognizing the challenges ahead.

Four separate panels addressed some of those challenges in turn: the viability of the community banking model; regulatory developments as they pertain to community banks; how technology is impacting these institutions; and how they are managing ownership structure and succession planning.

Panels Address Challenges and Highlight Strategies

Kristie Elmquist, Regional Director, Dallas Region, moderated the first panel on the community banking model. Four community bankers and a professor of finance held a wide-ranging conversation about strategies in response to market trends; strategies being developed in anticipation of emerging issues; and best practices to manage risk.

The strategies they mentioned included developing strong relationships with customers and being engaged in community activities; looking for opportunities and launching innovative programs to meet needs, such as one bank’s tuition collection plan for private schools; increasing customer service by providing bank employees with tools such as iPads prior to launching mobile banking for customers; telling the bank’s story in schools to reach out to the next generation of customers and potential employees; embracing digital marketing as a cost-effective means of reaching customers; and consistently looking for opportunities that larger competitors are not interested in pursuing.

With these examples, the bankers showed how they make the most of the community banking model. As David J. Hanrahan, Sr., President and CEO of Capital Bank of New

Jersey, Vineland, New Jersey, remarked, by staying true to his bank’s friendly service and lending to small- and medium-sized businesses, he is confident that his bank can remain competitive. “I think if we simply manage our organization to our strengths, we’ve got a great future,” he said of community banks.

Because they figure prominently in the U.S. financial system, community banks matter significantly to the FDIC. “[T]he FDIC is the lead federal supervisor for the majority of community banks in the United States, and the future of community banking has long been a priority for us,” Chairman Gruenberg said. He noted that “there is a very strong public interest in ensuring that they continue to function and serve their communities in the years ahead.”

Doreen Eberley, Director of the Division of Risk Management Supervision, moderated a panel on regulatory developments. Three regulators joined Eberley in a discussion about steps they are taking—independently and together—to reduce regulatory burden and enhance the supervisory process for community banks. Such actions include separate efforts by the FDIC, the Federal Reserve, and the Office of the Comptroller of the Currency to minimize the time onsite during an examination and to make the best use of Call Report information. Eberley described how, in response to banker comments, the FDIC instituted a best practice in which examiners-in-charge explain to bankers how information gathered in the pre-examination stage is used to risk-scope during an examination. Another best practice, she said, is for examiners to talk to bankers about the bank’s risk profile so that examiners and bankers are “on the same page” about the direction of an examination.

The regulators also described how their agency’s joint participation in the second review of rules under the Economic Growth

see **Strategies**, page 3, column 1

COMMUNITY BANKING CONFERENCE

Strategies, from page 2

and Paperwork Reduction Act of 1996 (EGRPRA) has generated thoughtful comments from bankers about how to reduce regulatory burden. The first review was in 1996; the statute requires the process to be undertaken every 10 years.

Three regulators joined Eberley in a discussion about steps they are taking—independently and together—to reduce regulatory burden and enhance the supervisory process for community banks. Such actions include separate efforts by the FDIC, the Federal Reserve, and the Office of the Comptroller of the Currency to minimize the time onsite during an examination and to make the best use of Call Report information. Eberley described how, in response to banker comments, the FDIC instituted a best practice in which examiners-in-charge explain to bankers how information gathered in the pre-examination stage is used to risk-scope during an examination.

Also mentioned was the work the agencies are doing to improve the supervisory process through the Federal Financial Institutions Examination Council (FFIEC). On June 15, the FFIEC issued a Cybersecurity Assessment Tool to help banks identify risks in their institutions. The FFIEC is also working on updates to the FFIEC IT handbooks and a review of the supervision of technology service providers.

David J. Cotney, Commissioner of Banks, Division of Banks, Commonwealth of Massachusetts, and Chairman of the Conference of State Bank Supervisors (CSBS), described a CSBS-sponsored case study competition for undergraduate students designed to build excitement about community banks among the younger generation. Competition winners present their case studies to a panel of regulators from the FDIC, the Federal Reserve, and the states, along with academics.

The importance of applying fundamen-

tal principles during changing times was also emphasized, with the regulators making note of growing commercial real estate concentrations. Even as examiners strive to identify areas of regulatory burden in banks, they must also do their jobs by identifying risk and ensuring safety and soundness. Eberley noted that it is especially important to focus on fundamentals when markets are heating up.

Vice Chairman Thomas J. Hoenig delivered a luncheon address on his proposal to reduce regulatory burden. A bank with at least 10 percent equity capital that does not engage in high-risk trading activities and investment strategies poses less risk to the financial system, he said. “Such an institution should not face the same regulations and supervisory requirements that apply to complex firms involved in both trading and traditional commercial banking with lower levels of capital.”

Mark S. Moylan, Deputy Director of the Division of Risk Management Supervision, moderated a panel on the opportunities and risks of adopting new technologies. Moylan emphasized that the discussion would be from a board member’s perspective and would not focus on technical issues. He was true to his word. Three community bankers and an executive from Fiserv, a large technology service provider, took up a number of topics relating to IT, including how technologies have helped make banks competitive; how technology figures into a bank’s strategic planning; and how to manage risks associated with technology.

The community bankers detailed the types of services and products their banks are offering—everything from online and mobile banking to remote deposit capture. They commented that their board members and customers like to hear that their banks are embracing new technologies and preparing for the future. Technology is also enabling some banks to reduce the size and number of branch facilities as well as the number of branch employees, while still retaining the bank’s brand and giving customers a place to go to make deposits. Another advantage technology offers is retaining customers who leave a community but remain loyal to their hometown bank.

Emphasizing the importance of cybersecurity, the panel members described measures they are taking to protect their banks’ information, from instituting employee edu-

cation programs to informing customers of the need to protect their information. Robert A. Steen, Chairman of the Board and CEO of Bridge Community Bank, Mount Vernon, Iowa, stressed the importance of maintaining trust. “[T]rust is critical to everything we do,” he said, adding, “[W]e don’t get a pass from our customers if information is breached.”

Sorin M. Sorescu, Head of the Department of Finance at Mays Business School, Texas A&M University, College Station, described an innovative program at his university that educates college students in commercial banking with an emphasis on community banking. The program was created in response to a request by Texas bankers who wanted to fill a perceived talent gap in the community banking industry.

Diane Ellis, Director of the Division of Insurance and Research, moderated the last panel, which focused on community bank ownership structure and succession planning. The discussion began with a presentation by FDIC Chief Economist Rich Brown, who shared findings from recent FDIC research on the performance and ownership structure of small, closely held banks. The findings show that these institutions, which are often based on family or community ties, are in fact mainstream among community banks. Closely held banks outperformed widely held banks, according to the findings. Also, closely held banks with overlapping ownership and management outperformed either widely held institutions or closely held institutions in which management was not part of the ownership group. The research is based on a survey of FDIC examiners in the Kansas City, Chicago, and Dallas regions.

The community bankers went on to discuss their ownership structures and offered several succession strategies. The bankers mentioned ideas for developing the next generation of leaders and managers. Their practices include developing employees

see **Strategies**, page 4, column 1

COMMUNITY BANKING CONFERENCE

Strategies, from page 3

who joined the bank after graduating from high school by offering college tuition programs and sending the employees to graduate banking schools. Other strategies include providing formal internship and mentoring programs; rotating emerging leaders through 90-day assignments with executives; charting specific career paths to executive-level positions; and including emerging leaders in board meetings so they become comfortable participating in the discussions and making presentations.

Another novel idea was a “co-CEO” arrangement in which a newly selected CEO partners with his or her predecessor. For the first year, the outgoing CEO serves as the primary decisionmaker while the incoming CEO observes and learns; in the second year, the incoming CEO takes the reins and makes most of the decisions, with the outgoing CEO acting as an adviser.

Sorin M. Sorescu, Head of the Department of Finance at Mays Business School, Texas A&M University, College Station, described an innovative program at his university that educates college students in commercial banking with an emphasis on community banking. The program was created in response to a request by Texas bankers who wanted to fill a perceived talent gap

in the community banking industry.

The program recruits students who have a strong academic background and an interest in community banking. An advisory board of community bankers sponsors the program, and members visit the campus regularly to meet the students and serve as guest lecturers. These lectures are important, Sorescu noted, because the board members can teach skills based on their community banking experience.

Chairman Gruenberg affirmed the FDIC’s commitment to community banking and emphasized the importance of developing “a narrative for community banks that is positive and engaging.” He also stressed the need to communicate the value of a career as a community banker.

Each advisory board member also mentors a student, and each student is offered a summer internship with one of the members. Sorescu said the internships give the students an opportunity to be considered for full-time positions.

Most students go on to work in commercial banking for one of the advisory board

member’s banks, Sorescu said. The program’s success rests, in large part, on the board members’ willingness to show a segment of the student population that community banking is an exciting career. While many students may start their academic careers wanting to major in finance and work for a hedge fund or investment banking firm, the purpose of this program is to educate students who are interested in working with community banks in the state.

Chairman Gruenberg Concludes the Day

Chairman Gruenberg brought the conference to a close by thanking all the participants and noting that he had been impressed with the panels and the speakers. He added that the Advisory Committee on Community Banking (CBAC) would meet the next day to review the day’s discussions and address the topics in further detail.

Chairman Gruenberg affirmed the FDIC’s commitment to community banking and emphasized the importance of developing “a narrative for community banks that is positive and engaging.” He also stressed the need to communicate the value of a career as a community banker.

Chairman Gruenberg also thanked the FDIC staff who organized the conference, including Claude Rollin, Lisa Roy, Christine Davis, Shannon Greco, Betty Rudolph, Victor Ingram, and Michelle Rose. ♣

PHOTO ESSAY: COMMUNITY BANKING CONFERENCE

FDIC Community Banking Conference Focuses on ‘Strategies for Long-Term Success’

Community bankers and other industry participants from around the country gathered April 6 for the FDIC’s Community Banking Conference at Virginia Square.

Discussions covered topics of interest to community bankers, including innovative ways to attract and retain customers, recent regulatory developments, management of

technology challenges, and various approaches to ownership structure and succession planning.



The indispensable role of community banks. In opening remarks, FDIC Chairman Martin J. Gruenberg emphasizes the importance of community banks to the financial system and the economy.



Serving a unique business community. Chairman of the Board and CEO Rebeca Romero Rainey (third from left) says Centinel Bank of Taos, New Mexico, serves the business community, which includes artists, architects, and other creative professionals, by finding innovative approaches and solutions to their business needs and by building long-term relationships.



A spotlight on creative success stories. In a panel discussion, community bankers point to a variety of ways their institutions are responding to challenges. President and CEO Alden J. McDonald, Jr. (second from right), says his Liberty Bank and Trust in New Orleans, which serves primarily low- and moderate-income customers in eight states, consistently seeks different business strategies to sustain its high-volume, low-balance business model.

PHOTO ESSAY: COMMUNITY BANKING CONFERENCE



The adaptability of community banks. Scott E. Hein, Professor of Finance at Texas Tech University in Lubbock, notes that community banks are an important part of the financial system and a primary source of economic growth for the country.



A great future for community banks. President and CEO David J. Hanrahan, Sr., of Capital Bank of New Jersey in Vineland (center), says, "I think we community bankers have been dealt a great hand." He adds: "If we simply manage our organization to our strengths, we've got a great future."



Information kits for attendees at registration desk.



Generating interest in community banking among young people. David J. Cotney, Massachusetts Commissioner of Banks and Chairman of the Conference of State Bank Supervisors (CSBS) (second from left), describes a competition launched by CSBS in which college students submit case studies about community banks.



News on regulatory activities. Moderator Doreen Eberley, FDIC Risk Management Supervision Director, leads a panel on regulatory developments.



Jack Hartings, President and CEO of The Peoples Bank Co., Coldwater, Ohio, also a member of the FDIC's Advisory Committee on Community Banking, asks a question.

PHOTO ESSAY: COMMUNITY BANKING CONFERENCE



A proposal for regulatory relief. FDIC Vice Chairman Thomas M. Hoenig delivers luncheon remarks.



How technology is helping community banks. CEO and Founder Shaza L. Andersen (second from left), says that WashingtonFirst Bank, Reston, Virginia, offers a wide variety of banking options, including online banking, mobile banking, remote deposit capture, ACH wire transfer, and deposits via smart phones and mobile devices. Technology helps community banks compete because they do not have to rely on as many branch locations, she adds.



Various strategies for ownership structure. FDIC Chief Economist Rich Brown (second from left) summarizes findings of a recent FDIC study on the financial performance and management structure of closely held banks.



Keeping pace with rising expectations. Michael Seifert, Vice President of Fiserv (right), notes the pressure on banks from customers. “We have evolved to a culture where we want everything now,” he says.

Focusing on niche sectors. CEO and Co-founder Timothy J. Schneider (second from right) says that Investors Community Bank, Manitowoc, Wisconsin, focuses primarily on agricultural and commercial lending.



PHOTO ESSAY: COMMUNITY BANKING CONFERENCE



A program to help with succession planning. Sorin M. Sorescu, Head of the Department of Finance at the Mays Business School, Texas A & M University in College Station (right), describes a program that educates undergraduate students in commercial banking with an emphasis on community banking. Students are selected based on their credentials and an interest in working in community banking. An advisory board sponsors the program, and board members come to the campus each year to deliver guest lectures. Every student in the program is offered a summer internship with an advisory board member.



The FDIC's ongoing commitment to community banks. At the end of the conference, Chairman Gruenberg affirms the FDIC's lasting commitment to community banks, noting that these institutions are at the core of the agency's mission.



Chairman Gruenberg chats with an attendee.

MENTORING PROGRAM

2016 Mentoring Program Orientation Fuels Developmental Partnerships

Mentors and mentees get to know each other and learn strategies for a successful year.

By SALLY KEARNEY
Office of Communications

Participants in the 2016 Mentoring Program gathered at Virginia Square March 30-31 for an orientation that launched their mentoring years, which runs through March 31, 2017. The two-day program featured a variety of formats to help mentoring pairs lay the groundwork for a productive year together. Mentoring Program Manager Brandon Anderson welcomed the participants. Facilitator Diane Rhodes kept attendees moving through different forums to learn and interact, from small-group discussions to one-on-one conversations between mentors and mentees to a “speed mentoring” session. The diverse agenda enabled participants to spend some quiet time within their partnerships while also enjoying mingling with the larger group.



DOA Deputy Director Julie Goodall introduces a video message from DOA Director Arleas Upton Kea.

Building a Solid Foundation

On the first morning, Julia Goodall, Deputy Regional Director for the Division of Administration (DOA), introduced DOA Director Arleas Upton Kea, who enthusiastically endorsed the program via video message. Director Kea recalled how her early mentoring relationship with the late and legendary Barbara Jordan—who served as a member of the U.S. House of Representatives for Texas’s 18th District, became the first African-American woman to deliver the keynote address at the Democratic National Convention, and was a recipient of the Presidential Medal of Freedom—helped her set goals and navigate a

successful career path. She encouraged the participants to take full advantage of the available resources throughout the year to maximize their opportunities.

Rhodes advised the mentoring pairs to build a solid foundation for their partnerships during the orientation. Also, she suggested, “Get to know other folks and learn from everybody in the room.”

Panel Discussion Focuses on Mentoring Gains

The second morning opened with a panel discussion featuring an experienced mentor, Janet Kincaid, Assistant Regional Director, Kansas City Region, DCP; a recent mentee, DIR Senior Financial Analyst Lousasha Denis, headquarters; and a former mentee and current mentor, Regional Administrative Specialist Karin Mortell of the San Francisco Region.

A Star is Born

Denis, who had just completed her mentoring year, described her transformation from being reluctant to speak in front of others to becoming a poised and accomplished public speaker. Recalling how she tended to freeze up on such occasions, Denis said that her mentor, RMS Supervisory Financial Analyst Shaundalon Hasty of the Chicago Region, encouraged her to practice by trying different speaking opportunities.

Within a year, Denis blossomed as a speaker, eagerly embracing her new role and even performing at comedy improv venues. “If it takes me out of my comfort zone, then I’m all for it,” she said. Her self-assurance and poise as a panelist are testa-



Facilitator Diane Rhodes leads a discussion on building trust and communication.



Mentoring Program Manager Brandon Anderson welcomes the participants on the first morning of the orientation.

ment to how far she has come.

Learning to Fly

When former mentee and current mentor Karin Mortell joined the FDIC’s Portland, Oregon, Field Office as an administrative professional, she felt that she had a lot to learn. “Everyone seemed so educated,” she said. “I was so intimidated that I almost froze.” When the assistant regional director for administration asked Mortell if she was interested in the Mentoring Program, Mortell jumped at the chance. Her first challenge was getting to the orientation session at Virginia Square as a first-time flier. “I was scared to death because I had never flown, and here I was, flying all the way across the country!” she said.

see Mentoring, page 10, column 1



DCP Senior Deputy Director Sylvia Plunkett, a longtime mentor, offers valuable pointers.

MENTORING PROGRAM

Mentoring, from page 9

Her coast-to-coast flight was just the beginning. Mortell’s mentor, Kathy Moe, now serving as Acting Regional Director in San Francisco, refused to take no for an answer. “At first, I did not want to do anything,” Mortell said. “I thought every question I asked was dumb. So Kathy told me to call the regional office and ask a question. I was a good procrastinator, but she would not do anything for me. She just kept pushing me to get outside of my comfort zone. And with each step, I grew a little more and started getting more confident.”

At first, her action plan consisted of small steps, but Moe continued to nudge her along. “She suggested that I make a presentation for my field office,” Mortell said, “and that petrified me.”

Soon Mortell gained traction. “My action plan kept getting bigger,” she said. “Kathy and I read books together, and I shadowed her. She took me to lunch and introduced me to a network of women she knows outside of the FDIC. I

felt like a new world had opened up for me. I learned the value of pushing myself and opening every door. Anything that Kathy suggested, I did. She saw more in me than I saw in myself.”

Mortell’s breakout year did not mark the end of her progress. By the time she

program and advanced to new positions. One of those jobs was in Chicago, but this time, when she boarded a plane with her three children, Mortell was calm. After all, she had learned to fly, in more ways than one. “The Mentoring Program opened up such a wonderful array of opportunities and



Photo left: A question from Diane Rhodes prompts a show of hands from participants. Photo right: Mentoring pairs enjoy small group discussions. At center, mentee Sheritta Arie, Compliance Examiner in the Houston Field Office, and to the immediate right, her mentor, Todd Hendrickson, Deputy Regional Director, San Francisco Region.

completed the program, she already had a one-year plan and a five-year plan. She participated in the Aspiring Leader Pro-

gram and advanced to new positions. One of those jobs was in Chicago, but this time, when she boarded a plane with her three children, Mortell was calm. After all, she had learned to fly, in more ways than one. “The Mentoring Program opened up such a wonderful array of opportunities and



Photos clockwise from top left: Janet Kincaid reminds participants that their year will pass quickly. “This is your year. Make the most of it, and don’t be afraid to step out of your comfort zone.” DIR Senior Financial Analyst Lousasha Denis recounts how she blossomed into a confident public speaker during her mentoring year. Panelists enjoy a lighter moment. Karin Mortell recalls how her mentor pushed her to try new things. “Anything that Kathy [Moe] suggested, I did. She saw more in me than I saw in myself.”

gave me the confidence to see the big picture of the FDIC,” she said.

Making the Most of the Mentoring Year
Before speaking on the panel, Janet Kincaid jotted down the names of all the people she has mentored—a veritable network, or village, of aspiring mentees. What struck her, she said, is how much she has gained from these partnerships. “What a vast experience,” she said. “Mentors give, and mentees give back to us. I have grown so much over this long period of time because of all that my mentees have given back to me.”

Having served as a mentor since the program began, with the exception of just one year, Kincaid has helped mentees in various ways. Some wanted to focus on professional pursuits, while others had more unconventional requests. “A mentee wanted help organizing her closet at home,” she said. “We bought a book and worked on organization. By being more organized at home, she could be a better employee at work.” Kincaid’s point? “Do what works for you,” she said.

Reminding the audience that time passes quickly, Kincaid urged the participants to stay mindful and make the most of their year. At the same time, she cautioned against setting too many goals. “Stuff your

see Mentoring, page 11, column 1

MENTORING PROGRAM

Mentoring, from page 10

plan, but not so full that you can't focus on what you want to do," she said. "Avoid trying to do so much that you don't get even one or two things accomplished."

One practice that Kincaid has found useful is to take stock every quarter. "Do a check-in," she said. "Ask if you are in a good place. Is the dialogue serving you? Don't wait. Make sure that you are both in the same place and communicating the way you want to communicate."

Kincaid also encouraged mentees to reach out to as many people as possible during the year. "Letting people know that you are in the Mentoring Program opens doors," she said. "Nobody has all the answers. Find people who have experiences that you don't have, and learn from them."

In short, she said, "This is your year.



A participant shares her perspective.

Make the most of it, and don't be afraid to step out of your comfort zone."

Off to a Good Start

Mentee Paul Green, a Financial Institution Examiner in the Dallas Field Office,

commented that the orientation helped him prepare for his mentoring year. "I enjoyed the program," he said. "I really appreciated getting to meet my mentor in person, and the 'speed mentoring' exercise was a definite highlight for me."

First-time mentor Mary Laverty, an Assistant Director in DRR, also took much away from the orientation. "The two days provided some great information for beginning the relationship with my mentee, Eric Gold [Counsel, Legal Division, headquarters]," she said. "I look forward to using some of the approaches suggested during the conference by other mentors who have been serving in this role for many years, and developing some new ideas that may help others who participate in the program in the future. The groundwork we established was a great way to kick-start the work that Eric and I plan to do together." ■



Participants in the 2016 Mentoring Program gather at Virginia Square for the March 30-31 orientation kicking off their mentoring years.

Turning Failed-Bank Properties Into Props: The FDIC's Supporting Role in Movies and TV

By JAY ROSENSTEIN
Office of Communications

One of the most popular songs of 1934 — the year FDIC deposit insurance coverage took effect — was the classic “You Oughta Be in Pictures.” The lyrics, made famous by singer Rudy Vallee, begin, “You oughta be in pictures. You’re wonderful to see. You oughta be in pictures. Oh, what a hit you would be!”

I mention that because, more than 80 years later, FDIC personnel in Dallas and Washington are now singing a similar tune about how *we* oughta be in pictures ... and television. Not on camera, but behind the scenes, by occasionally renting buildings we have temporarily acquired from failed institutions for use in filming movie and TV shows.

It’s not like we haven’t been involved in film-production deals before, on at least a couple of occasions. I’ve previously written in this space about how, in 1989, the

FDIC agreed for a sizeable fee to let a vacant Houston bank building be converted to a police station and then set on fire (not really) for the dramatic opening scene of the sci-fi movie “I Come in Piece,” about a drug dealer from outer space starring Dolph Lundgren and Brian Benben. Despite an explosion and flames being set off, there was no actual damage to the building thanks to special effects and a good clean-up job by the movie company.

And in 1992, Warner Brothers paid the Resolution Trust Corporation (RTC) for the right to torch a dozen unfinished homes in a development north of Los Angeles for the big ending of the action movie “Lethal Weapon 3,” starring Mel Gibson and Danny Glover. It was a good deal for the RTC, which wanted to demolish and remove the houses anyway so it could sell the land at a better price.

From what I’ve been told, over the years there had been very few film requests to the FDIC. And even when calls did come in, FDIC officials had little interest in serving as a property-renter to the stars, largely because they were hesitant to enter into deals that appeared to involve significant potential liability. That was especially the case with proposals to film inside buildings, where more damage could be done.

Then in 2011, the FDIC received an unusually high number of inquiries — four in about four months. And that got staff in the Division of Resolutions and Receiverships thinking more about the potential upside of approving these kinds of requests ... under the right conditions. That led to meetings and discussions involving staff in Dallas and Washington, primarily from DRR’s Owned Real Estate (ORE) Department and Government/Public Relations group, the Legal Division and the FDIC Office of Communications (OCOM). In 2012, officials reached a general consensus that we should hap-



Phillip Thomas, an FDIC franchise and asset marketing specialist with DRR in Dallas, recently took the lead on how the agency will handle requests from movie and TV production companies wanting to film at vacant properties temporarily owned as a result of bank failures.

pily entertain offers from the entertainment world if precautions are taken, including appropriate insurance coverage and security measures being written into the contracts.

What’s in it for us? According to DRR staffers, there are basically three benefits from having the FDIC in this line of business: generating income that can help offset our costs from handling the failure of the institution that previously owned the property; providing another way to market and showcase properties we have for sale or rent; and enhancing the FDIC’s reputation in the local community after a bank failure.

“We always look for opportunities to recover some of our costs of handling the assets of failed institutions, and we are always open to requests from the entertainment industry,” said Phillip Thomas, a DRR franchise and asset marketing specialist in Dallas who has recently taken the lead on filming requests to the FDIC. “Remember, while we are marketing these properties, our monthly cost to maintain them continues to accrue, so anyone wishing to enter into a short-term lease could help defray our cost — as long as the liability concerns are met.”

Of the approximately 10 filming inquiries received by DRR going back to the start of 2011, only one was approved. The others didn’t pan out for a variety of reasons. Several were for vacant bank buildings — most

see Inside/Out, page 13, column 1



If you tune in to three episodes of the CW Network’s new weekly drama “Containment,” about a deadly epidemic that puts Atlanta under a quarantine, you may watch the first scenes filmed by the entertainment industry on FDIC-owned real estate in many years. The photos here, taken in October 2015 by the FDIC, show Warner Brothers crew members preparing for their scenes and some of the properties the agency agreed to rent to WB.

Inside/Out, from page 12

likely to use vaults and teller stations for robbery scenes — but the FDIC either didn't own properties where the filming was being done or what we had was being leased to an open bank. In a couple of other cases, the production companies needed to start filming before a building and an approved contract could be ready from us.

But liability concerns are always a major part of the review, and they were a big part of the rejection of one request in 2014 to rent a vacant bank branch in metropolitan Chicago ... to shoot a music video for a rock band! Although there was one bank office in our inventory that seemed like a possibility, after consulting with management in the ORE Department and OCOM, the conclusion was that the rental income wouldn't be enough to offset other costs and the potential exposure to financial liability and bad PR.

And what was the FDIC's first filming rental in many years? It was our most recent request, in October of 2015. Warner Brothers (often referred to as "WB") contacted the FDIC about a location to film scenes for a brand-new, hour-long TV drama on the CW Network called "Containment." Haven't heard about that show? It just debuted on April 19, 2016. Here is how "Containment" is described by Warner Brothers: "When a mysterious and deadly epidemic breaks out in Atlanta, a vast urban quarantine is quickly

enforced, forcing those stuck on the inside to fight for their lives while local and federal officials desperately search for a cure."

A production company that works for WB and searches for locations based on the needs of the script contacted the FDIC about permission to film on the street and the grounds outside of five vacant commercial buildings that the FDIC had acquired from Atlanta's Capitol City Bank & Trust Company, which failed in February 2015. The properties were part of a larger site that consists of 40 lots near Turner Field, home of the Atlanta Braves. The area was primarily used for paid outdoor parking, mostly for Braves games, and the FDIC is managing the lots and collecting parking fees until the buildings can be sold.

What did WB want to film outside? Scenes of protesters gathering as tensions mount and a clash appears imminent inside the quarantine zone.

Warner Brothers also asked permission to cover one or more of the buildings with "set dressing" (temporary facades). As Thomas recalled, "Since the buildings had boarded-up windows and doors for security purposes, and have had local gang paintings put on them, this dressing would allow them to cover most of the graffiti and improve the appearance of the buildings."

Given that the draft contract called for a substantial rent payment, a million dollars of liability insurance for the FDIC, no en-

try into any of the buildings, and appropriate access for FDIC representatives to monitor conditions onsite, management quickly gave their OK. Within a few days, Warner Brothers employees and trucks arrived for a one-week filming period that was later extended into November for a second week.

"From what I understood, the filming and cleanup went flawlessly — no issues," Thomas reported.

As for how the FDIC-owned properties look onscreen, you can be the judge. According to a WB publicist, our scenes in "Containment" will appear in three consecutive segments that will be premiering on June 21, June 28 and July 5, starting at 9:00 p.m. (EST). And, the day after each new episode airs it will become available for viewing on the CW Network's website at www.cwtv.com/shows/containment. You'll need to search for each one using its title and/or episode number, which in chronological order are: "A Kingdom Divided Against Itself" (#109), "A Time to Be Born..." (#110), and "Nothing Gold Can Stay" (#111).

With this one successful TV gig under our belt, I asked Thomas if he envisions the filming business growing at the FDIC. "I would hope that we could demonstrate that our liability exposure would be so limited on some of our properties that we would have more leeway to approve interior building use."

Makes sense to me. I'd say the FDIC is ready for our close-up.♣

Sally Kearney Marks Two Decades with the *FDIC News*

Telling the stories of the FDIC for 20 years (1996-2016).

By LAJUAN WILLIAMS-YOUNG
Office of Communications

If you are doing a job you always wanted to do as a kid, then you are one of the lucky ones. This month, we are profiling an employee who is living her childhood dream of being a professional writer. She is not only one to envy. She is one who leaves others with an indelible mark, however subtle, that describes how character and work are two sides of the same coin.

Keeping Employees and Retirees Informed

Sally Kearney is the managing editor of the *FDIC News*. In that role, Kearney writes hundreds of interesting stories, informs thousands of employees about important initiatives, and profiles legions of FDIC staff members and retirees in a virtual yearbook of FDIC accomplishments—both individual and collective. Her petite physical stature is certainly not a clue to the spirit and energy she brings to her work. To quote Shakespeare, she does “in the figure of a lamb, the feats of a lion.” Admittedly, serious writing is tough, Sally modestly said, but she enjoys working hard to keep FDIC employees and FDIC retirees informed.

Kearney said she can hardly believe that 20 years have passed since she joined the FDIC in 1996 after working with the Resolution Trust Corporation (RTC). During my interview with Sally, she said: “I



Williams-Young's research into the past 20 years of the *FDIC News* led to an exploration of the publication's more distant past. Look for her series of retrospectives on various past decades of the *FDIC News*, beginning soon.

am amazed and very grateful to have reached this milestone and to look back on two decades of event-filled years with the *FDIC News*. It has been an exceptionally rewarding time for me professionally. Managing the *News* and reporting on our agency is endlessly stimulating and engaging, and always just fun.”

The FDIC, it turns out, is an “excellent beat” for a writer, reporter, and editor. “The FDIC has multiple responsibilities and is continually evolving and transforming itself, and as a result offers an ongoing supply of subjects to cover,” Kearney said. “What is more, the people who make up the FDIC community are dedicated, smart, and competent, and have never failed to inspire me. Every person has a story, a compelling point of view, and sharing their wonderful stories with our readers is one of the great pleasures of this job.”

Kearney's goal has always been to find new and creative ways to bring a fresh perspective to the *FDIC News*. She has interviewed every chairperson since 1996, countless division heads, regional managers, and staff at every level. She also covered the recent financial crisis through the eyes of both current and former employees.

But what does this mean? What does it involve? It means being an FDIC writer always carries the responsibility of learning a variety of subjects quickly and conveying that information to a broad audience. It involves the ability to simplify complicated issues into understandable sentences—a talent Kearney truly possesses. She mentions, for example, that she is not by training a “quantitative person,” but she nevertheless is always eager to sit down with an examiner, a financial analyst, or an accountant, to learn about the intricacies of what they do, which eventually allows her write an accurate story for a broad and diverse audience.

A Collaborative Enterprise

Kearney gives due credit to FDIC employees who creatively and diligently contribute to the *FDIC News*; in particular, the *FDIC News* editorial board members from across



Story Author LaJuan Williams-Young (left), and Sally Kearney, *FDIC News* Managing Editor, look back at 20 years of the *FDIC News*.

the agency meet monthly to brainstorm story ideas. “The board members are the invisible eyes and ears across the divisions and regions,” Kearney said. “They routinely bring insightful clarifications to our meetings and provide invaluable sound advice on the overall content of the publication.”

*Kearney's goal has always been to find new and creative ways to bring a fresh perspective to the *FDIC News*. She has interviewed every chairperson since 1996, countless division heads, regional managers, and staff at every level. She also covered the recent financial crisis through the eyes of both current and former employees.*

Financial Analyst Lynne Montgomery serves as the Division of Insurance and Research representative on the editorial board. Over the years, Montgomery has been impressed with Kearney's seemingly inexhaustible enthusiasm, and her creative approach to the *FDIC News*. “She works tirelessly to make sure that the *FDIC News* covers all aspects of the corporation and its employees. She is very thorough about everything, and creates a forum that welcomes and values all ideas.”

Kearney said: “The editorial board helps

see Kearney, page 15, column 1

OFFICE OF COMMUNICATIONS

Kearney, from page 14

us provide coverage that is as diverse as possible in order to keep our readers informed of all the things that are happening throughout this agency. Without them, my job would not be possible.”

An Inclusive Approach to Writing

Kearney spoke at length about editorial subjects that she has received from employees who may or may not be interested in actually writing a story. In my interviews with FDIC employees who currently or previously helped with the *FDIC News*, they said that Kearney will listen attentively to your suggestions and then write the story being offered, or help you cultivate your hidden or untapped writing talents by guiding you through the writing of the story you offered. They also agreed that Kearney promotes any collaborative relationship and will explore any topic that makes the *FDIC News* more inclusive and interesting. It is this 20-year-old editorial philosophy that has opened the door to so many employees at every level and encouraged them to contribute to the *News*.

Kearney has helped many people develop the same passion for writing that just seems to come naturally to her. In other words, Kearney’s advice to other writers is to approach each writing assignment with energy and confidence. For Connie Evans, Secretary to Deputy General Counsel Roberta McInerney, Kearney’s willingness to share her skills, knowledge, and expertise has been a game changer. It has motivated her to dust off the skills she obtained earning a journalism degree and put her writing skills back to work. And, Evans said, she could

not have found a more gracious motivator to help advance her *confidence*, and provide meaningful guidance and feedback. “Sally has become my unofficial mentor and has provided immeasurable perspective and advice on my personal and professional growth.”

Kearney strongly encourages aspiring writers to overcome initial fears. “I am a firm believer in the notion that writing is a craft and that anyone who is willing to learn simply needs to get started,” she said. “I am always more than happy to partner with experienced writers or aspiring writers who are interested in helping develop a story for the *News*.”

“I am amazed and very grateful to have reached this milestone and to look back on two decades of event-filled years with the FDIC News. It has been an exceptionally rewarding time for me professionally. Managing the News and reporting on our agency is endlessly stimulating and engaging, and always just fun.” –

Sally Kearney

Not surprisingly, when you do have a conversation with Kearney, you feel like you have her undivided attention because she believes that a single conversation could quite possibly reveal several story ideas.

W. W. Clyde Reid, former editor of the *FDIC News*, gave testament to Kearney’s gift for reaching out to others. He recalled the many years he worked with Kearney,



Kearney said: “The editorial board helps us provide coverage that is as diverse as possible in order to keep our readers informed of all the things that are happening throughout this agency. Without them, my job would not be possible.”

especially mentioning her friendly, outgoing personality. “When it came to being your friend, Sally was unstoppable,” Reid recalled. “Sally’s kindness and friendliness could be all encompassing, sort of like an avalanche or a tsunami. If she wanted to be nice to you, you would just sort of be engulfed. Resistance was futile.”

Reid recalled a trip he and Kearney took to Boston to cover the operations of that regional office for the *News*. “We went to the car rental office at the airport,” he said. “There was a couple with two or three kids sitting in the office, waiting for their car, I guess. I didn’t pay any attention to them and went to the counter to fill out the paperwork. Sally started chatting with the couple. In the 10 minutes or so it took me to sign the forms, she found out their names, the names and ages of their kids, where they were from, what they would be visiting in Boston, and everything else. For all I know, she is exchanging Christmas cards with them to this day.”

There’s an old saying that the way to have a friend is to be a friend. “I guess that’s why Sally has so many friends,” Reid marveled. “It’s hard not to like someone who is as relentlessly nice as Sally Kearney.”

A Changing Publication

Over the last 20 years, of course, there have been many changes to the *FDIC News*. Shortly after Kearney’s arrival, the print publication changed from a magazine size (8 ½” x 11”) to a larger format (11” x 17”)—



From the *FDIC News* archives: Kearney reports on a conference in the Hove Auditorium.

see Kearney, page 16, column 1

OFFICE OF COMMUNICATIONS

Kearney, from page 15

and now to an electronic-only format. From the 1940s through the 1960s, the newsletter had focused heavily on items like family announcements, employee hobbies, and recipes, but over time, the stories gradually focused primarily on the business of the FDIC and employees' professional activities.



A gorgeous day in the Rose Garden. Kearney sets foot on the White House grounds to report on FDIC Ethics Program Manager Robert Fagan, who at the time is on a special assignment as an ethics adviser.

But one segment of the newsletter that hasn't changed for the past 20 years is the quarterly column, *INSIDE/OUT*, written by longtime OCOM Senior Writer/Editor Jay Rosenstein. *INSIDE/OUT* focuses on unusual or humorous stories about the FDIC. During his time working with Kearney in OCOM, Rosenstein had ample opportunities to observe Kearney's work ethic and commitment, particularly under stressful situations. He recalled Kearney receiving an assignment with an extremely short turnaround time. "At first she said something like, 'It's almost impossible to make this deadline,' but a few seconds later said, 'You know, it will be good for me to challenge myself, I mean, with this.' I was impressed with how quickly she turned a negative into a positive. It's typical for Sally to remain positive no matter what the circumstances."

Rosenstein has also been impressed by Kearney's professionalism and unselfishness. "When I want to brainstorm with Sally on two or three possible ideas for my column, she always tries her best to help me come up with a good solution," he said. "And I especially appreciate that she'll send my way a good story she hears about that she could easily have kept for herself. Typical of Sally. It's just part of her nature to be nice to people."

Kearney credits the many colleagues she has worked with over the years who have helped her reach this milestone. But, as much as she gives credit to others, there was the resounding theme from those I interviewed that the continued success of the *FDIC News* is, in large part, because Kearney is at the helm. "I am very fortunate to do something that I enjoy," she said.

Kearney has helped many people develop the same passion for writing that just seems to come naturally to her. In other words, Kearney's advice to other writers is to approach each writing assignment with energy and confidence.

"Working with my colleagues, doing interviews, attending events, reporting, writing, editing, and compiling the publication—all of these activities are in my blood. Also, as they say in yoga, no matter what level you are at, there is always somewhere to go. I see every story as an opportunity to try something new, find a different angle, up my game. The wonderful thing about working with the *FDIC News* is that as soon as you finish a story, there is another story waiting, and as soon as you put an edition to bed, there is that enticing clean slate of the next edition waiting to be written." 🏠

Postscript: As of January 2016, the FDIC News converted from a print and online publication to an online-only publication. But have no fear: Kearney's articles and the newsletter are still available to all FDIC employees and retirees. The changeover to the electronic format allows for immediate access to stories as they are published versus waiting a full month to receive a hard copy. If, however, you want to read your copy in the same format that you were used to, the full newsletter option is available to print at the end of each month.