

Branch Manager (BM) Career Track

Kickoff

I. Establish a Mentor Relationship

Mentors provide the BM a safe environment in which s/he can ask questions, discuss observations, vent frustrations, and share ideas. Mentors can foster understanding, growth and development in a non-judgmental and constructive way.

Assess the BM's strengths and opportunities. Identify mentors for the BM to have 30-minute weekly calls/meetings with. Mentors should have the following qualifications:

- Is not the BM's direct leader
- Has been, or has been trained to be, a branch manager
- Is seen by most of senior leadership as being actively engaged, a strong leader, and a model of the organization's desired culture
- Has strengths in the areas of the BM's opportunities
- Has experience mentoring employees or has gone through mentoring training

The initial mentoring meeting should begin within 30 days of the BM beginning the program. Subsequent meetings should be scheduled each week throughout the first 90 days. After the first 90 days the mentoring meetings should be shifted to bi-weekly or monthly based on the following guidelines:

- Bi-weekly during the first month of any new rotation
- Monthly after the first month of a rotation

II. Banking Basics

Basic banking principles provide a core foundation for any banker but are especially crucial for anyone being considered for future bank leadership. Understanding the industry, its history, and how each department contributes to the bank's success is a key part of the overall success of any rotational program.

Basic banking principles should include:

- The business of banking
- Bank departments and functions
- Bank competition
- Basic bank financials
- Deposit product and services
- Lending product and services

Specific to the institution, the BM should also learn:

- Product and services offerings
- Organizational chart and departments
- Locations
- Policies and procedures
- Proper opening and closing procedures

Rotations

Assign a point person for each rotation who is responsible for moving the BM through the various components. In addition, this point person will provide feedback on the BM's level of proficiency in each area and provide high level insight of the BM's strengths and opportunities revealed during the rotation.

I. Front-line Operations

Front-line transactions are at the core of most banking relationships. The accurate handling of transactions enables customers to have confidence in the institution. The conversations that take place during transactions can shine a light on opportunities for the institution to provide solutions and meet needs customers may not have realized they had.

The BM should be exposed to, and be able to accurately and consistently execute the following:

- Money handling – at the teller window and in the vault
 - Features of U.S. currency
 - Proper storage and security of currency in cash drawers and vaults including security items such as dye packs and bait money
 - Properly adhering to dual control requirements
 - Counting and packaging currency
 - Identifying and handling altered and counterfeit currency
 - Identifying and handling mutilated currency
 - Buying and selling currency internally and externally
 - Handling foreign currency
 - Processing large cash transactions and CTR reporting
- Negotiating checks
 - Components of a check and the different types of checks
 - Identifying negotiability and acceptability of checks
 - Identifying and handling forged and altered checks
 - Types of endorsement types
 - Identifying and handling valid and forged signatures
 - Acceptable and unacceptable types of identification
 - Identifying and handling of forged and altered identification

- Deposit account transactions
 - Differentiating credits and debits
 - Funds Availability
 - Reviewing account statements
 - Bank rules for processing transactions on new accounts
 - Accepting cash, check and combo deposits into checking and savings accounts
 - Processing deposits with cash back
 - Identifying and handling check kiting
 - Processing withdrawals from checking and savings accounts
 - Capturing and releasing images and other document workflows
- Loan account transactions
 - Accepting loan payments
 - Processing withdrawals from lines of credit
 - Document workflows
- Miscellaneous transactions
 - Issuing cashier's checks and money orders
 - Processing credit card cash advances
 - Initiating wire transfers
 - Redeeming savings bonds
- Product consultation
 - Building customer rapport
 - Recognizing cues that indicate potential customer product needs
 - Familiarity with bank products and services and how they meet customer needs
 - Identifying which bank employees are experts on each of the bank's products and services and the procedure to match customers with those bank experts
- Recognition of fraud
 - Behaviors of con artists
 - Following guidelines for handling suspected con artists
 - Types of customer fraud including elder financial abuse
 - Types of internal fraud and guidelines for addressing internal fraud
 - Identifying situations requiring a SAR and completing a SAR
- Robbery and bank security awareness
 - Bank security devices
 - Types of robberies
 - Responsibilities before, during and after a robbery
 - Bomb threat procedures
 - Kidnapping threat procedures
 - Extortion threat procedures
 - Active shooter procedures
 - Fire and emergency evacuation procedures

II. Account Opening Operations

Opening of new accounts is the best time to solution the customer's needs and is often the initial connection a new customer makes with the bank. If proper procedures are not followed, it can also expose the bank to significant risk.

The BM should be exposed to, and be able to accurately and consistently execute the following:

- Core system functions
- Account ownership types
- FDIC coverage
- Customer Identification Programs and Due Diligence
- Consumer accounts
 - Different types and benefits
 - Checking, Savings, Certificates of Deposit (CDs), Health Savings Accounts (HSAs), Individual Retirement Accounts (IRAs)
 - Requirements for account opening based on ownership type - Single Owner; Joint Tenancy; Multiple Owner; Fiduciary Accounts; Retirement Plans; Decedent Accounts
 - Types of POAs and what each permits
 - Documenting the account opening process
 - Explaining applicable policies and procedures
 - Providing new account materials to customers including check ordering when applicable
- Commercial accounts
 - Different types and benefits
 - Checking, Savings, CDs
 - Requirements for opening – complying with requirements based on business entities, identifying who has authority to open and transact on the account and business resolutions
 - Completing signature card contracts and proper account opening procedures for each type of business - Sole Proprietorships; General, Limited, and Limited Liability Partnerships; Limited Liability Limited Partnerships (LLLP); Limited Liability Company (LLC/SLLC); Corporations; Nonprofit associations and charitable organizations; Escrow/Agency/Intermediary; Interest on Lawyer Accounts; Public or governmental units
 - Documenting the opening process
 - Explaining applicable policies and procedures
 - Providing new account materials to customers
 - Addressing access after the death of a business account signer
- Opening safe deposit boxes
- Handling account maintenance
- Properly closing an account
- Recognition of fraud
- Resolving client queries and complaints

- Generating new business through new customer relationships and cross-selling additional bank products and services by effectively utilizing opportunity management, needs assessment, present/pitch, fulfillment and follow up
- Initiating stop payments, wire transfers, and telephone transfers
- Balancing and monitoring cash items and collection items
- Reviewing daily operations reports
- Evaluating customer requests for service charge refunds and processing necessary paperwork to refund customer service charges as necessary
- Facilitating IRA rollovers, transfers, and distributions
- Robbery and bank security

III. Consultative Selling

By understanding a customer's financial status, needs and goals the BM can best suggest product and service solutions. This active approach to meeting customer's needs can increase account balances, customer profitability, customer satisfaction and customer loyalty.

The BM should develop and be able to accurately and consistently demonstrate the following:

- Effective communication skills
- Self-motivation
- Establishing customer rapport
- Identifying customer needs
- Overcoming customer concerns
- Closing the sale

The BM should be aware of, and be able to consistently support customers through, the following stages of the Selling Process:

- Needs recognition
- Prepurchase search
- Purchase decision
- Postpurchase feelings

IV. Back-office Operations

Understanding how front-line and account opening transactions impact the work of back-office staff is critical to the BM having a strong collaborative relationship with those areas.

The BM should be exposed to, and able to explain how teller transactions, new account opening, and maintenance transactions impact the following:

- Fed Settlement
- Account reconciliation and balancing GLs
- Foreign currency processing
- Stop payments, hold orders and transfer requests
- Research requests
- Account maintenance

- Handling incoming and outgoing wire transfers
- Processing of various reports including, but not limited to, CTR, returned item, overdraft, maintenance reports
- Deposit corrections
- Preparing and researching levies and garnishments
- Assisting customers with debit card transaction research, Online Banking, Mobile Banking and Remote Deposit Capture

V. Operations Management

The BM must be able to manage the day to day operations of the front-line and new account opening staff. This includes overseeing teller transactions, new account openings, maintenance transactions and managing staff.

The BM should be exposed to, and be able to accurately and consistently execute the following:

- Staffing a branch
 - Determining staffing levels
 - Interviewing and hiring staff
 - Creating and managing schedules
- Providing transaction guidance or overrides
- Buying and selling vault currency to others
- Auditing
 - Monthly auditing of cash drawers
 - Auditing transactions for compliance with bank policies and procedures
- Investigating cash drawer outages
- Training new employees
- Documenting employee performance
- Counseling employees
 - Providing employee coaching
 - Providing verbal warnings
 - Documenting written warnings
 - Processing employee terminations
- Establishing and maintaining collaborative relationships with back-office operations
- Employment law basics – Fair Labor Standards Act (FLSA), Family Medical Leave Act (FMLA), Title VII, National Labor Relations Act (NLRA), Occupational Health and Safety Act (OHSA)

VI. Leadership

Learning how to motivate and inspire others will enable the BM to effectively lead others through adversity and foster future bankers.

This rotation should take the BM through assignments with a diverse group of leaders who leverage different leadership styles.

The BM should be exposed to, and able to execute or explain, the following:

- Employee relations
- Coaching
- Employee development
- Conflict resolution
- Employee engagement and motivation
- Change management

VII. Loan Products and Types

There are many different loan types and loan products offered by financial institutions. Even if a financial institution does not offer a loan type or product, it is important for its employees to understand what may be offered by competition in its market.

The BM should be exposed to the components and benefits of the following loan types:

- Direct vs indirect
- Closed-end vs open-end
- Secured vs unsecured
- Fixed rate vs variable rate

The BM should be exposed to the components and benefits of the following loan products:

- Indirect
 - Floorplan financing
 - Leasing
- Secured closed-end
 - Mortgage loans
 - Home equity loans
 - Auto loans
 - RV, boat and airplane loans
- Unsecured closed-end
 - Student loans
 - Debt consolidation
- Secured open-end
 - Home equity lines of credit
 - Reverse mortgages
 - Personal lines of credit

- Unsecured open-end
 - Credit cards
 - Check overdraft lines of credit
 - Personal lines of credit
- Loan guarantees
 - Cosigned and personally guaranteed loans
 - Government-guaranteed programs

The BM should be aware of and able to explain the following:

- Loan pricing
- Loan terms
- Payment protection
- Loan profitability

VIII. Loan Policy

Making sound and consistent lending decisions and effectively managing risk, comes from an understanding of all components of the bank's loan policy and how to comply with its guidelines.

The BM should fully review and be able to explain, the following:

- The bank's lending objectives
- Responsibilities of directors, management and staff
- Corporate responsibilities and ethics
- Geographic limits
- Pricing guidelines
- Loan types
- Loans to insiders and employees
- Lending authority
- Loan documentation
- Loan review
- Collections and charge-offs
- Credit criteria
- Decision-making system
- Regulatory compliance
 - FIRREA

IX. Loan Application

The first formal step in the lending process is generating a loan application from the consumer. While there may be different processes based on products and delivery channels the main components of the process should be fully understood.

The BM should be exposed to, and able to accurately and consistently explain and execute the following:

- Objectives of the application process
 - Generate applications
 - Collect information for a sound lending decision
 - Legal compliance
 - Create or strengthen applicant goodwill
- Components of the loan application
 - Name and residence
 - Credit history
 - Income
 - Employment
 - Collateral
- Marketing objectives and loan sources
 - Market segmentation
 - Geographic
 - Demographic
 - Psychographic
 - Volume
 - Benefit
 - MCIF systems and data mining
 - Promotion channels
 - Direct mail
 - Telemarketing
 - E-mail marketing and text messaging
 - The internet and social media
 - Consumer incentives
- Regulatory Compliance
 - FTC and FCC Telemarketing Rules
 - CAN-SPAM Act

X. Credit Investigation, Evaluation and Decision Making

Lending decisions should be made with information that is valid and loans should be made that are fair for the customer and the bank. These objectives can be achieved by conducting thorough investigations and evaluations.

The BM should be exposed to, and able to accurately and consistently execute the following:

- Credit investigation
 - Verify application accuracy and completeness
 - Data accepted as given – length of time at current address, number of dependents, previous address, previous job, checking and savings account information with other banks
 - Data verified through the investigation – current employer, income, current home address, value of collateral to secure the loan
 - Review applicant’s account history
 - Contact employers and creditors
 - Verify collateral value
 - Review personal financial statements and tax returns
 - Data verified through the consumer reporting agency – credit references, name and address, social security number, public records
 - Obtain credit agency reports
 - Confirm consumer identifying information
 - Review trad lines
 - Consider inquiries
 - Review public record and collection information
 - Identify potential concerns
 - Gaps in information
 - Information inconsistent with applicant’s age
 - Aggressive or anxious applicant
 - Acquire any additional information
- Credit evaluation
 - Comply with regulations and bank policy
 - Ensure that the risk is acceptable
 - Evaluate the 5 C’s of credit
 - Character
 - Payment history
 - Types of credit used
 - Sources of credit
 - Level of debt
 - Credit-use patterns

- Capacity
 - Income – debt to income ratio
 - Stability of employment and marketability
 - Type of job
 - Cash flow
 - Potential debt
 - Capital
 - Liquid assets
 - Tangible assets
 - Debt structure
 - Collateral
 - Value the collateral and the value behavior (depreciating, appreciating, stable, fluctuating)
 - Determine ease of repossession
 - Determine marketability
 - Identify owners
 - Conditions
 - Changes in the economy
 - Social or political environment
 - Laws and regulations
 - Competition
 - Changes in the bank’s goals and objectives
- Decision making
 - Approving the loan
 - Determining terms and conditions
 - Notifying the customer
 - Within 30 days of receipt of the completed application
 - Declining the loan
 - If applicable, make a counteroffer suggesting an alternative
 - Align with Reg B’s adverse action provisions within 30 days of receiving a completed application
 - Retaining goodwill
 - Appraisal notices

XI. Loan Documentation and Closing

Proper loan documentation helps bank earn a return, mitigate risk, and comply with legal requirements and bank policies. This rotation should include time spent in the loan processing and operations areas.

The BM should be exposed to, and able to accurately and consistently execute or explain, the following:

- Pre-closing activities
 - Document preparation
 - Establishing a security interest
 - Creating valid lien
 - Giving notice
 - Possession of collateral
- Closing activities
 - Explaining the terms to the customer
 - Cross-selling other bank products
 - Asking for referrals
- Post-closing activities
 - Document examination and error resolution
 - Booking the loan
 - Recording and reporting
 - Obtaining lien and insurance documents

XII. Collection and Recovery

Though some customers may abuse credit and not pay their debit, most loan defaults are due to unexpected events or a lack of customer financial aptitude. Understanding the signs of, and managing, delinquencies helps both the customer and the bank.

The BM should be exposed to, and able to execute or explain, the following:

- Differences between the collection and recovery functions
- Causes of delinquency
 - Changes in financial situations
 - Changes in marital status
 - Addiction
 - Economic downturns
 - Irresponsible lending
 - Poor money management
 - Fraud
- Counseling customers experiencing difficulty
- Maintaining acceptable delinquency rates
- Maintaining acceptable loan loss levels
- Generating loss recoveries
- Managing collection and recovery costs
- Charge offs

- Regulatory compliance
 - BAPCPA

Post-Rotation Review

Assess the BM's strengths and opportunities. Review the feedback from each rotation area with HR, Training, mentors and the BM's leaders. Provide feedback to the BM and build out a development plan for any identified areas of opportunity.

Branch Manager Educational Options

Optional external education for the Branch Manager track

- **Banking Basics Section**
 - a. **OBL** – POB Remote Course, Banking 101 Seminar, Essentials of Banking Series
 - b. **Regulatory University (Reg U)** – Awareness-Ethics, Sexual Harassment, Diversity in the Workplace, Awareness-Physical Security
 - c. **TTS** – Fundamentals of Banking I & II, Deposit Products and Services
 - d. **ABA** – Banking Fundamentals, Banking Basics Suite

- **Front-line Operations**
 - **Reg U** - BSA/AML Awareness, Anti-money Laundering for Tellers, Awareness - Check 21, Currency Transaction Reporting, Customer Identification (CIP) Basics, Teller Training - Check Holds, Training - Check Fraud Awareness, ID Theft Red Flags Rule, Suspicious Activity Reporting
 - b. **TTS** – Deposit Compliance, Expedited Funds Availability Act Regulation CC, Frauds and Scams, Office of Foreign Assets Control, Wire Transfers, Accepting Negotiable Instruments, Bomb Threats and Other Security Issues, Cash Handling Skills, Fraud at the Teller Station, Handling Stop Payments, Issuing Negotiable Instruments, Robberies
 - c. **ABA** – Bank Teller Certificate, Savings Bonds

- **Account Opening Operations Rotation**
 - a. **OBL** – Ohio Deposit Account Documentation, IRA Contributions, IRA Principles, IRA Procedures, Life Cycle of a Deposit Account, Bank Security Conference
 - b. **Reg U** – Anti-money Laundering for Personal Bankers, Awareness-Truth in Savings Act, Customer Identification Basics, FDIC Insurance Basics, ID Theft Red Flags Rule, Regulation D, Reporting Elder Financial Abuse, FCRA for Information Furnishers-Basic
 - c. **TTS** – Deposit Products and Services, Handling Stop Payments, Simple IRA Basics, Health Savings Accounts, New Account Opening, Safe Deposit Boxes, Expedited Funds Availability Act Regulation CC, Federal Deposit Insurance Corporation, Truth in Savings Regulation DD, Frauds and Scams, Office of Foreign Assets Control, Wire Transfers, Bomb Threats and Other Security Issues, Handling Stop Payments, Robberies
 - d. **GSB** – HSA Training Seminar Series, IRA Training Seminar Series, IRA Transfers and Rollovers Seminar
 - e. **ABA** – Robbery and Bank Security

- **Consultative Selling Rotation**
 - a. **TTS** – Diagnosing Customer Needs, REAL Sales Series, SIMPLE IRA Basics
 - b. **GSB** – Customer Experience Management-Lead It or Lose It
 - c. **ABA** – Bank Sales and Service (Expanding Customer Relationships), Essential Selling Skills Bundle, Relationship Sales Suite

- **Back-Office Operations Rotation**
 - a. **TTS** – Regulation E Error Resolution, Remote Deposit Capture
- **Operations Management Rotation**
 - a. **OBL** – Stepping Up to Supervisor, Employment Law Update, Branch Manager Bootcamp
 - b. **TTS** – Change Management, Delegation Skills, Introduction to Management Basics, Coaching and Feedback, Leading People Through Change, Sharpening Your Interviewing Skills
 - c. **GSB** – Employment Law Update Seminar, Interviewing Skills for Better Hires Seminar, Managing Generations in Today’s Workplace, Every Employee is Responsible for Customer Growth Seminar
 - d. **ABA** – Management Skills Suite, Branch Manager Certificate
- **Leadership Rotation**
 - a. **OBL** – Bank Management School, Bank Leadership Institute
 - b. **GSB** – Emotional Intelligence Seminar, Leadership & Negotiation Skills for the Workplace Seminar
 - c. **ABA** – Wharton Certificate Programs
- **Overall Consumer Lending**
 - a. **OBL** – CBC Lending Compliance School, TRID for Lenders and Processors, Reg Z University
 - b. **TTS** – Fair Lending Overview, Consumer Credit Products, The Five Stage Lending Process
 - c. **GSB** – Intro to Consumer Lending Seminar
 - d. **ABA** – Consumer Lending
- **Loan Products and Types Rotation**
 - a. **OBL** - TRID for Lenders and Processors, Regulation Z Compliance School
 - b. **Reg U** - Fair & Responsible Lending, Truth in Lending Act – Home Equity Lines of Credit, Fair Credit Reporting Act for Lenders, Anti-money Laundering for Consumer Lenders, Anti Predatory Lending
 - a. **TTS** – Consumer Credit Products, Introduction to Credit Card Regulations, Telemarketing Consumer Fraud and Abuse Prevention Act, Unfair Deceptive or Abusive Acts or Practices for the Financial Institution, Consumer Lending Regulations, Community Reinvestment Act (CRA) for [institution size], Real Estate Settlement Procedures Act (RESPA): Regulation X, Truth in Lending Act: Regulation Z
- **Loan Policy Rotation**
 - a. **TTS** – Loans to Executive Officers Regulation O, Affiliate Transactions: Regulation U
- **Loan Application Rotation**
 - a. **TTS** – Equal Credit Opportunity Act Regulation B, Taking the Loan Application
- **Credit Investigation, Evaluation and Decision-Making Rotation**
 - a. **TTS** – Analyzing Personal Financial Statements, FACT Act Overview, Fair Credit Reporting Act, Investigating the Applicant-Part 1&2, Making the Decision
 - b. **GSB** - Personal Tax Returns and Cash Flow Seminars
 - c. **ABA** – Analyzing Financial Statements, Processing and Underwriting Credit

- **Loan Documentation and Closing Rotation**
 - a. TTS – Processing the Loan
- **Collection and Recovery Rotation**
 - a. TTS - Fair Debt Collections Practices Act, Servicemembers Civil Relief Act (SCRA)

For questions regarding any of the educational options listed in the section above, please go to www.ohiobankersleague.com or contact any of the following members of the OBL Professional Development Team:

- Sarah Husk, shusk@ohiobankersleague.com, 614-340-7610
- Julie Kiplinger, jkiplinger@ohiobankersleague.com, 614-340-7612
- Susan Poling Jones, spoling@ohiobankersleague.com, 614-340-7611
- Megan Peiffer, mpeiffer@ohiobankersleague.com, 614-340-7618

Activities to enhance learning from the Branch Manager track

- **Banking Basics**
 - Explain banking concepts learned to leaders in each department
 - Participate in a career day to explain banking to students
- **Front-line Operations**
 - Review previously completed CTRs and SARs
 - During downtime, randomly complete, and have tellers complete, a robbery description form on a bank visitor
- **Account Opening Operations**
 - Role play the account opening process with a senior banker
 - Review account opening documentation for a new account opened by another banker and explain the reason behind everything completed
- **Consultative Selling**
 - Shadow on the front-line and during new account openings and make a list of possible cross-sell opportunities based on customer conversations
 - Track each of the stages of the selling process of a recent purchase, or purchases, the banker personally made
- **Operations Management**
 - Review branch job descriptions and track performance on a branch employee each month and review the assessment with a people leader
 - Sit in on interviews being conducted by other leaders, make notes of observations or of questions that could be asked, review the notes with HR
- **Loan Products and Types**
 - Research various loan promotions offered by competition in the market and outline differences in rates, types, terms, etc.

- **Loan Policy**
 - Compare the bank's loan policy with a generic policy and outline any differences

- **Loan Application**
 - Sit with senior bankers taking loan applications
 - Review previous marketing campaigns
 - Shadow on the front-line and review customer accounts to check on possible cross-sell opportunities revealed during transactions

- **Credit Investigation, Evaluation and Decision Making**
 - Review previous loan applications (for loans made and denied), without reviewing any of the file notes and outline any questions the bank should ask, any concerns and the loan recommendation

- **Loan Documentation and Closing**
 - Conduct a mini loan review on recently made loans to review the completion of pre, post and closing activities
 - Shadow a loan processor for one or two days. Create closing documents and process information received from loan closings

- **Collection and Recovery**
 - Review some current collections files and outline any red flag indicators and make suggestions on possible customer counseling
 - Attend a financial counseling course to see what is covered and outline how the information can be leveraged in customer conversations