

BankFirst reaches out to Titusville with a new community-focused program to address critical social concerns of North Brevard — to be led by local advisory board; enters jumbo-mortgage market

By Ken Datzman

BankFirst, whose roots are embedded in The Bank Brevard, is set to introduce in the Titusville market a timely, proactive program that will provide an avenue for individuals and businesses to have a direct financial impact on helping to improve their community.

The program will include loans earmarked for affordable housing, business development, conservation, education, and nonprofit and faith-based groups.

Mick Welch, BankFirst's president in Brevard County, says his financial institution is finalizing plans and anticipates a rollout of the new initiative, "Socially Responsible Banking," in mid-to-late summer in Titusville. The venture is designed to address the critical social needs of North Brevard and empower organizations to make the community stronger, Welch said.

"We think this is going to be a dynamic program for the Titusville market," he said. "Socially Responsible Banking is a partnership between BankFirst and our customers, where everyone becomes a winner in making Titusville a better place in which to live and work."

Headquartered in Winter Park, BankFirst initially launched the program in that market in late 2005. "It has been a very successful program in the Winter Park area and has assisted with the funding of several community projects. We're very excited about making it available in Titusville. This is what a community bank is about. We work to enrich the communities we serve and the lives of the customers we serve," Welch said.

Socially Responsible Banking, or SRB, is comprised of a deposit account that offers a high rate of interest for participating individuals and institutions, Welch said. "These deposits are then directly invested into three socially sensitive loan categories (with special rates and returns). The categories are Affordable Housing, Community Building (to include education, nonprofit support, faith-based initiatives, conservation, and the environment), and Business and Economic Development."

On the economic-development front, SRB will provide loans to businesses moving into the Titusville area that create new employment opportunities. In addition, loans will be available to existing businesses looking to expand, provided that new employment opportunities are created or existing jobs are preserved.

BankFirst says SRB is an investment in the community, not a charity program. Depositors

earn interest on their accounts, and loan recipients are required to pay back their loans so that the bank can lend these funds again to worthy local causes.

SRB will be guided by a Community Advisory Board made up of leaders in the region who are experts in each focus area of the program, Welch said. "We are aligning ourselves right now with the proper people to be involved with the different program entities."

He said BankFirst plans to extend the SRB initiative into other Brevard communities. "We plan to follow up the Titusville launch and roll the program into Melbourne in the future."

BankFirst is roughly a \$620 million company with offices in Brevard (Titusville, Viera, and Melbourne) and in Central Florida. The institution has been expanding its product line in the local market and is now marketing mortgages as part of its financial-services portfolio. "We're now offering 15- and 30-year fixed-rate mortgages. Under The Bank Brevard flag we did not offer mortgages," Welch said.

BankFirst also has entered the jumbo-mortgage arena (over \$417,000). "Some people have had difficulty getting jumbo mortgages in this market. We think it's going to be a successful product for us. These are in-house products for BankFirst and we do not sell the mortgages into a secondary market," he said.

BankFirst is offering 3/1 ARM jumbo loans, as well as 5/1 and 7/1 loans. For example, on a 3/1 the rate is fixed for a period of three years, after which in the fourth year the loan becomes an adjustable-rate mortgage.

On another note, Welch said BankFirst is participating in the FDIC's Transaction Account Guarantee program, also known as TAG in banking circles. The program provides for full FDIC coverage of non-interest-bearing deposit-transaction accounts, regardless of the dollar amount.

"Essentially, BankFirst has unlimited FDIC coverage on all checking and NOW account balances through Dec. 31, 2009. Some banks have elected to participate in the program and some had opted out. We pay an extra 10 or 12 basis points to the FDIC to cover our customers' deposits. As an institution, we'll probably renew the TAG agreement for another year at the close of 2009," he said.

Although they earn some interest, the FDIC is including in the definition of non-interest-bearing transaction accounts negotiable order of withdrawal (NOW) accounts and client trust accounts with rates no higher than 0.50 percent.



BBN photo — Adrienne B. Roth

Mick Welch is president of BankFirst's operations in Brevard. His bank is set to introduce a community program called 'Socially Responsible Banking' in Titusville. The program, a partnership between BankFirst and its customers, is comprised of a deposit account that offers a high rate of interest for participating individuals and institutions. The deposits are invested in three socially sensitive loan categories, including business and economic development.

The insurance coverage on non-interest-bearing transaction-deposit accounts is over and above the \$250,000 in coverage provided to a customer already. For instance, if a customer has \$500,000 in a non-interest-bearing transaction-deposit account and \$250,000 in a certificate of deposit, the FDIC would fully insure the entire \$750,000.

Recently, BankFirst began introducing its "Business Solutions" package in the local market. The package features a wide range of financial products for business customers, Welch said. "We have been hosting 'Lunch-and-Learn' sessions primarily at BankFirst. We provide the lunch and our bankers make a one-hour presentation on the Business Solutions products. One product that has really taken off for the bank is remote-deposit capture. We've upgraded to high-speed scanners. Customers can sit at their desks and make their deposits anytime during the day. It has been a home run for the bank, well-received by the client base."

Remote-deposit capture is a service that allows businesses to scan checks from their offices and transmit the scanned images to a bank for posting and clearing. The basic requirements for the service include a PC, an Internet connection, and a check scanner which BankFirst provides to the customer.