

Marine Bank & Trust of Vero Beach sees much success as it marks first year at new Melbourne branch; community responds with \$10 million in deposits

By Ken Datzman

Looking to tap growth in a new market and build a base of both business and retail customers, Marine Bank & Trust of Vero Beach set its sights north — right up Interstate 95 — to neighboring Melbourne, a vibrant area with a strong employment base.

Just over a year ago, the Indian River County community bank opened its first full-service branch here, wholly renovating a facility at 3303 Suntree Blvd.

The new office has a cutting-edge contemporary look, one that is refreshing and welcoming to visitors. And the Marine Bank & Trust brand has been embraced by customers in this market.

The bank is known for its personal service, local decision-making, relationship-based lending, civic-minded service, and working closely with small businesses, including women-owned firms.

"We have been received in a very positive way in Brevard County," said William "Bill" Penney, the president and chief executive officer of Marine Bank & Trust who has led the institution for the last 10 years. "We are just a few bucks short of pushing \$10 million in deposits at the Melbourne branch, and that's really good for a new branch in a new market for us."

He added, "We are excited about the long-term potential here. We love this community. There are many manufacturing businesses in Brevard and the business market in general is very diversified, which presents opportunity for our bank."

The Melbourne team, all highly experienced bankers, includes Jael Aldunate, assistant vice president and commercial loan officer; Lory Milton, vice president and commercial lender; Jennifer Cevallos, residential loan officer; and Charlie McCoach, assistant branch manager.

"It's always been about recruiting really good people to staff the branch, and we have selectively added bankers over the last year," said Penney. "We have amazing people who really embrace the community-bank philosophy and the community-bank mission. I get excited about coming to work every day and working alongside the team members."

Said McCoach, "Not only do we have a great team in Melbourne, but we also have great leaders who really take the time to listen to us. And it starts at the top. The leaders communicate and give a positive vibe. They've created a great environment in which to work. We've had an outstanding first year at the Melbourne branch. I've been here since it opened on Jan. 29."

McCoach's banking career has spanned



BBN photo — Adrienne B. Roth

Vero Beach-based Marine Bank & Trust is marking its first year in business in Melbourne. The community bank is building a base of business and retail customers. The local office is located at 3303 Suntree Blvd. The Marine Bank & Trust team includes, from left: Charlie McCoach, assistant branch manager; Jael Aldunate, commercial loan officer; Bill Penney, president and CEO; Lory Milton, commercial lender; and Jennifer Cevallos, residential loan officer.

15 years. He joined Marine Bank & Trust in October 2017 and first worked at the Vero Beach mainland office, before relocating to Brevard. He previously worked for a bank in Tampa.

Community banks are an integral part of "Main Street." They reinvest local dollars back into the community and help create jobs. Their relationship-banking philosophy is ingrained in the way they conduct business, one loan — one customer — at a time.

"This is an exciting time to be part of the Marine Bank & Trust team in Brevard," said Aldunate, who joined the company in December after working in banking in Orlando for the last nine years, in business development, consumer lending, and as a branch manager.

"Brevard is one of the best places to live and work. The county is growing. There is

a lot of construction going on around Brevard and business growth has been impressive, too, with more new companies locating here. It's been a pleasure and an honor to work with my colleagues at Marine Bank and to join Bill Penney's team."

Aldunate and Milton team up as commercial lenders, working with small-business owners, investors, and individuals in the community.

"The commercial lending market in Brevard is really good, with solid demand for loans. Lory (Milton) and I make a terrific team on the commercial lending side of the bank. We are able to make things happen for our existing customers and for prospective clients, in terms of buying commercial properties," said

Aldunate, who has more than 20 years' experience in banking.

Milton is also a newcomer to Marine Bank & Trust. She has worked in banking for 18 years in Brevard. "I just love the community-bank model and the community-bank approach to doing business with customers. We give clients the ability to customize our products so they will work for them, will meet their needs. At the community-bank level, it's great to have that flexibility."

She added, "Rather than telling a potential client he or she does not fit into option one, two, or three, we say let's create an option that works for you. And we have great leadership backing us and they are onboard in getting things moving quickly for a customer's loan request."

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Commercial and multifamily mortgage bankers closed a record \$573.9 billion in loans in 2018, according to the Mortgage Bankers Association. Commercial bank portfolios were the leading capital source for which loans were originated in 2018, responsible for \$174 billion of the total. The government-sponsored enterprises Fannie Mae and Freddie Mac saw the second-highest volume, at \$142.3 billion.

Marine Bank & Trust is a U.S. Small Business Administration lender, and is an active participant in the 504 loan program. This program provides small businesses with attractive long-term financing used to acquire and improve major fixed assets.

"Our approach to lending centers on what is best for the customer," said Penney. "It could be a 504 loan. We have done a lot of 504 loans through the years. It's a great program for borrowers."

Under the program, a lender partners with a Certified Development Company (CDC), a specialized SBA-certified nonprofit corporation, to finance an eligible small-business loan request. Each partner makes a loan to the qualifying small business.

Typically, the lender's loan is secured by a first lien covering 50 percent of a project's cost. The CDC's loan is secured by a second lien for up to 40 percent of the project's cost and is backed by a 100 percent SBA-

guaranteed debenture. The borrower contributes equity of at least 10 percent of the project's cost.

"The borrower can finance up to 90 percent of the loan, which is a very attractive feature of the program," said Penney.

According to the Federal Reserve's "Small Business Credit Survey: Report on Employer Firms," community banks are the small-business "lender of choice."

Seventy-three percent of independent businesses that used community banks report they were satisfied with their overall experience, compared with 49 percent for large banks and just 35 percent for online lenders.

"The community banks in the United States finance small business," said Penney. "Our country has a community-banking system that is unrivaled in the world. And we also have an entrepreneurial system that is unrivaled in the world. I think they run together."

The Federal Reserve report goes on to say, "independent businesses that apply for loans with community banks are the most successful and the most satisfied." The report was compiled by the 12 Federal Reserve Banks around the nation.

"We provide capital for Main Street businesses to expand and we provide capital for families and individuals to buy

homes," said Penney, adding, "I really get excited about the first-time homebuyer. Jennifer (Cevallos) is putting families in their first home."

Millennials as a whole accounted for 37 percent of all homebuyers in 2018, making them the most active generation of buyers for the sixth consecutive year, according to the National Association of Realtors' "2019 Homebuyer and Seller Generational Trends Study."

The U.S. housing market has cooled recently and inventory is up 1 percent year-over-year, after being down 8.7 percent last year, according to Zillow. It's the first time inventory has been up heading into the spring home-shopping season in at least five years.

In even more welcoming news for first-time buyers, inventory of less-expensive starter homes has turned around far more — up 4.1 percent after being down 12.9 percent last year.

"The first-time homebuyer is a strong market for us," said Cevallos. "There are so many different programs that work in conjunction with what we do as a residential lender that benefits first-time buyers."

She continued, "We not only offer the conventional mortgages, but we also have a portfolio product that greatly widens opportunity for first-time buyers. A lot of people are not able to put 20 percent down

on their home to secure a mortgage. We offer programs that can put them on the path of the 'American Dream,' owning a home. It's exciting to be able to help first-time buyers."

Younger first-time buyers have had less time to save for a down payment than most repeat buyers, Cevallos said.

The Fannie Mae "Home Purchase Sentiment Index" has reached its highest point since June 2018.

Increases in the "Good Time to Buy" and "Good Time to Sell" components drove the measure of consumer sentiment higher in March, with the two rising 7 and 13 percentage points, respectively. Complementing that rise, more consumers expect interest rates to fall within the next 12 months, as that survey component rose 7 percentage points in March.

Also, the net share of those who say their household income is significantly higher than it was 12 months ago increased by 2 percentage points to 20 percent. This component is up 3 percent from the same time last year.

"We have gotten off to a really good start in residential lending for 2019," said Cevallos. "The housing market in Brevard is faring well, especially in Viera. That market is booming. And mortgage interest rates are still attractive. We're very upbeat about our projections for the year."



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