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School strengthens lending skills

Agricultural lending has become an increasingly complex business that requires high levels of expertise. One way banks and other lending institutions can provide more in-depth and timely training to their employees is by sending them to the National Agricultural Bank Management School in Ames, Iowa.

The school offers a two-year, one week training program. To graduate, students must attend the classes and complete an interim program selected by the faculty.

The 1987 school faculty honored Blake Waters and Dean Lerg as the two outstanding graduating seniors. Waters and Lerg were selected for the honor based on solutions they developed for a two-

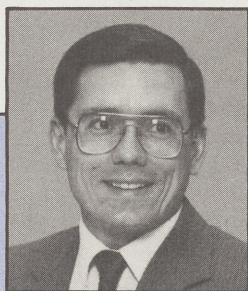
part problem the faculty had presented to their class as well as their effectiveness in handling the bank simulation situations.

The first part of the problem dealt with a loan/credit analysis situation. "Some of the solutions they

recommended actually had been implemented in the real-life situation," notes David Kohl, the school's academic adviser and a visiting professor of agricultural economics at Cornell University.

For the second part, each student worked through a bank-simulation problem and assumed the roles of Chief Executive Offi-

cer or department head of investments, loans, securities etc. The students then developed a consistent, strategic marketing plan for the



Blake Waters
*Vice President
First National
Bank
Elkhart, Kan.*

bank and its agricultural division.

Waters says the intense loan work-out problem and bank simulation program were ideal learning opportunities. "They allowed you to see how your decisions affected the rest of the bank," explains Waters, vice president of the First National Bank of Elkhart, Kan. "I had wanted to know more about how the overall ag functions fit into the bank management decisions. I received that and more."

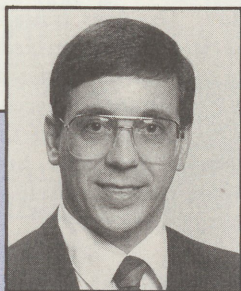
Dean Lerg says the broad scope of the school was particularly useful since his current loan portfolio primarily involves making non-agricultural loans.

"I explored some new analytical skills, such as how to position loan risk within a total portfolio and how to measure the risk-adjusted rate," states Lerg, vice president of Midwest Commerce Banking Co., Goshen, Ind. "Just like

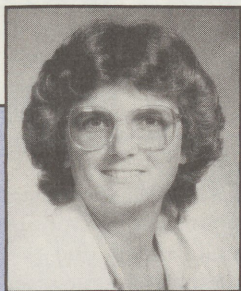
other schools, it's what you put into it that you'll get out of it."

In addition to Waters and Lerg, JoAnn Merfeld was elected class representative. Merfeld says her job is to relate students' suggestions to the school board. "Most of us are very pleased with the school, but some of the students have requested more emphasis on bank management as far as investment portfolios and securities transactions," says Merfeld, assistant vice president for Citizens National Bank of Charles City, Iowa. Merfeld, like Waters and Lerg, says she gained the most useful information from the bank simulation, and believes experience improves a lender's ability to understand and implement the materials and skills the school teaches. "I think you need a background of two or three

years of experience," she contends, "so you'll profit from the classes."



Dean Lerg
Vice President
**Midwest Commerce
Banking Co.**
Goshen, Ind.



JoAnn Merfeld
*Assistant
Vice President*
**Citizens National
Bank**
Charles City, Iowa