

William Reeves

Meeting with Scrooge....

I walked back to my office and began to script out my presentation for the big meeting. I already had my cheat sheet typed up and ready to go, but Teddy wanted me to put it in the form of a narrative.

I knew that Teddy would begin the meeting by connecting the dots, summarizing it all for Scrooge – just as a reminder to him as to why we were wasting his time. Then Teddy would hand the ball off to me. And as tough as it would be for me, I thought I would start out with a ‘thank you’ to Marley – Oh, right! I guess I should remember to call him by his given name – so I would say ‘thank you’ to Porter. Hopefully, I wouldn’t gag or laugh as my insincere gratitude was offered. I had no knowledge of whether Marley had complained about me to Scrooge, but it really didn’t matter since, according to Teddy, this was a done deal.

Anyway, I would then go into the positive aspects of Millie’s loan application, or the pros on my cheat sheet. First and foremost, was the fact that the borrowers met our overall debt ratios and could, at least on paper, afford the house. Secondly, Millie’s two main sources of income were solid – from Social Security and her husband’s pension. Additionally, they would have the rental income. But chiefly, Millie was a hard worker and made extra income on the side with her independent house cleaning jobs. The property appraised out at \$10,000 above sales price, and Millie’s credit was spotless – mainly because there wasn’t any. I had to insert some humor into the discussion just to take Scrooge’s temperature. I would then go on to explain that both Millie and Karen advised me that whenever they needed to purchase something, they would save up their money and pay cash for it. I wanted to emphasize that they seemed to be very frugal borrowers. But I would then have to admit that the reason Millie’s credit was spotless was that she didn’t have any credit – no credit cards, no car loans, no other outstanding debt. She also had a ten-year old mortgage that was paid satisfactorily, and a three-year old lay-away plan for the refrigerator, which was also paid satisfactorily.

Then I would have to turn to the negative aspects of the loan. The cons included two major items. First was the fact that the borrowers had, up until now, not contributed a penny of their own money to the purchase. It occurred to me that I could go into a rather long explanation about the supposed lease purchase agreement between the borrowers and the landlord, but I didn’t necessarily want to subject myself to what would, no doubt, make me look like a fool if Scrooge asked me if I really believed that story. Clearly, they were not savers and did not understand how lenders liked to see some borrower equity in the transaction. And secondly, there was Karen’s credit report and life story. These two items added up to some big problems with the loan as it currently stood. However, I would then indicate that I had exacted a promise from the two borrowers to save up half of the closing costs over the next two months, in return for our conditional approval – which was yet to come. I would then end the credit presentation with my so-called compensating factors. These included

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Karen's new job and the borrower's aforementioned agreement to save half of the closing costs prior to settlement.

Teddy got back to me the next day. He, of course, started out with 'great job.' After that, he said I might want to tone down the part about the borrower's lack of equity in the deal. He thought it might be a hot button for Scrooge. And by toning down, he meant leave it out entirely.

Later that day, we had in impromptu meeting in the Men's Room. I button-holed him on the issue of Millie's lack of equity in the deal. I reminded Teddy that Scrooge will either ask to see the file ahead of time, in which case he would see that there was no real borrower equity in the transaction, and that I would appear to be a total incompetent if I left it out of my presentation. Alternatively, I said that if Scrooge didn't ask about the equity, then certainly Marley would bring it up. Once again, I would look bad.

As Teddy was drying his hands and about to exit the powder room, he looked at me, smiled and said, "Tom, please remember one thing. And this is very important. Scrooge does not spend one second of his day thinking about our affordable mortgage portfolio, and I will my bet my Yankee ticket that he has not looked at the file, and will not ask to see it in the meeting. In fact, he could care less about the quality of this specific loan. He knows why we need to make it, and as long as our two borrowers have a pulse, he's not going to give a rat's ass, other than to give us some shit about the quality of our portfolio, which I'm sure he's heard about from your good buddy, Marley. Don't worry about it! Relax! And if Marley brings up the issue of the lack of hard money in the purchase, you then have my permission to talk about the supposed informal lease-purchase agreement. You can even connect the dots for him about who the seller of the property is and how he's related to Pastor Lloyd. If Scrooge doesn't get up and say this meeting is over, I'll really be surprised. I fully expect him to have forgotten about the purpose of the meeting, and when he understands that it's about one small mortgage loan in our portfolio – he'll say – thanks for coming, but I don't have time for this. Go away!" Teddy now had his hand on the door knob indicating our discussion was over. But before he left, he winked and gave me one more, "Relax!"

Teddy was right on the money when it came to Scrooge's attention to our business. When we arrived for our meeting with him the next day, the door to Scrooge's office said all one needed to know. It read in large black lettering, "Peter Porzio, Senior Executive Vice President and Chief Credit Policy Officer." I'd forgotten about that second title, or maybe I just blocked it out.

As we entered in inner sanctum that was Scrooge's office, his assistant led us into a small conference room off to the side. It had a separate entrance for the man to arrive in all his glory. As small as this conference room was, it still had its own view of the Manhattan skyline.

Upon his arrival, Scrooge's body language and failure to look us in the eyes were indicative of the way this meeting was about to go. I have to say, though, that I was quite relieved to learn that Marley had not been invited to our love fest. I didn't ask where he was and Teddy just smiled when Scrooge said "Let's get started." Scrooge appeared to have lunched

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on pasta that day since there was a big red stain on his white shirt that no wide tie could cover up. What's more, he made no mention of it and didn't seem to care. Indeed, Scrooge had the appearance of a man who never missed a meal, and who didn't think the gym was worthy of his time. He looked like a heart-attack ready to happen at any moment. I wanted to ask Teddy if he knew CPR.

After Teddy reminded him of the reason for the meeting, Scrooge sat back in his chair, looked out the window and said, "So you're here for my approval on this loan, is that why we're having this meeting?"

Teddy responded with a, "That's right, Pete, and we appreciate you taking the time to hear about it."

Scrooge laughed and said, "So you're going to tell me about one residential mortgage loan? And this loan is for how much? \$500,000? Gentlemen, I don't usually get out of bed for anything less than \$5 million, but I'll make an exception for this one since you thought it was that important to get my approval."

Now I should stop here for a moment and say that I had spent the last two days preparing for this meeting. I knew every detail related to Millie's loan. I had put on my best dark blue banker's suit with my red power tie. I was going to impress Scrooge with my appearance, if not my credit expertise. Scrooge had absolutely no idea who I was, what I did for the bank, and, what's more, didn't care. We had shared a few elevator rides, but he never appeared to be in the mood for elevator chit chat, so I just kept my mouth shut. It was now time for me to impress the Senior Executive Vice President and Chief Credit Policy Officer of *1NEB* with my talents. I responded with, "Sir, this loan is for \$118,750."

He did not laugh. And he did not give me permission to call him Pete. He just looked at Teddy and said, "Tell me again why you're wasting my time with this loan?"

Teddy was sitting close enough to hand signal me under the table to stay calm. He knew I was feeling like Rodney Dangerfield – getting no respect – but he didn't want me to blow it by letting Scrooge know that I thought he was an asshole.

Teddy then reminded Scrooge why we needed this loan to be approved. Once again, he connected the dots for him on how the borrower was the Mother of Pastor Lloyd, and how Pastor Lloyd and his group of churches had been supplying us good loan volume under the terms of our CRA agreement. He also reminded Scrooge that he had promised to come back to him for his final approval on the loan. Scrooge responded with, "You know what I think about CRA and the bullshit position it places all of us in. The asset quality of your mortgage portfolio leaves something to be desired. But I guess, we don't have any choice in the matter, right?"

I wanted to speak up and defend the benefits of reinvesting the bank's money in revitalization efforts in the cities we operated in. Teddy could tell I was about to respond – so he immediately kicked me under the table, which was his elegant way of telling me to shut the fuck up. And so, I did, and my opportunity to impress Scrooge flew right out the window.

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It was then that Teddy said, "So how do you want us to proceed, Pete?"

Scrooge then looked in my direction, pointed and said, "Is that the file there?"

I responded in the affirmative – even though he didn't have the courtesy to say my name or look me in the eye. And that's when I remembered that Teddy hadn't even introduced me at the beginning of the meeting. We just delved right into the business at hand without any pleasantries. Well, at least now, when Scrooge and I share an elevator, he will know that I work for Teddy.

Scrooge just waived his hand indicating that I should give him the file. He looked at Teddy and said, "I'll send this down to Porter and tell him to put it through the system and spit out the approval." Then he just got up and left the room. No "Good bye, gentlemen, or thanks for coming." The meeting was over.

Teddy was all smiles. And while I was happy that we got the loan approval from Scrooge, at the same time I wanted to reach across the table and bitch slap him and say, "Get some manners, you M-F son of a bitch!"

As we got in the elevator, Teddy said to me, "I guess my Yankee ticket is still safe."

I waited for the elevator doors to close before I said, "You know, it would have been nice for you to introduce me to that man."

Teddy said apologetically, "I thought you two knew each other. I'm sorry, Tom."

I wanted to say something snarky like, "Oh sure. Scrooge called me for lunch last week, but I couldn't make it. I told him I had too much work to do on Millie's loan presentation." But then I thought better of it.

What I did say was, "That man is the reason why the banking industry is despised!"

Teddy looked down at his shoes, laughed and said, "See, I told you he doesn't give a rat's ass!"

He was right. And once again, he told me to, "Relax." It was really getting annoying.