Clear Mountain Bank reaches new heights

The West Virginia community bank is helping small-business customers get the financing they need while continually seeking new ideas to plan for its own future. By Mindy Charski

An event at EMS in June brought together (L–R) Clear Mountain Bank president/CEO Dave Thomas, ICBA president Rebeca Romero Rainey, FHLBank Pittsburgh president/CEO Winthrop Watson, and Tim Critchfield, EMS owner/president.

Clear Mountain Bank is embracing flexibility, innovation and collaboration as it continues its ascent as a small-business connector in West Virginia.

Consider, for example, its commercial lending approach. Commercial clients make up nearly 60% of the loan portfolio at the $850 million-asset community bank based in Bruceton Mills, W.Va. Most of those commercial customers are small-business owners.

Bankers at its nine branches in north-central West Virginia and one in western Maryland spend time getting to know each customer and understanding their unique circumstances. Then, they get down to problem solving.

"You just have to be open-minded about what the borrower's needs are and create tailored solutions for them so that they can meet their goals and objectives," says Dave Thomas, president and chief executive officer. "We've got different tools in our toolbox that we can use to help the borrower get the financing they need."

Sometimes that translates into how lenders structure a deal. Another solution could come in the form of a loan guaranteed by the U.S. Small Business Administration (SBA).

Name:
Clear Mountain Bank

Assets:
$850 million

Location:
Bruceton Mills, W.Va.

> 66
>
> ## "You just have to be open-minded about what the borrower's needs are and create tailored solutions for them so that they can meet their goals and objectives."
>
> — DAVE THOMAS, CLEAR MOUNTAIN BANK

In fiscal year 2021, Clear Mountain provided about $8 million in total funding for 31 small businesses in its state through the SBA's guaranteed loan program. The SBA West Virginia District Office named it the West Virginia Community Lender of the Year for 2021.

Bringing BOB into the mix

Meanwhile, as a member financial institution of the Federal Home Loan Bank of Pittsburgh, Clear Mountain can access another potential alternative for borrowers. It can help qualified small businesses obtain secondary financing of up to $200,000 through the federal home loan bank's Banking On Business (BOB) program.

"Sometimes small businesses don't have the capital to meet standard underwriting requirements ... and need something that can bridge the gap and help them qualify for financing," Thomas says. "[BOB] helps to make a loan that is close, but not quite there, get across the finish line."

One customer that Clear Mountain has secured a BOB loan for is Engine Management Specialist (EMS), a company based in Clarksburg, W.Va., that offers services related to turbine engines. The primary loan that EMS received from Clear Mountain, coupled with a BOB loan that was funded in June 2021, is enabling the company to expand its facilities and workforce.

Indeed, BOB loans can ultimately benefit not only the borrower but also local communities. Up through the 2021 funding period, Clear Mountain has secured 14 BOB loans and accessed about $1.8 million in funding. Thomas estimates those funds have helped preserve 76 jobs and create 45 new ones.

The outside-the-box mentality of the locally owned and managed community bank extends beyond the lending department. "You have to be nimble; you have to always be thinking about what's next," Thomas says. "You can't get too attached to the way you've always done things,

Clear Mountain Bank president and CEO Dave Thomas says a nimble mindset toward lending is critical for success. In 2021, the bank was named West Virginia Community Lender of the Year.

because the world's changing at a pretty rapid pace."

He sees the responsibility of looking "upward and outward" as one that can be shared among the bank's 168 employees. "I think where you get the best ideas is through collaboration, through teamwork. That's just kind of a cultural philosophy that we have," he says. "We're blessed to have a lot of talented folks within the bank, so I'd really be selling us short if I didn't take advantage of all the great ideas that our team members have."

An open door for innovation

To that end, four forward-thinking bankers from different areas of Clear Mountain meet regularly to consider how the bank can innovate on different fronts, including technologically and culturally. The quartet, dubbed the Embers Group, present ideas to Thomas and the senior management team for consideration.

They don't work in a vacuum, however. The group seeks perspectives about fresh approaches to innovation from local business leaders who are outside the banking industry. They have also organized an innovation challenge with prizes to gather actionable ideas from their colleagues.

A team member participating in that competition had the idea to create a financial literacy program for local high school students, and it's become a focus of the Embers Group. The community bankers are working through technology options that could be incorporated into the effort, and they have conducted focus groups to understand students' perceptions of banking.

"It's a financial literacy program that we hope to tie into some bank products so that we can get the next generation of customers started off on the right foot," Thomas says.

Clear Mountain's collaborative spirit extends to peer banks, too. The bank is a member of and is represented on both state bank trade associations in West Virginia. Thomas serves on the Community Bankers of West Virginia's board of directors and will become its chairman next June.

In addition, Clear Mountain is one of 15 members of TopNet, a cooperative of community banks from across the Mountain State that discusses and addresses ways to achieve financial stability for their customers and communities.

"The nice part about community banking is we do consider ourselves part of the same community banking family," Thomas says. "So, we're not afraid to get together and talk openly about what's going on in our banks and how we can help each other. The group was particularly helpful as we were going through the pandemic and had a lot of unique challenges." ∎

Mindy Charski is a writer in Texas.

QUICK STAT

60%

of Clear Mountain Bank's loan portfolio comprises commercial lending, primarily to small businesses.