



## Community Financial Services Bank is Focused on Meeting the Credit Needs of All of Their Customers in Western Kentucky



Carolyn "Betsy" Flynn  
President and Chief Executive Officer

Community Financial Services Bank  
<https://www.cfsbky.com/>

Contact:  
Betsy Flynn  
270-527-4611  
[betsyf@cfsvcs.com](mailto:betsyf@cfsvcs.com)

Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine

**CEOCFO:** *Ms. Flynn, what is the story of Community Financial Services Bank?*

**Ms. Flynn:** Our goal is to provide extraordinary service to our clients and meet all of their credit needs.

**CEOCFO:** *Would you tell us about the area that you service?*

**Ms. Flynn:** We are in West Kentucky, in three counties. We service two of the largest communities in Western Kentucky. We have a diverse population and diverse economy. Of course, we are very dependent on the housing industry and the manufacturing industry. We are fortunate that we actually do have several manufacturing plants in the region.

**"We have a great team and I tell potential clients and Team members that they will never be treated better or with more respect or be taken better care of than they will with our team. I also say I have the best job in the world because I get to be the coach of this great team. They are amazing. We always talk about how we should be humble and I am about most things but I am not humble about our team. They are absolutely awesome. Our clients hear it, feel it and see it when they walk in our door or call on the phone."- Carolyn "Betsy" Flynn**

**CEOCFO:** *Is it more challenging with a diverse customer base?*

**Ms. Flynn:** I do not think it is more challenging. For some of our clients, English is a second language, which is a bit challenging but we strive to meet their needs.

**CEOCFO:** *Are there many people in your communities that fall into that category?*

**Ms. Flynn:** Not a great deal, but we have two colleges in our market area that attract foreign students, which is an enhancement and there are several hundred foreign students.

**CEOCFO:** *How do you accommodate those students?*

**Ms. Flynn:** What we would like to do is hire someone that speaks their language but that is difficult to do. We also have a fairly large Latino population.

**CEOCFO:** *How do you provide that extraordinary experience to your customers?*

**Ms. Flynn:** The primary focus is to listen to the clients and to determine their needs and what products that we have that can meet their needs. We are not a sales bank; we truly try to provide them with financial guidance and to meet whatever

financial needs they have. Most banks do not do that because they are transaction banks, and we pride ourselves on not being a transaction bank.

**CEOCFO: *Do your customers understand that and are they turning to you because of that, or do they realize as they go along just what you are able to provide?***

**Ms. Flynn:** I think it is a combination of those two things. The majority of our new clients are through referrals from our existing clients.

**CEOCFO: *Would you give us an example of how you would go over and above for a customer?***

**Ms. Flynn:** There are two different types of clients; there is a borrower or a deposit client. We truly listen to their credit needs if they are a borrower, whether it is to finance a home, a vehicle, a business. We have grown rapidly and it is because we are meeting the credit needs of our community, particularly small businesses. Many of the large banks after 2008 chose not to be in several lines of business, but we were here for our clients during that time. We have always been conservative lenders, so by not getting our clients in trouble or the bank in trouble, we try hard not to make a loan that the client does not have the ability to repay. Of course some things happen to our clients such as divorce, death, loss of job, or sickness, which are situations they cannot help. But when that happens we work with them as much as we possibly can. After the recession and so many banks got out of construction, car dealerships, and other lines of business, there were several lines of business that the larger Wall Street banks did not want to service. We were here willing to help our clients at a time when they needed it the most. We have had tremendous growth since then.

**CEOCFO: *How did you have the confidence to take on what other banks might see as risky?***

**Ms. Flynn:** We felt it was acceptable risk. I told our board that we could do what a lot of banks are going to do, which is batten down the hatches and not lend money, or we could meet the needs of our clients, take care of them and ride this thing through. That is what we elected to do.

**CEOCFO: *Would you tell us about your locations and do you see the need for more or less in the future?***

**Ms. Flynn:** We see the need for expanded electronic banking. If I did not work in a bank, I would never have to come in the bank, I would do everything on my phone or laptop. But we still have a lot of clients who will stay at a location close to them. We are actually building a new location on the south side of Paducah which is the largest city in our market area, because it takes twenty to thirty minutes to drive from one side of the city to the other. We are doing that this year and we will have the building completed in 2017. The following year, 2018, we will be building a new building on the south side of Murray for the convenience of our clients because even though so many people do their banking electronically, we still have a lot of clients and businesses that want to be able to walk into the bank. Younger people like my grandchildren probably do not want to go into the bank but we still have a lot of clients that do.

**CEOCFO: *What do you look for in your people; what are the intangibles that are high on your list?***

**Ms. Flynn:** They need to have the attitude and personality to adapt to our culture. We have an open and transparent culture. We do not have gossip with our team and we let folks know that upfront. That is non-negotiable. We do not retain people on our team who do not fit with our culture or are not team oriented, who want to be gossipers and who are not motivated to work.

**CEOCFO: *Are there services you would like to offer for your customers?***

**Ms. Flynn:** We have a broad range of services now. Our online lending is not as streamlined as I would like it to be so we are working on that. We continue to discuss reactivating trust services that we discontinued several years ago. With all the regulations, we simply could not make that worthwhile. We continue to look to see if that is the service that is needed in our market area.

**CEOCFO: *How are you meeting the regulatory obligations?***

**Ms. Flynn:** We are doing it with a lot of dedication and work. We say that compliance is a team effort. Our compliance officer conducts training for every team member so all of our teams are responsible to meet their own compliance regulations that they operate under. Our compliance Team does a wonderful job educating them to do that. We know that we can gripe about it and we can gripe about Dodd Frank, because it is very unfair to small banks. It was implemented to reign in Wall Street and it has done exactly the opposite and they continue to grow. Many community banks continue to close, and every time a small community loses their bank, they lose the heartbeat of the community. We have seen that here when our competitors have been purchased by the large banks and then reduced to either practically a non-functioning staff or they close completely. That is a blow to the community. We know that many of those regulations are very unfair to community banks and make it very difficult for the people that need loans the most to get them. We continue

to deal with regulations and comply. We never look for a way around a regulation; we look for the most efficient way to implement it and continue to serve our clients.

**CEOCFO: *With the change of administration and potential change in the regulatory environment and the interest environment, where do you need to pay the most attention?***

**Ms. Flynn:** What I hope is that we will reign in the CFPB (Consumer Financial Protection Bureau) who is affecting our clients in businesses throughout the US. It appears to me that CFPB's goal is to put people out of business and then they can assess big fines and feel good about a job they are doing. When truly what they are doing is making it harder for the consumers to get the loans that they need. They are worse than the IRS because they have no oversight at all. I hope that is taken into account and I hope it is proven that the whole organization is unconstitutional. Secondly, I would like to see the Dodd Frank Act repealed or at least parts of it repealed. It was implemented to reign in Wall Street and it has done exactly the opposite as well. So many of the Dodd Frank rules were not supposed to apply to community banks, but we are all having to comply with it. I hope that since we have a pro-business person and a pro-business congress that will be coming into play, that they will get rid of some of these burdensome government regulations. The economy has improved, not because of the government but but despite D.C. What congress and the government needs to do is just get out of the way and let we businesses continue to help improve the economy.

**CEOCFO: *Would you tell us about giving back for the bank and how do you decide where to focus your efforts?***

**Mr. Flynn:** We ask all of our team members to be involved in something in the community whether it is Habitat for Humanity or CASA, which is the group that are court appointed advocates for children that do not have anyone to represent them in court, the Humane Society, United Way or Relay for Life. I could just go on and on. We ask all of our team members to be involved in community activities. We do not only give money, we also give our time. That is the comment that I hear in the community, that CFSB does not just send us the check, they send people to help this work and that is what we do. One other way that we give back to our community is that all of our deposits are reinvested back here in our community. They are not shipped off to New York or Minnesota or wherever.

**CEOCFO: *Do your customers understand and appreciate that reinvestment?***

**Ms. Flynn:** I think they do. We team members own about 44% of the stock of our bank. We did that several years ago to keep from getting acquired. Anytime that anyone deals with our team members they are actually dealing with an owner and we all treat our business like we own it, because we do. I was talking to a regulator the other day and they were asking about how we did something and I said what you folks do not understand is that we know how we have to treat our clients to retain them. If we do not treat them fairly, they are not going to be our clients. I said, but the point is we do treat them fairly and we respect them, their success is our success and we do not need regulations to make us do that.

**CEOCFO: *Would you tell us about the Banky Award?***

**Ms. Flynn:** We won the Cultural Award. We were very proud of that and this was our first year with the Emmerciah Group and I kept telling Roxanne Emmerich and her staff that our culture was unique, open and transparent. The only thing our team does not share with the Team are human resource issues. Other than that, everything is an open book to them, and never one time in all these years has one of our team members disclosed any of our clients' information and we are very proud of that. We told them that we had a very open culture, which I'm sure they felt that is what every bank says. However, when they did the culture survey we scored higher than any bank that they have ever had and that is even with clients that have been with them twelve years or so.

**CEOCFO: *Why is Community Financial Services Bank a cut above?***

**Ms. Flynn:** We have a great team and I tell potential clients and Team members that they will never be treated better or with more respect or be taken better care of than they will with our team. I also say I have the best job in the world because I get to be the coach of this great team. They are amazing. We always talk about how we should be humble and I am about most things but I am not humble about our team. They are absolutely awesome. Our clients hear it, feel it and see it when they walk in our door or call on the phone.

