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## VENDOR SPOTLIGHT

# Northern Bank

An Entrepreneurial, Commonsense Approach to Banking Solutions

[by Pamela Schweppe]

The year is 1960, and you and your brother scored an important contract to store rubber for the United States government. You're young, ambitious, and hardworking, and all you need is the money to build a warehouse. So, contract in hand, you seek some financing.

And you discover, to your amazement, that no one will give you a chance by giving you a loan.

What do you do? If you're brothers James and Thomas Mawn, you find a way to build that warehouse. And then you start your own bank, of course. A full-service bank that embraces your own entrepreneurial spirit and is designed to help others achieve their dreams.

Headquartered in Woburn, Mass., the bank they founded is now called Northern Bank and boasts more than \$2 billion in assets, with 12 offices throughout metro-west Boston and online customers down the eastern seaboard, all the way across the Midwest to California.

### A DIFFERENT APPROACH TO BANKING

"The brothers never forgot the bad experience they had with existing, larger banks," reveals Oscar Moreno, the bank's senior vice president and director of cash management sales and business development. "This has always been a different kind of bank—an entrepreneurial bank that is geared toward commonsense, non-traditional lending."

For example, he notes that many of Northern Bank's competitors have a set menu of options with regard to the products and services they offer. Northern, by contrast, believes in making banking simple. If the team believes a customer has a good opportunity, they'll work in partnership to help make it happen, making decisions quickly and keeping the customer apprised of where they stand. They also rely on personal meetings, so that they can get to know their customers and fully understand their business. "Our objective is to give them the tools that they need to effectively run their business," Moreno explains. "It's very bespoke."



Northern Bank's Woburn, Mass., headquarters is the hub of a community bank network with nationwide reach.

The same approach is taken on the cash-management side—that is, the way corporations collect and manage cash, including liquidity, cash flow, and investments. At Northern, specialists in that aspect of banking meet with representatives of the business to assess their liquidity process, understand how they manage their day-to-day banking, and determine what obstacles need to be overcome or efficiencies improved.

Moreno explains that Northern benefits these customers by leveraging technology to merge reports, automate wire transfers and deposits, deploy fraud-prevention tools such as positive pay, and more. "Our value proposition is, we take white-glove, red-carpet service to the next level. We provide best-in-class service," he says.

### WHAT'S IN IT FOR YOU

Real estate has always been an important part of the bank's portfolio, and, for the team at Northern, the condominium industry is a perfect fit. "One association is completely different from another," says Moreno. "Just as every real estate deal is different, every condominium association is run differently. Our proposition is for these customers to come into a bank that's geared toward this segment—a bank that employs common

sense when common sense is not really common and that has a history of entrepreneurship and thinking outside the box.”

From a property management perspective, Northern can help managers with issues like collecting fees and getting a better rate of return on investments. And if a property has a capital-improvement project in the offing, the bank can assist with lending or refinancing an existing loan. “Competitors may have set rates, whereas, at Northern, everything truly is bespoke. That’s where being privately held and family owned and entrepreneurial makes a difference,” Moreno says.

Northern also makes financial management easy and convenient with online tools. For example, the bank’s systems allow managers to have deposit escrow savings accounts for all unit owners and to get real-time data on their balances, collect association fees through the bank’s portal, and more.

Further, Northern has a dedicated cash-management department. When a property manager or association trustee calls, they speak directly with one of its certified experts—as opposed to an 800-number where they might be connected with someone who’s not truly knowledgeable in the field.

### ADVANTAGES FOR ENTREPRENEURS IN THE TRADES

Just like the associations themselves, every vendor serving the industry has different needs, and Northern is poised to help there, too. “We have a large segment of clients in the trades, whether it’s roofers, contractors, developers, painters, carpenters, or HVAC,” says Moreno. He points out that a lot of these businesses are family owned and privately held—just like Northern Bank.

“In a perfect world, your profit and loss is stellar, cash flow is always on point, there are never any dips in the sales cycle, the individual’s credit score is always perfect, no one ever has any debt, and the business has always performed above expectations,” says Moreno. “In the real world, there’s cycles, and there’s a collections process that could delay collections over 90 days.”

At Northern Bank, he reports, the Mawn family remains very involved in bank operations, and they understand the challenges faced by entrepreneurs, what the business goals are, and what the mitigating factors might be. “Banks that are owned by stockholders, with reports that are seen by everyone, need to perform on quarterly earnings and not perform to their own customers,” Moreno points out. “We perform to our customers. They couldn’t choose a better bank.”

A full-service bank, Northern also offers services to unit owners, from refinancing a personal mortgage or taking out a home-equity loan to transitioning their personal account from another bank.

### DEDICATED TO SERVING THE COMMUNITY

Despite its growth and nationwide reach, Northern Bank remains very much a neighborhood bank, actively supporting its community with financial investment and volunteer service. In all, Northern Bank employees logged more than 1,500 volunteer hours in 2017 alone.

Heading Home, an organization dedicated to ending homelessness in Massachusetts, is a major beneficiary. In one ongoing campaign, volunteers from the bank furnish an apartment for homeless families. Northern has also teamed up with 98.5 the Sports Hub radio and Sony Michel of the New England Patriots in a “Taking it to the House” campaign, in which the bank donates \$1,000 to Heading Home for every New England touchdown scored during the 2018-19 regular season.

Bank employees are also active in offering financial education to Boston-area youth through such organizations as Junior Achievement, Cristo Rey, Boys & Girls Clubs, and the YMCA. Many hold board positions and key-member offices in nonprofits throughout New England. And the bank contributes financially to institutions that make a difference to its communities through the Northern Bank Charitable Foundation.

### AN AWARD-WINNING BUSINESS MODEL

Its outside-the-box approach to banking, focus on excellence, and dedication to community service have done more than earn the loyalty of its customers. The bank has also received top honors from prestigious sources. For eight years running, it was named the No. 1 community bank in New England by S&P Global—and was even named the top-rated bank in the country by that organization in 2015.

Additionally, ICBA (Independent Community Bankers of America) rated Northern Bank as a No. 1 bank, with efficiency ratios among the best in the industry. And, quarter after quarter, the bank takes pride in maintaining a four-star “Safe & Sound” rating with BankRate.com.

According to Moreno, however, what’s most important to the bank isn’t awards and accolades; it’s finding new and innovative ways to help its customers. “What makes us different is that this bank was created out of a dissatisfaction with the status quo,” he says. “What’s exciting from a banking perspective is to truly identify what it will take to effectively run someone’s banking and give them the tools that they’re going to need, whether it’s a condominium association, a property management company, a tradesman, or an individual unit owner. We just take a very different approach to banking.” ■

*For more information about Northern Bank, call Oscar Moreno at (781) 569-1554, or visit [www.nbtc.com](http://www.nbtc.com). Member FDIC.*