



## CBAI E-Newsletter, sponsored by **SHAZAM** February 10, 2021

### IN THE NEWS

#### **The Launch of the FedNow (Real-Time Payments) Service Moved Up to 2023!**

The Federal Reserve has moved up the launch date for its FedNow Service from as late as 2024, by up to a full year, to 2023. CBAI has been a consistent and active supporter of the Federal Reserve developing its FedNow Service, which affirms the important role the Fed has and must continue to play in the nation's payments system. In prior comment letters to the Fed, CBAI highlighted the need to move quickly to implement the FedNow Service as the United States lags the world in payments system improvements. In addition, the Fed's competitor in real-time payments, The Clearing House (TCH), has already developed its own proprietary network. The Fed's more rapid implementation will assure that community banks and their customers will benefit from access to a fair and equitable real-time payments system.

[Read Fed Announcement »](#)

[Read More About CBAI's Support for the Federal Reserve in Payments System Improvements »](#)

#### **Smaller Lenders Leading Again on PPP**

Insured depository institutions under \$10 billion in assets in 2021 have approved more than 608,000 Paycheck Protection Program loans worth \$39.4 billion, according to the latest SBA data. That is out of a total of 1.29 million loans worth \$100.9 billion.

Of the 2021 PPP loan total, more than \$93 billion has been approved for second-draw loans and more than \$7.5 billion has gone to first-draw loans.

[See Most Recent Report »](#)



## Compliance for Lenders

February 23, 2021 - Springfield  
February 24, 2021 - Mt. Vernon

*The challenge is to ensure that lending personnel have the right information at the right time.*

#### **PPP Borrowers Most Successful with Community Banks: Study**

Community banks were the most common source for Paycheck Protection Program loans among employer firms, and they were the source from which applicants were most successful in obtaining PPP funding according to a small business credit survey by the 12 Federal Reserve banks.

According to the latest Small Business Credit Survey, "small banks" accounted for a 48 percent share of PPP loan applicants, compared with 43 percent at large banks, 9 percent at online lenders, and 5 percent at credit unions. Community banks also had the highest share of PPP applicants that received all the funding they sought, with their rate of 78 percent topping 70 percent at large banks, 63 percent at credit unions, 47 percent at online lenders, and 41 percent at finance companies.

Additionally, community banks remain highly favored lenders by small businesses. The survey found that 81 percent of community bank small-business loan applicants were satisfied with their experience, compared with 68 percent at large banks, 60 percent at finance companies, and 43 percent at online lenders. Further, community banks' net satisfaction score of 74 percent topped large banks by 14 points, finance companies by 28 points, and online lenders by 49 points.

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### **CBAI Urges the CFPB to Safeguard Community Banks and Consumers in Access to Financial Records Rulemaking**

CBAI responded to an Advance Notice of Proposed Rulemaking by the CFPB on one of the last remaining sections of the Dodd-Frank Act, regarding consumer access to their financial records. The Act states, "a consumer financial provider must make available to a consumer information in the control and possession of the provider concerning the consumer financial product or service that the consumer obtained from the provider." These requirements have significant implications for community banks and consumers, which were addressed in CBAI's comment letter.

CBAI described the investment that is required to originate and maintain customer data, and that this information is a valuable asset of a community bank. We expressed our concern about community banks making this valuable asset available to other data users and data aggregators for the benefit of their profit-making ventures - albeit with tangential benefits to consumers.

CBAI urged the CFPB to tailor the regulatory requirements for community banks, which have traditionally been exemplary stewards of their customer data, to reduce their regulatory burden, and ensure robust Gramm-Leach-Bliley Act ("GLBA")-like data security requirements on other originators, holders and users of customer data. These requirements on others must include severe penalties for noncompliance and they must provide ongoing proof that they are able to compensate consumers and community banks for their noncompliance and any losses related to data misuse, breaches and fraud.

[Read CBAI's Comment Letter to the CFPB »](#)

### **2021 CBAI Compensation Survey Now Available Online!**

Ensure your bank has the competitive edge in recruiting top talent! Complete the 2021 Compensation Survey quickly and easily by April 15, 2021, and receive free results. (Non-participants pay \$300). Conducted by BalancedComp and sponsored by IZALE Financial Services, the compensation survey is now available on CBAI's website.

[Complete the Survey Today »](#)



## **Federal Home Loan Bank of Chicago**

Visit [www.fhlbc.com](http://www.fhlbc.com)

### **Deadline to Submit Entries for CBAI's 2021 Foundation Annual Essay Contest is March 3!**

The CBAI Foundation for Community Banking provides \$21,000 in scholarship funds for top high-school seniors statewide. One semifinalist may be chosen from each of the 12 CBAI groups via an essay-writing contest. CBAI annually awards a \$1,000 scholarship to a student in 11 of CBAI's 12 groups and \$500 to a second person in each group, which ensures geographical uniformity of winners. One student will win \$1,000 a year for up to four years of higher education. And, as in previous years, the high school of the overall winner will receive \$500. Your bank has an excellent chance of sponsoring a winner at no cost to the bank! The deadline to submit essays is March 3, 2021.

[More Information »](#)

## Order Free Marketing Materials for Community Banking Week in Illinois!

April 4-10, 2021, is the 31st anniversary of Community Banking Week in Illinois! This year's theme is "Growing Stronger Communities." Celebrate the independent spirit that is the hallmark of locally-run banks. For your FREE marketing kit, contact **Bobbi Watson** today!

[Learn More »](#)

## ACH Payments Growth Highest Since 2007

Total U.S. payments on the ACH Network increased 8.2 percent in 2020 to 26.8 billion, the highest growth rate since 2007, Nacha reported. The value of those payments rose 10.8 percent to \$61.9 trillion. Same Day ACH facilitated 1.4 million payments per day for a daily value of \$1.8 billion.

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## OCC Proposes Rule on Real Estate

The OCC approved a proposed rule to consolidate and modify the requirements for real estate used as premises. The proposal would create general standards that the OCC will use in determining whether the acquisition and holding of real estate is necessary for the transaction of a bank's business. Comments are due March 20.

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**Credit Risk Training Program Series  
for Community Banks**

Session 1: March 8, 2021\*  
Session 2: March 9, 2021\*  
Session 3: May 24, 2021\*  
Session 4: May 25, 2021\*  
CBAI Headquarters, Springfield

*A detailed beginner  
to intermediate level  
training program.*

\*CBAI is monitoring the COVID-19 situation and will make any changes to in-person sessions as necessary to comply with state and federal mandates and orders.

## Nominations are Now Being Accepted for the 2021 BKD Award for Excellence and Innovation, presented by CBAI

Nominations are being taken for 2021 Excellence & Innovation BKD Award, presented by CBAI and the accounting firm of BKD LLP. The purpose of the award is to bring recognition to banks with an outstanding and innovative product/service or program. Your bank does not need to be a BKD client to enter. Nominations are due at CBAI headquarters no later than Friday, June 4, 2021. Last year, the winner was CNB Bank & Trust, N.A., Carlinville. This year, your bank could be the winner! Send us your community bank's innovative programs, unique community service projects or special way your bank has stepped up to help local businesses during the COVID-19 pandemic. Your extra efforts deserve to be recognized! Nominations can be submitted to **Valerie Johnston**.

[Learn More About the Award »](#)

[Download a Nomination Form »](#)

## Former NCUA Chairman Targets NCUA Failures

Former National Credit Union Administration Chairman Mark McWatters said the NCUA has made decisions since his resignation that raise concerns over consumer protection and safety and soundness.

In an American Banker op-ed, McWatters cited the NCUA's proposals on overdraft protections and mortgage servicing rights, 2021-2022 budget, and failure to approve a credit union leverage ratio.

"I am troubled that the agency may have abandoned...its Congressional mandate to stay clearly within the four corners of the Federal Credit Union Act," McWatters wrote.

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## OCC Issues CRA Bank Type Determinations

The OCC released the 2021 list of bank type determinations under its Community Reinvestment Act rule, including how the agency identifies small banks, intermediate banks, and more. The OCC release also includes its list of distressed and underserved areas as well as the banking industry median hourly compensation value.

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## FDIC Issues Guidance on Securities Proposal

The FDIC issued guidance on its proposed rule to update several regulations related to securities offerings. The proposal would remove 12 CFR part 390, subpart W, titled Securities Offerings; rescind the 1996 Statement of Policy on the Use of Offering Circulars in Connection with the Public Distribution of Bank Securities; propose a new regulation regarding securities offerings to be made by state nonmember banks and state savings associations; and include technical amendments to update related regulations. [Read More »](#)



**BOOST PRODUCTIVITY. REDEFINE SUCCESS.**

Delivering a frictionless experience for your customers is a top priority for your success. And that's why we'll continue to work behind the scenes to advocate for open standards that foster innovation and competition, and ensure interoperability in the payments industry.

**ADVANCE WITH THE RIGHT PARTNER.**

**SHAZAM**

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## CONNECT WITH CBSC PREFERRED PROVIDERS



### The Baker Group: Market Update

It's good to be optimistic and it's even better when one has a reason to be. A decline in the number of job openings is not such a reason, but that's what we're likely to hear when the BLS then releases its JOLTS report telling us that job openings fell in December to 6.4M from 6.53M.

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### Harland Clarke: The Importance of Digital Customer Engagement – Now, More Than Ever

The global pandemic has touched virtually every aspect of consumer life, especially personal finances. Conditions have prompted consumers to evaluate which service relationships truly provide value to them. The digital experience has become increasingly important in this decision. Financial institutions should closely evaluate their digital channel to ensure the experience meets customer needs and expectations, or risk losing them to the competition.

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### CRA Partners 2020 Year in Review

The mission of CRA Partners is to protect and enhance the lives of senior citizens through its meaningful turnkey CRA compliance program for community-focused banks. To carry out this mission, CRA Partners administers proven crime prevention programs in CRA-qualified senior living facilities across the country. With the help of community bank partners, the programs are impacting the lives of senior citizens nationwide, while earning CRA credit for participating banks.

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### The Stone River Group: Newsletter for February 2021

We are expecting changes in the current energy market with the new administration's goals. Our plan for 2021 is to keep you informed of the changes that happen and how to best navigate those changes. At the beginning of 2020, we saw a drop in the market, then a very volatile market that slowly went back up higher than we started. This year, one of the components in the energy supply price, Network Integration Transmission Service (NITS), is set to increase. This fee is changing due to a filing that was approved by Ameren in Illinois, which just completed its largest ever transmission upgrade. This approval is set to hit pricing starting now.

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### **CBIS: Forbearance Trending May Lead to Increase Need for Collateral Protection Insurance**

We're all suffering a bit of COVID fatigue as the impact is everywhere in our day-to-day lives and not for just the obvious medical implications. The global health outbreak is causing financial hardship for millions of Americans. These difficulties include job loss, reduced income, and often an inability to make timely mortgage payments. All of the government-backed programs, including Fannie Mae, Freddie Mac and Ginnie Mae are encouraging consumers on their websites to make their first call to the mortgage servicer for any temporary mortgage assistance arrangements, or even a formal mortgage forbearance plan.

[Read More from CBIS »](#)

### **College Ave: Does Your Bank Offer a Student Loan Solution?**

Join College Ave for a 30-minute webinar to learn more about the private student loan referral program. This webinar will focus on the unique aspects of the Illinois student loan market and why these student loan customers represent an attractive market for your bank.

College Ave is a Preferred Service Provider of CBSC. This referral program allows Illinois banks to offer private student loans to families that need help paying for college. College Ave's product suite includes loan options for students in-school, graduate students, parents and those looking to refinance their existing student loans.

The program is easy to implement - allowing banks to better serve their customers - while avoiding all loan origination, disbursement and servicing responsibilities. Banks also receive a referral fee for each funded loan.

Join College Ave to learn more about why the program is already successful with Illinois banks.

**When:** Thursday, February 11, 2021, at 10:00 AM Central Time

[Register here for this webinar](#)

CBSC PREFERRED PROVIDERS

### **SomerCor: New 504 Borrowers Get Six Months of SBA Payment Relief**

With the federal government doubling down on SBA lending as a key economic recovery tool, the 504 program is an even more attractive financing option to build business client relationships.

On January 19, 2021, the Small Business Administration released Procedural Notice 5000-20079 concerning the \$3.5 billion Congress appropriated to continue and expand borrower payment relief. SBA 504 loans approved between February 1, 2021 - September 30, 2021, will receive six months of payment subsidies (principal, interest and fees) starting with the first payment due after the loan is in regular servicing status. Relief is capped at \$9,000 per loan per month.

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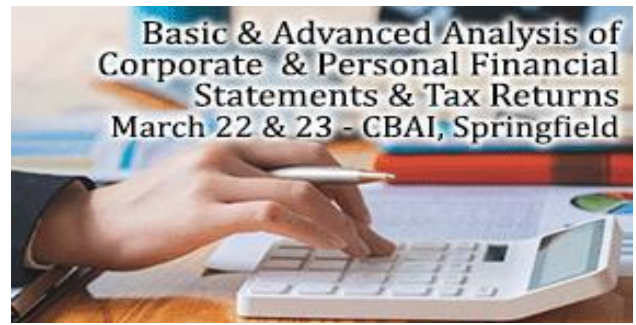
### **CBAI Launches Foundation for Community Banking's 25th Anniversary Campaign**

In 2021, we are excited to celebrate the 25th anniversary of CBAI's Foundation for Community Banking. Established in 1996, the Foundation has bestowed an incredible \$550,000 in scholarships to deserving college-bound students since its inception. Additionally, more than \$70,000 has been awarded to CBAI member bankers to attend the Community Bankers School. The Foundation annually offers three types of scholarships, with more than \$40,000 allocated to students every year. A total of 31 annual scholarships are provided to high school seniors statewide through our essay contest, to the children and grandchildren of community bankers, and to Community Bankers School attendees.

We want to continue the success of the Foundation and ensure that we can maintain the 31 annual scholarships for many more years to come. In order to do that, we need your help. To celebrate the Foundation's silver anniversary, CBAI is spearheading a special "25 for 25" Campaign. There are several different ways you can choose to participate.

**Contributions in any amount are greatly appreciated!** All banks, associate members and individuals donating to this campaign will be recognized in Banknotes magazine. **All donations are 100% tax deductible!**

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### **CBAI is Recognizing Community Bank Member Achievements!**

CBAI offers several opportunities to recognize our community bank members for their achievements. Is there someone in your bank who will be celebrating 50 years in banking this year? Is there a retired individual from your bank who you would like to nominate for the CBAI Distinguished Member award? Is your bank eligible to be a Patron of Community Banking? Do you have a director who should be spotlighted? Please let us know! We would love to honor individuals and bank members in these categories. Contact [Valerie Johnston](#) for more information.

### **2021 Holiday Closing Signs**

Holiday closing signs for 2021 are now available on CBAI's website. Signs come in English or Spanish and are available in color and black and white versions. Take advantage of this free member benefit and print yours today! All signs are available in a pdf format.

[Download Signs Today »](#)

### **CBAI LEGAL: Bank or Bank Holding Company Stock as Collateral**

This column examines whether, or under what restrictions, a state or national bank in Illinois can accept a pledge of bank or bank holding company shares of stock as collateral for a loan. [Read more.](#)

[Read More »](#)

## **MORE UPCOMING EDUCATIONAL PROGRAMS**

### **CBAI Offering Compliance for Lenders in Two Locations**

CBAI is pleased to offer "Compliance for Lenders" in Springfield on February 23 and in Mt. Vernon on February 24. Each of your lenders has a duty to have a working knowledge of the compliance issues that pertain to his or her assigned position description. And with fair lending issues, the flood rule remaining in an unsettled state, and the TRID rules, the life of a lender is becoming increasingly complex. The challenge is to ensure that lending personnel have the right information at the right time. This one-day program provides a review of the fair lending rules, flood rules, and the lender's responsibilities; an overview of the lender's responsibility for assuring that all the TRID rules are met; an overview of the Loan Estimate and the Closing Disclosure; and any other changes which may occur prior to the seminar date.

Compliance for Lenders has been developed specifically to meet the unique needs of the community bank. It is designed to assist participants in getting timely answers to their questions. While primarily for lenders, newer compliance officers, internal auditors, compliance back-up personnel and other bank employees who want to be comfortable with these lending compliance regulations should attend this informative program. Dale Neiss, compliance consultant with Young & Associates, Inc., Kent, OH, leads this program.

[Register Today »](#)

### **Compliance Lending Institute Set for March 30 & 31, in Springfield**

*A comprehensive compliance program for those compliance officers who are either new to banking or new to their positions.*

In this fast changing environment, there is a need for a basic, introductory class for those compliance officers who are either new to banking or new to their positions. The Compliance Lending Institute is designed to provide a comprehensive understanding of the major lending compliance regulations that have been determined to be "must knows" for compliance officers. New compliance officers, internal auditors, compliance back-up personnel, and other bank employees who want to be comfortable with the compliance regulations should attend this informative program. This program is also an excellent "refresher" for experienced compliance personnel.

[Register Today »](#)

## CBAI's Professional Forums Renewing for 2021

Meet with a group of your peers in a non-competitive atmosphere to solve your most pressing problems, discuss challenges, discover new ideas and gain access to experts in your field. CBAI currently has CEO, CFO and Senior Lender Forums, as well as Operations/Technology, Marketing, Branch Manager and Human Resources Groups.

[More Information >](#)

[VIEW CBAI's EVENTS CALENDAR](#)



## **CBAI'S 47TH ANNUAL CONVENTION & EXPO**

*"We're Putting The Band Back Together"*



**SEPTEMBER 23-25, 2021  
MARRIOTT MARQUIS, CHICAGO, IL**

