



## IN THE NEWS

### **CBAI ACTION ALERT: Urge Congress to Support Legislation to Benefit Rural Communities**

CBAI joins the ICBA in asking community bankers to urge their members of Congress to cosponsor H.R. 1977, the Enhancing Credit Opportunities in Rural America Act (ECORA). This bipartisan legislation was introduced in the U.S. House on March 17, 2021, and includes exempting interest income from taxation on farm and rural mortgage loans. This bill would allow community banks to compete more effectively against credit unions and Farm Credit lenders, and better serve their borrowers by offering lower loan interest rates.

The bill was assigned to the Ways and Means Committee, where Illinois Congressmen Darin LaHood, Brad Schneider, and Danny Davis are members. If they are your representative in Congress, hearing from you urging support for this legislation will be particularly important.

**Take Action Now »**



### **CBAI Applauds Congressman Bost for Reintroducing the BALE Act**

CBAI applauds Illinois Congressman Mike Bost (R-12) for reintroducing the Beginning Agriculturalist Lifetime Employment (BALE) Act of 2021, and Illinois Congresswoman Robin Kelly (D-02) for co-leading this important legislation, which makes this a completely Illinois-led legislative initiative.

CBAI supports this legislation because it is an important effort to increase access to financing for beginning or socially disadvantaged farmers and ranchers. Agriculture, like other industries, needs new aspirants to remain vibrant and to offset consolidation and those leaving the industry. CBAI appreciates that this program increases the maximum loan guarantee limits on USDA loans. This legislation clearly addresses the greater funding needs of beginning and disadvantaged farmers and ranchers and will help ensure their long and successful careers.

**Read Congressman Mike Bost's News Release »**

### **CBAI Participates in OCC Office of Innovation's Virtual Office Hours**

On March 18, 2021, the Community Bankers Association of Illinois participated in the OCC Office of Innovation's Virtual Office Hours. Together on the call were the OCC's Beth Knickerbocker (chief innovation officer), Brian James (deputy comptroller central division), Ralph DeLeon (director of banking relations) and CBAI's David Schroeder (SVP federal governmental relations).

This virtual meeting was an opportunity for the OCC to learn about CBAI's thoughts and concerns about innovation in financial services and specific OCC initiatives.

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### **U. S. House Passes Legislation to Extend the Paycheck Protection Program**

CBAI applauds the House of Representatives for passing the Paycheck Protection Program (PPP) Extension Act of 2021 on March 17, with a strong bipartisan majority (415-3). The House Small Business Committee Chairwoman Nydia Velazquez (D-NY-07) and Ranking Member Blain Luetkemeyer (R-MO-03) introduced legislation to extend this vital SBA small business relief program, which is scheduled to expire on March 31st, to June 1st for new loan applications, with a final approval deadline of June 30, 2021.

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### **SBA Updates PPP Forms to Implement Changes**

The SBA issued updated Paycheck Protection Program application forms that incorporate last week's interim final rule implementing American Rescue Plan Act changes. The IFR authorizes PPP loans for Shuttered Venue Grant applicants (though the PPP loan amount will be deducted from the grant); clarifies payroll costs not eligible for forgiveness; and clarifies eligibility for 501(c) organizations, NAICS code 72 businesses, and internet-only news businesses.

[SBA Interim Final Rule »](#)

The SBA issued updated versions of the following:

[Lender Loan Guaranty Application Form »](#)

[Second-Draw Lender Application Form »](#)

[Borrower First-Draw PPP Loan Application Form »](#)

[Borrower Second-Draw PPP Loan Application Form »](#)

[First-Draw Schedule C Borrower Application Using Gross Income »](#)

[Second-Draw Schedule C Borrower Application Using Gross Income »](#)

### **Complete the 2021 CBAI Compensation Survey Online by April 15!**

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 CBSC Preferred Provider IZALE Financial Services, the compensation survey is now available on CBAI's website.

[Complete the Survey Today »](#)

### **Last Chance to Order Free Marketing Materials for Community Banking Week in Illinois!**

Community Banking Week in Illinois, April 4-10, 2021, is fast approaching! 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!** Let us know how your banking is celebrating Community Banking Week! We want to share your activities with our member banks on social media and in Banknotes magazine. Contact **Valerie Johnston.**

[More on Community Banking Week »](#)



## Federal Home Loan Bank of Chicago

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

### Cannabis Banking Safe Harbor Reintroduced

ICBA expressed support for newly reintroduced bipartisan legislation to establish a safe harbor for financial institutions that serve cannabis-related businesses in states where cannabis is legal. Introduced by House Subcommittee on Consumer Protection and Financial Institutions Chairman Ed Perlmutter (D-Colo.), the Secure and Fair Enforcement (SAFE) Banking Act would open the traditional banking system to cannabis-related businesses. Similar legislation passed the House in 2019 but did not advance in the Senate.

The SAFE Banking Act would apply to states that have legalized cannabis for medical or recreational use. In these states, federal banking regulators would not be permitted to threaten or limit a bank's deposit insurance, downgrade a loan, prohibit or discourage the provision of banking services, or take any other prejudicial action on banks solely for serving a cannabis-related business.

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### New Nacha Rules Take Effect

Two new Nacha rules have taken effect on Same Day ACH and account validation. Originators currently must submit Same Day ACH transaction files to ACH operators by 2:45 p.m. (Eastern time). Nacha's new rule allowing Same Day ACH transactions to be submitted to the ACH Network at 4:45 p.m. (Eastern time) took effect March 19. Also, Nacha will begin requiring businesses initiating consumer ACH debits via the internet or mobile devices to verify the consumers' account information for the first payment.

[Read New Same Day ACH Rule »](#)

[Read ACH Web Debits Rule »](#)

### CISA Offers No-Cost Cyber Assessment Tool

The Cybersecurity and Infrastructure Security Agency is offering a no-cost, voluntary, non-technical assessment to evaluate organizations' operational resilience and cybersecurity practices. The Cyber Resiliency Review assesses enterprise programs and practices and may be conducted as a self-assessment or as an on-site assessment facilitated by Department of Homeland Security cybersecurity professionals.

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## Fed Holds Interest Rates, Upgrades Projections

The Federal Open Market Committee voted to hold benchmark interest rates at zero to 0.25 percent to maintain accommodative conditions, though the Fed upgraded its assessment of economic conditions. The Fed increased its projected 2021 GDP increase to 6.5 percent from 4.2 percent in December and lowered its unemployment rate projection to 4.5 percent from 5.0 percent.

[Read Federal Reserve's FOMC Statement »](#)

[Read Summary of Economic Projections »](#)

## Farm Banks Remain Strong Amid Ag Challenges: FDIC

Farm banks are vital to U.S. agricultural producers and rural communities, holding 44 percent of bank-held agricultural loans despite holding just two percent of U.S. bank loans, according to a new FDIC report. Released in the latest FDIC Quarterly, the report found that farm banks have held up well despite the agricultural industry's challenges since 2014. Most farmers and farm banks were cautious with farm real estate lending during the previous boom in farmland values, the report says.

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## Rural Economic Index Hits Record High

Creighton University's index of the rural economy increased to a record-high 71.9 from 53.8 in February. Roughly 68.8 percent of bank CEOs said their local economy was expanding, with sharp gains in grain prices, federal farm support, and the Federal Reserve's record-low interest rates underpinning the growth.

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### The Baker Group: Baker Market Update

The Chicago Fed announced that its National Activity Index fell unexpectedly and unexpectedly hard last month. While January's index value of 0.66 was revised to 0.75, February's measure plummeted to minus 1.09 versus the expectation of what would have been an improvement to 0.72 without the revision. Bond prices were already up a bit with the Ten-Year's yield dipping to 1.68%. The National Association of Realtors is expected to report that Existing Home Sales in February fell by 2.8%. The news for housing won't get any better if analysts' predictions that New Home Sales fell 6.2% last month prove to be correct.

[See Baker Market Update »](#)

### CBSC Partners with BOLI and Executive Benefits Advisor IZALE Financial Group

CBSC, the business services subsidiary of CBAI, announced it has entered into a strategic partnership with IZALE Financial Group, a premier provider of executive and director benefits plans, as its exclusive Preferred Partner for bank-owned life insurance (BOLI) and executive and director non-qualified benefit plans. CBAI member banks are entitled to a free review. For more information, please call or email [Phil Aderton](#) at 630-561-9071 (direct).

[See Full Announcement »](#)

### CBSC Extends Preferred Provider Agreement with Regency360 Through 2026

Community BancService Corporation, Inc. (CBSC) recently announced that it has extended its agreement with Regency360 as a CBSC Preferred Provider through 2026. The new five-year agreement ensures CBAI members continue to receive exclusive discounts and improved access to Regency's Corporate Store and Inventory Purchasing and Management Platform. *To celebrate this milestone, Regency is offering CBAI members a one-time 25% discount on print and promotional items not previously purchased from Regency. (Restrictions may apply.)*

For more information about the CBSC-Regency Corporate Store and Inventory Purchasing and Management Platform, or the special 25% discount\*, please contact [John Bybee](#) at 217/653-4028.

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### SHAZAM's Nathwani Elected as Chair of 2021 U.S. Payments Forum Steering Committee

Manish Nathwani, senior vice president of product development at SHAZAM, Inc., was recently elected to serve as chair on the 2021 U.S. Payments Forum steering committee. He formerly served two terms as steering committee secretary. Nathwani is a catalyst when it comes to new payments solution technologies. He's a dedicated leader on the

U.S. Payments Forum, and his ability to influence the industry implementation of emerging secure payments technologies is a vital component to the progress of the community banks SHAZAM serves.

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### **Wolters Kluwer: Commercial Lenders Need Visibility to Make Better Decisions Faster**

CASH Suite enables commercial lenders to accelerate new business development and client retention efforts by increasing efficiencies in data analysis, workflow processes, and robust data integration; accelerating credit memo preparation, covenant tracking, and in-depth reporting; and improving profitability in pricing practices, risk rating, and underwriting.

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### **CBIS: Working from Home: Who's Insurance Covers the Loss?**

Working from home is now old hat. We are now thinking more about the next normal, assuming we get to herd immunity sooner rather than later. On the other hand, now may be a good time to review your insurance arrangements for employees working from home in case anything was overlooked in the mad scrambles last spring. For example, if a theft occurs at an employee's home, and company equipment such as a laptop is stolen, whose insurance covers the loss? Or, if community bank equipment is damaged in a residential fire – same question. Have you developed and implemented policies about co-mingling your community bank electronic equipment with home electronics? What about shared routers or home "hot spots?"

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CBSC PREFERRED PROVIDERS



**I DECIDED TO PARTNER  
WITH  SHAZAM.**

We're the only nationwide independent debit network, processor and core provider supporting community banks.  
**As a leader in the industry we have a simple mission:**

*Strengthening community financial institutions.*

### **FDIC Fourth Quarter State Profiles Now Available**

The Fourth Quarter 2020 FDIC State Profiles are now available online. The FDIC State Profiles are formatted as a quarterly data sheet summation of economic and banking conditions for all 50 states, Puerto Rico, and the Virgin Islands. They are available in PDF format. The FDIC also recently released the Fourth Quarter 2020 Quarterly Banking Profile (QBP), which provides aggregate financial results for all FDIC-insured institutions.

[FDIC State Profiles »](#)

[Quarterly Banking Profile »](#)

### **New SBA Administrator Confirmed**

Isabella Casillas Guzman has been confirmed as the 27th Administrator of the U.S. Small Business Administration. On March 16, the U.S. Senate confirmed President Joe Biden's nominee with broad bipartisan support, 81-17 votes, as administrator of the SBA. Guzman will represent the more than 30 million U.S. small businesses and lead an agency committed to helping small business owners and entrepreneurs start, grow and be resilient. Administrator Guzman will lead a workforce of over 9,000 SBA employees and administer the SBA's portfolio of loans, investments, disaster assistance, contracting and counseling. Additionally, she will implement critical financial relief for small businesses impacted by the pandemic through the Paycheck Protection Program, Economic Injury Disaster Loan Program, Shuttered Venue Operators Grant Program, and additional support recently passed in the American Rescue Plan.

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## **CBAI LEGAL: Tenancy by the Entirety's Right of Survivorship**

In an opinion released March 12, 2021, the First District Illinois Appellate Court addressed whether a defective conveyance of real property to a married couple as "tenants by the entirety" instead resulted in the property being conveyed as tenants in common or as joint tenants, with the answer determining whether the deceased husband's interest became an asset of his estate that would be subject to the claims of his creditors in probate.

[Read Most Recent CBAI LEGAL »](#)



## **MORE UPCOMING EDUCATIONAL PROGRAMS**

### **CBAI Offering New Executive Leadership Academy**

Beginning in May, the Executive Leadership Academy is 24 hours of virtual training, packed full of leadership skills designed to immerse you in the principles, thoughts and skills of a great leader. This program provides a once a month on-demand topic and a monthly Zoom chat with your peers. Jody Holland, who has received specialized training and certifications in team building, leadership, management and personnel testing, leads this program.

[Register Today »](#)

### **Illinois State Mandated Sexual Harassment Training for 2021 Offered by CBAI**

CBAI is offering two on-demand programs – one for managers and supervisors and another for all employees. Our training courses cover the requirements as set forward by the state of Illinois and are priced to train your entire staff at \$375 for both on-demand programs.

Both on-demand videos ensure instruction is relevant to learners, and that manager-specific training requirements are met internally for your bank. These videos address sexual harassment, as well as other types of harassment that your employees, managers and supervisors must know how to deal with if harassment in the workplace should occur. This is a critical step to create a safe place to work.

[Register Today »](#)

[VIEW CBAI's EVENTS CALENDAR](#)



