



CBAI E-Newsletter, sponsored by SHAZAM
Edition: April 3, 2024

IN THE NEWS

Next Week is Community Banking Week!

April 7-13, 2024, is the 34th anniversary of Community Banking Week (CBW) in Illinois! This year's theme is "Your Success Is Our Success." CBAI hopes that you will take this opportunity to spotlight not only the importance of community banks but their strength, viability and resiliency. Let's celebrate the independent spirit that is the hallmark of locally-run banks! For your FREE digital marketing kit, contact [Cortni](#) today!



Let us know how your bank is celebrating! Tag us in your social media post or email [Valerie Johnston](#). We want to share your bank's CBW happenings on social media and in Banknotes magazine. **Don't forget to send us photos of your staff wearing the CBAI Foundation fundraiser Community Banking Week t-shirts or tag us in your social media post!**

Governor JB Pritzker recently signed a proclamation declaring April 7-13, 2024, as Community Banking Week in Illinois, in recognition of the contributions of community banks to the economic vitality of the State of Illinois and their continuing dedication to fulfilling the credit needs of citizens throughout the state.

[Read the Proclamation »](#)

[See Customizable Community Banking Week News Release »](#)

CBAI's 2024 Annual Compensation Survey Deadline Extended Until April 30!

Create a culture that inspires engaged and loyal employees! Complete the 2024 Compensation Survey quickly and easily by April 30, 2024, and receive FREE results. (Non-participants pay \$400). Conducted by BalancedComp and sponsored by Risk Strategies|IZALE Financial Group, the compensation survey is available to complete on CBAI's website!

[Take the Survey »](#)



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Injunction Granted for CRA Final Rule

On March 31, a federal judge granted an injunction against federal banking regulators' Community Reinvestment Act final rule, as requested by ICBA and other groups in a legal challenge. Judge Matthew Kacsmaryk of the U.S. District Court for the Northern

District of Texas granted the injunction to extend the CRA final rule's effective date—which would have been effective on April 1—along with all other implementation dates. The effective dates will be extended for each day the injunction remains in place, pending the resolution of the lawsuit. ICBA, the Independent Bankers Association of Texas, Texas Bankers Association, Amarillo Chamber of Commerce, American Bankers Association, U.S. Chamber of Commerce, and Longview Chamber of Commerce filed the lawsuit in February, asking the court to vacate the final rule and grant a preliminary injunction while the court decides the merits of the case. The complaint says regulators exceeded their statutory authority with the CRA final rule, in violation of the Administrative Procedure Act. It also explains how the rule will limit future bank lending. Released in October 2023, the CRA final rule requires bank compliance by January 1, 2026.

[Read News Release »](#)

[Read Lawsuit Complaint »](#)

Register for CBAI's Call on Washington!

Registration is now open for CBAI's 42nd Annual CBAI Call on Washington which will be held on April 28 - May 1, 2024. Please plan to join us for this event to let your voice be heard. Celebrating its 42nd year, CBAI bankers from across Illinois will be traveling to Washington, D.C., to call on their members of Congress and banking regulators to support issues of importance to Illinois community banks.

[Register Now »](#)

CBAI Leadership Bankers Meet with Congressman Darin LaHood (R-16th)

CBAI Past Chairman Doug Parrott, president and CEO of State Bank of Toulon, Central Illinois Regional Vice Chairman Chad Martin, president and CEO of Goodfield State Bank, Group Director Kim McKee, president and CEO of North Central Bank in Ladd, and David Schroeder, CBAI's SVP of federal governmental relations, met with Illinois Congressman Darin LaHood (R-16th) and District Director Katherine Coyle to discuss community bank issues and opportunities.

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Illinois Community Bankers Lead State Push for Rural Lending Relief

The Community Bankers Association of Illinois led a coalition of the state's agricultural organizations to urge Congress to pass legislation to support lending in rural communities. Introduced by Sens. Jerry Moran (R-Kansas) and Angus King (I-Maine) and Reps. Randy Feenstra (R-Iowa) and Wiley Nickel (D-N.C.), the Access to Credit for our Rural Economy (ACRE) Act (H.R. 3139/S. 2371) would make interest income on farm real estate and rural mortgage loans tax-exempt. The Illinois Farm Bureau, Illinois Corn Growers Association, Illinois Soybean Growers, and Grain and Feed Association of Illinois joined CBAI in urging support for the bipartisan bill to promote access to credit and reduce borrowing costs for rural citizens.

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CBAI Urges the CFPB to Withdraw their Flawed Proposal to Prohibit Nonexistent Fees for Instantaneously Declined Transactions

On March 23, 2024, the Community Bankers Association of Illinois (CBAI) filed a comment letter with the Consumer Financial Protection Bureau (CFPB) regarding its proposal to prohibit fees that the Bureau admits are "almost never charged for transactions that are declined in real time." This led the CBAI to ask a very logical question - Is this rule making the best use of the Bureau's resources? The obvious answer to that question is NO!

For this reason and because of other deficiencies in the rationale that underpins the Bureau's argument for what it is proposing, CBAI urged the Bureau to withdraw this flawed and unnecessary proposal.

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



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CBAI Urges Regulators to Increase Their Involvement in Addressing Check Fraud and Reimbursements for Fraudulently Altered Returned Checks

Again, this year, CBAI surveyed its community bank members about fraudulent returns and check fraud and shared this information with the federal banking regulators along with revised recommendations urging their increased involvement in addressing this growing and serious problem.

In a March 28, 2024, letter to the federal banking regulators, CBAI renewed its call for them to promptly issue Joint Supervisory Guidance directed at the largest financial institutions to ensure they are able to detect and deter the opening of fraudulent accounts and to increase their involvement in resolving Fraudulent Returns. CBAI also urged the regulators to promptly embrace their examination and enforcement responsibility with respect to the largest financial institutions and check fraud.

CBAI believes the lack of tangible results in addressing these problems is unacceptable, causes an enormous disservice to community banks and their customers, and undermines the public's confidence in the banking system.

[Read CBAI's Letter to the OCC, Federal Reserve and FDIC \(which includes the complete 2024 member survey results\) »](#)

Community Banks Are Fighting Check Fraud on the Front Lines

Banks and their customers continue to be challenged by a rise in fraud and scams across payment types. Most significantly, check fraud has emerged over the past several years as a leading concern. Mail theft, increasingly sophisticated mechanisms for altering paper checks and check images, and coordination problems among financial institutions have led to mounting losses for community banks.

In 2023, ICBA wrote about how community banks can combat the rise of check fraud. In 2024, we noted in a written statement for a Senate Banking Committee hearing that community banks are uniquely positioned to prevent, detect, and mitigate customer fraud. As relationship bankers, community banks know their customers in real and meaningful ways. These relationships help to prevent fraud on the front lines, promote access to fraud prevention services, and give customers a personal resource when they fall victim to scams.

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Speakers Set for ICBA Capital Summit/CBAI Call on Washington

ICBA announced the speakers for next month's 2024 ICBA Capital Summit, the industry's premier advocacy event. Scheduled for April 28-May 1 in Washington, D.C., this year's summit will feature Dave Fishwick, whose story inspired the Netflix hit "Bank of Dave"; Senate Banking Committee member Jon Tester (D-Mont.); House Financial Services Committee Vice Chairman French Hill (R-Ark.); House Financial Services Committee member Byron Donalds (R-Fla.); FDIC Chairman Martin Gruenberg; Consumer Financial Protection Bureau Director Rohit Chopra; and ICBA President and CEO Rebeca Romero Rainey. This year's Capital Summit will bring community bankers from across the country to Washington to meet directly with policymakers and help shape the future of the industry.

[Read More and Register »](#)

Payments Networks, Merchants Announce Settlement on Interchange Suit

Visa, Mastercard, major credit card issuers, and the merchants suing them announced a proposed settlement to end nearly two decades of litigation over credit card interchange. ICBA is analyzing this new settlement to determine the impact on the community banking sector. According to the plaintiff coalition, the proposed settlement includes provisions that would require Visa and Mastercard to cut the posted interchange fee of every merchant by at least four basis points for at least three years; bar the networks from raising interchange fees for merchants above the posted rates that existed as of Dec. 31, 2023; require the average effective systemwide interchange fee for Visa and Mastercard to be at least seven basis points below the current average rate; allow merchants to discount at the issuer level and adjust surcharges based on the costs associated with accepting different credit cards, thereby steering consumers to preferred cards; require Visa and Mastercard to negotiate interchange fees with merchant buying groups; and permit merchants to discount debit card transactions.

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Nominations Are Being Accepted for the 2024 FORVIS Award for Excellence and Innovation, Presented by CBAI

Nominations are being taken for the 2024 Excellence & Innovation FORVIS Award, presented by CBAI and the accounting firm of FORVIS. 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 FORVIS client to enter. Nominations are due at CBAI headquarters no later than Friday, May 31, 2024. Last year, the winner was Beardstown Savings, s.b. This year, your bank could be the winner! Send us your community bank's innovative programs and unique community service projects. Your extra efforts deserve to be recognized!

Nominations can be submitted to [Valerie Johnston](#).

[Learn More About the Award »](#)

[Download a Nomination Form »](#)

ThinkTECH Connect to Explore Fintech Solutions with Webinar Tomorrow

ICBA is hosting a complimentary webinar to explore fintech solutions for community banks. Scheduled for 11 a.m. (Eastern time) Thursday, April 4, and available on-demand, the webinar will offer a quick look at fintech companies that were not part of the ThinkTECH Accelerator but may be of interest to community banks.

[Register for the Webinar »](#)

[Order the Webinar Recording »](#)

ThinkTECH Accelerator Registration Open

Community bankers can now register to participate in the seventh ICBA ThinkTECH Accelerator program to meet with emerging fintech companies advancing community bank innovation. Scheduled for May 27-July 19, the next ThinkTECH Accelerator program will allow community bank teams to join 3.5-hour sessions with participating fintechs. The Accelerator program promotes growth-stage companies that serve or wish to serve community banks and their customers.

[Register Here »](#)

Office of Finance Publishes the 2023 Combined Financial Report of the Federal Home Loan Banks

The Office of Finance announced the publication of the 2023 Combined Financial Report of the Federal Home Loan Banks (FHLBanks). This report has been prepared from the audited financial information of the FHLBanks. Each of the FHLBanks has filed its 2023 Form 10-K with the SEC. Current financial reports and other SEC filings for individual FHLBanks can be obtained by searching the EDGAR database. The 2023 Combined Financial Report for the FHLBanks has been filed with the Federal Housing Finance Agency. A copy of this Combined Financial Report can be obtained on the Office of Finance website.

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ICBA Offers Complimentary Treasury Check Fraud: Trends & Tools Webinar

ICBA is offering a complimentary webinar on April 10, 2024, at 10 a.m. entitled "Treasury Check Fraud: Trends & Tools." Check fraud remains one of the most common types of fraud. It is a growing problem for banks because it's easy to execute. Forgery, alterations and counterfeit checks continue to be a major issue for banks, and treasury checks are not excluded from fraud. In late 2023, the Treasury amended regulations affecting bank liability for treasury checks.

[Find Out More and Register »](#)



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Treasury Spotlights AI Risks for Financial Sector

The Treasury Department issued a report on how the financial services sector can manage cybersecurity risks posed by artificial intelligence technologies. Developed in response to an executive order, the report outlines steps for addressing AI-related operational risk, cybersecurity and fraud challenges. It includes recommendations on issues such as addressing gaps between financial institutions related to in-house AI systems, data available for training models, and human capital; regulatory and international coordination; and the explainability of advanced machine learning models, particularly generative AI.

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ICBA Seeking Service Award Nominations

ICBA is accepting nominations for its National Community Bank Service Award program, which recognizes community banks that have stepped up for their communities in significant ways. Sponsored by FIS, this year's awards recognize exceptional community bank service as well as emerging service programs that have been in place for less than three years. The deadline to submit nominations is Tuesday, April 30.

[Submit Nominations »](#)

Registration Open for Federal Reserve Bank of Chicago Inaugural Holding Company Symposium

The Federal Reserve Bank of Chicago's Supervision and Regulation (S&R) department is pleased to announce the 1st Annual Holding Company Symposium hosted by the Federal Reserve Bank of Chicago. The event will take place in-person on Wednesday, May 22, 2024. A remote option is available for those unable to attend onsite. This event will offer an opportunity for you and your colleagues to hear from S&R officers, expert speakers, and answer your questions on topical subjects.

Austan D. Goolsbee, president and chief executive officer of the Federal Reserve Bank of Chicago, delivers opening remarks, and keynote speaker, Naomi Mercer, SVP of Diversity Equity & Inclusion (DEI) at the American Bankers Association, discusses banking trends associated with DEI. Additionally, John Geiringer, BFKN Financial Institutions Group partner and regulatory section leader, and Colette Fried, AVP of Mergers, Acquisitions & Enforcement at the Federal Reserve Bank of Chicago, discuss holding company hot topics and trends. New sessions and speakers will continue to be advertised and are likely to include holding company tax strategies and the supervision of novel activities.

The Symposium will be a hybrid event, with live, in-person registration limited to 100 participants. Those who are unable to attend in person are encouraged to join us virtually. Executive officers and directors of Seventh District bank holding companies, banking trade associations and regulatory agencies. Please utilize the link below to register. Seating will be limited for in-person attendees. Registration closes Wednesday, May 15, 2024.

[Annual Holding Company Symposium »](#)

The Chicago Region's Division of Depositor and Consumer Protection Newsletter 1Q2024

The Chicago Region's Division of Depositor and Consumer Protection newsletter for the first quarter of 2024 was recently published. This issue discusses consumer complaint trends, promoting greater access to banking through customer identification programs, the new Part 328 rule, and implications to changes in the Metropolitan Statistical Area designations. The newsletter also provides helpful guidance on the use of the FDIC's new Banker Engagement Site.

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NEWS FROM SERVICES

Ncontracts: 2024 Regulatory Expectations and Enforcement Actions Recap

What will examiners look for in 2024? What should your financial institution's regulatory compliance priorities be, and how can you address any weak points? Compliance management will take center stage for FIs in 2024. With account fees, consumer lending, and BSA/AML drawing additional attention, FIs must be prepared. At the same time, large regulatory changes from 1071 to CRA modernization will continue to loom over the regulatory landscape in banking. This article explores areas of heightened regulatory oversight in 2024.

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Vericast: Navigating the Financial Services Landscape: Strategies for Customer Growth, Deposits & Retention

In the dynamic world of financial services, the challenge of securing deposits while grappling with shrinking marketing budgets is omnipresent. Financial institutions are on a continuous quest for smarter approaches to household acquisition, striving not only for better outcomes but for sustained success. This pursuit is further complicated by the complex regulatory landscape, shifting consumer preferences, and the clamor of the marketplace. This article explores five key questions for customer acquisition and the four blueprint strategies for marketing success.

[Read More »](#)

KlariVis: Why Daily Deposit Insights Matter

In today's ultra-competitive deposit landscape, minutes matter. Bankers everywhere have accumulated war stories about how quickly deposit balances can shift. In the blink of an eye, high-value customers can be wooed by competitive interest rates or dazzling account features. Unfortunately, once customers are set up with a rival financial institution and have a



new debit card activated, you can probably kiss that relationship goodbye. Daily deposit insights are the key to making sure it never comes to that. Banks that have timely access to powerful data and analytics can spot signs that customers might move money before the funds are out the door forever. To hold onto their fair share of customers' wallets, banks are getting savvy about monitoring customer deposit behavior day in and day out.

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CBIS: Insurance Market Update for First Quarter 2024

The latest market update offers a snapshot of ongoing challenges across the P&C commercial space.

The primary pinch points are most acute within the property market – where median rate increases continue to be in the double-digits for many clients. The market is less constrained than it was a year ago, but it is likely to be another tough renewal season in 2024. This is particularly likely for clients who have not had a significant restructuring of their property program. Clients, brokers, and carriers are working collaboratively to find creative solutions where there are capacity constraints, and we can expect this approach to continue. This update also takes a look at auto, cyber and D&O insurance.

[Read More from CBIS »](#)

CBSC Preferred Providers



MORE UPCOMING EDUCATIONAL PROGRAMS

Early-Bird Registration Now Open for CBAI's 50th Annual Convention & Exposition!

Registration is now open for CBAI's 50th Annual Convention & Exposition, scheduled for September 19 – 21, at the Crowne Plaza in Springfield. CBAI is excited to celebrate this incredible milestone in community banking history.

Don't wait! Register today for early-bird pricing and receive a significant discount to attend CBAI's showcase event! You won't want to miss CBAI's 50th Annual Convention & Exposition as we celebrate 50 Years. One Mission. Community Banks.

[Register Today »](#)

CBAI offering Loan Documentation for Administrators & Lenders on May 1 in Springfield or Via On-Demand Recorded Session

CBAI is pleased to offer "Loan Documentation for Administrators & Lenders" to be held Wednesday, May 1, 2024, at CBAI Headquarters in Springfield or via on-demand recorded session. This seminar is directed toward loan operations staff and loan administrators, as the material focuses on the operations aspects of loan documentation. Loan documentation is a critical component to lending. After the decision to make a loan has been made, the next step is the documentation-closing process. This part of the lending process is essential in order to avoid loan losses due to poor documentation. Many community banks assign this important responsibility to loan administrators with input from the sponsoring loan officer. If not performed properly, poor documentation can cause loans to be adversely classified, even if the underlying credit is sound or if the loan is performing as agreed. The purpose of this seminar is to provide participants with a good understanding of the loan documentation process. Participants are exposed to the five steps in the loan documentation process, which include identifying the borrower, identifying and documenting the collateral, evidencing the debt, attaching the collateral, and perfecting the security interest. Jeffery Johnson, president and founder of Bankers Insight Group, Atlanta, GA, leads this seminar.

[Register Today »](#)

Loan Participations for Community Banks Scheduled for May 2 in Springfield or Via On-Demand Recorded Session

CBAI is pleased to offer "Loan Participations for Community Banks" to be held Thursday, May 2, 2024, at CBAI Headquarters or via on-demand recorded session. This informative session would best suit loan officers, senior credit officers, loan administrators, administrative assistants, loan review officers and compliance officers. At the time a bank enters a lending arrangement with a borrower, or some time thereafter, it may wish to sell a portion of the loan to another bank. On the other hand, there may be instances where a bank may wish to purchase a portion of a loan made by another bank. Such a sale or purchase may occur in connection with short-term borrowings, term loans, construction loans or other forms of extension of credit. This area of lending is closely monitored by banking regulators because of the inherent risk in this type of lending and the bank's failure to take the necessary precautions to avoid undue problems. This course is designed to provide the basic requirements for successful loan participations or syndications. The information presented in this presentation is helpful to banks buying/selling participations among affiliate banks or to unrelated institutions. At the end of this session, the participant should have a firm understanding of the minimum required standards to purchase and sell loan participations or participate in loan syndications to remain in compliance with safe and sound banking practices. Jeffery Johnson, president and founder of Bankers Insight Group, Atlanta, GA, leads this seminar.

[Register Today »](#)

Bank Operations Bootcamp to Be Held May 2 in Springfield or Via On-Demand Recorded Session

The Community Bankers of Illinois and Young & Associates, Inc. are pleased to offer "Bank Operations Bootcamp" in Springfield on May 2, 2024, or via on-demand recorded session. This bootcamp was designed for customer contact and frontline personnel. Compliance is always a complex subject. Customer contact and frontline personnel are at risk, as there are so many ways that their actions, inactions or words could unintentionally create problems for the bank. For instance, a joke that is meant to be innocent and funny could result in a fair lending issue. In addition to responding to a customer request, using the wrong words could create difficulties that no one needs. The right knowledge helps to mitigate these types of risks.

This one-day workshop is designed for front-line/customer contact staff to offer the training they need to keep themselves and the bank out of trouble. We cover a wide variety of topics, as seen in the detailed agenda below. The manual covers each area in detail, and "cheat sheets" are offered, where appropriate, to assist attendees in sharing this training with others in the bank. Note that other subjects may be suggested, either prior to or at the seminar. While much of the training will be in compliance-related areas that impact frontline staff, state requirements and issues will be included, as well as other subjects that are necessary to the operation of the bank. The seminar concludes with a general discussion of other topics as suggested by the attendees.

[Register Today »](#)

CBAI Educational Calendar



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