



## CBAI E-Newsletter, sponsored by **SHAZAM** May 5, 2021

### IN THE NEWS

#### **IDFPR Issues Advisory Statement on State CRA Notice Posting Requirement**

Following concerns raised by CBAI and many community bankers, IDFPR has issued an advisory letter intended to provide further clarity regarding the confusing notice posting provision contained in the new State CRA Law. The law requires all state-chartered banks to post a notice outlining details of the program, even though a state CRA program has not been developed and is years away from implementation. The advisory letter includes alternate notice language that may be less confusing to your customers and that can be substituted for the language in the original law.

While CBAI is told that regulators will take a "light touch" in early enforcement of the provision, the posting requirement is mandated in current state law and applies to all offices of state-chartered banks including out of state branches. While it may be unlikely that out of state regulators would have any enforcement ability over the requirement, it is still required under the letter of the law.

[See the Statement »](#)

#### **2021 CBAI Compensation Survey Deadline Extended to May 15**

The deadline to complete CBAI's Compensation Survey has been extended from April 30 to May 15. Ensure your bank has the competitive edge in recruiting top talent! Complete the 2021 Compensation Survey quickly and easily by May 15, 2021, and receive free results. (Non-participants pay \$300). Conducted by BalancedComp and sponsored by CBSC Preferred Provider IZALE Financial Group, the compensation survey is now available on CBAI's website.

[Complete the Survey »](#)



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#### **CBAI NEWS FROM THE FRONT**

There are few weeks left in the spring legislative session of the Illinois General Assembly. The House sent 407 bills to the Senate while 353 Senate bills move to the House for consideration. Lawmakers are also turning attention to crafting a state budget for the coming year. They continue to work on drawing new legislative districts, even as they await U.S. Census data. The General Assembly is scheduled to adjourn on May 31.

[Read Most Recent NEWS FROM THE FRONT »](#)

## PPP General Fund Exhausted

The Paycheck Protection Program's general fund was reportedly exhausted Tuesday ahead of the program's May 31 authorization, though some PPP funds remain for certain loans and lenders.

While the SBA hasn't yet released public figures, remaining PPP funds reportedly break down as follows:

- Roughly \$6 billion reserved for loans with hold codes.
- Roughly \$8 billion set aside for certain community financial institutions.

Under the Economic Aid Act, community financial institutions include Community Development Financial Institutions, Minority Depository Institutions, Certified Development Corporations, and certain microloan intermediaries.

The SBA released the following statement: "After more than a year of operation and serving more than eight million small businesses, funding for the bi-partisan Paycheck Protection Program has been exhausted. The SBA will continue funding outstanding approved PPP applications, but new qualifying applications will only be funded through community financial institutions, financial lenders who serve underserved communities. The SBA is committed to delivering economic aid through the many COVID-19 relief programs it is currently administering and beyond."

## SBA Reopens Shuttered Venue Grant Program

The SBA reopened the Shuttered Venue Operators Grant application portal after technology issues scuttled its April 8 launch. The program offers \$16 billion in grants for eligible live venues, museums, movie theaters, and other such entities that had to close their doors due to the COVID-19 pandemic. Entities that apply for a Paycheck Protection Program loan after Dec. 27, 2020, may also apply for SVOG grants. PPP loan amounts will be deducted from the grants.

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## SBA Launches New EIDL Program

The SBA launched a new round of Economic Injury Disaster Loan assistance called Supplemental Targeted Advances. The program will provide \$5 billion in additional assistance to 1 million small businesses and nonprofits severely affected by the COVID-19 pandemic.

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## Illinois Loses One Congressional Seat

Texas will gain two congressional seats, while a number of Northeast and Midwest states will see their delegations shrink slightly, according to the new apportionment figures released Monday by the Census Bureau. The apportionment numbers, based on the 2020 census, continue a decades-long shift of political power from the Rust Belt to the Sun Belt. But California, the nation's largest state, also saw its population growth slow enough that it lost a House seat for the first time.

Texas, which had 36 congressional seats for the past decade, will elect two additional members of the House in next year's midterm elections. Other states that will add a single House seat: Colorado, Florida, Montana, North Carolina and Oregon. Meanwhile, seven states each lost a seat. Other than California, they were all east of the Mississippi River: Illinois, Michigan, New York, Ohio, Pennsylvania and West Virginia.

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## Agencies Issue Resource on Supply Chain Attacks

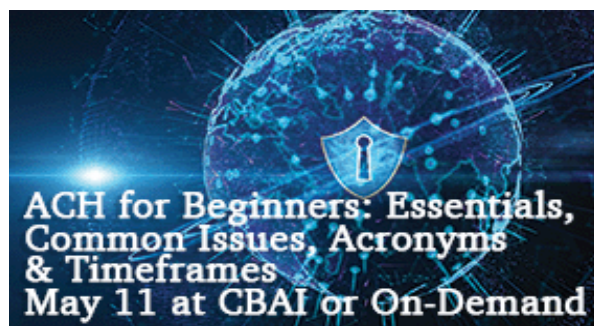
The Cybersecurity and Infrastructure Security Agency and National Institute for Standards and Technology released an interagency resource on software supply chain risks and recommendations. Defending Against Software Supply Chain Attacks provides guidance on using NIST's Cyber Supply Chain Risk Management framework and the Secure Software Development Framework to identify, assess, and mitigate risks.

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## Fed: Banking System Showing Resilience

Financial institutions' strong capital and liquidity positions have enabled the banking system to support the U.S. economic recovery, the Federal Reserve reported. In its latest supervision and regulation report, the Fed said banks entered the pandemic with strong capital positions and built further capital last year. At year-end 2020, capital ratios remain well above regulatory minimums at nearly all firms, it said. The Fed also said bank lending has been slow amid the pandemic, with little growth beyond the Paycheck Protection Program. Loan balances peaked in May 2020 and declined through the rest of the year.

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## CBAI Recommends Guiding Principals in Transferring Beneficial Ownership Collection and Reporting Responsibility to FinCEN

CBAI's advocacy effort to relieve the community bank regulatory burden for the collection and reporting of beneficial ownership information dates to our comment letters in 2012 and 2016. In those comment letters, we urged FinCEN to tread lightly on community banks, and we were critical of FinCEN's regulatory impact analysis which justified the estimated cost of compliance to implement their proposed rules. CBAI is gratified that Congress has finally shifted this responsibility from community banks to where it rightfully belongs – with FinCEN.

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## FDIC Releases Ombudsman's Report

A Report on the activities of the FDIC's Office of the Ombudsman for 2019 and 2020 is now available. Included in the Report are aggregated observations and recommendations from external stakeholders addressing a broad array of issues, including risk management and compliance examinations, applications, and perceptions regarding regulatory burden. The Report also includes comments on the Agency's newly adopted guidelines pertaining to appeals of material supervisory determinations, and reflects contacts and inquiries to the Office during the COVID Pandemic.

[See the Report »](#)

## OCC Revises Credit Card Lending Booklet

The OCC issued the revised "Credit Card Lending" booklet of the Comptroller's Handbook, which OCC examiners use to supervise national banks and federal savings associations.

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## CBAI Deadline for Nominations for the Excellence & Innovation BKD Award is Friday, June 4, 2021

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, innovative product/service or program. Your bank does not need to be a BKD client in order 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! If you have any questions, please e-mail [Valerie](#) and [Bobbi](#).

[Learn More About the Award »](#)  
[Download the Nomination Form »](#)



**I DECIDED TO PARTNER  
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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.*

### **Biden Plan Includes New Reporting Requirements**

President Joe Biden's \$1.8 trillion American Families Plan would require financial institutions to report information on account flows, according to statements from the White House and Treasury Department. The proposal to increase federal education, child-care, and tax benefits for families would be funded by higher taxes on high-income earners and stricter IRS tax enforcement, supported by additional financial institution reporting on investments and business activity.

Treasury said the plan would require financial institutions to add information about aggregate account outflows and inflows to existing reporting. This would help the IRS target its enforcement activity on the most suspect tax evaders, it said.

[Read White House Statement »](#)

[Read Treasury Statement »](#)

### **GSEs Plan New Low-Income Refinance Option**

Fannie Mae and Freddie Mac will implement a new refinance option for low-income borrowers with enterprise-backed single-family mortgages, the Federal Housing Finance Agency announced. Beginning this summer, eligible borrowers will be able to apply for a reduced interest rate and lower monthly payment, saving an estimated \$100-\$250 per month.

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### **CFPB Delays New QM Rule**

The Consumer Financial Protection Bureau issued a final rule formally delaying the mandatory compliance date of its recently modified general Qualified Mortgage final rule from July 1, 2021, to Oct. 1, 2022. The QM rule replaces the 43 percent debt-to-income limit with an approach based on loan pricing. Under the CFPB's newly announced delay, lenders will have the option of using the new rule or the DTI-based QM rule. The "GSE patch," which exempts Fannie Mae and Freddie Mac mortgage loans from parts of the QM rule, will also remain in effect until the new compliance date unless the GSEs exit conservatorship before then. However, the bureau said the GSEs may be limited by recent revisions to their Preferred Stock Purchase Agreements.

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### **CBAI's 2021 Spring Associate Member Directory is Now Available!**

Take advantage of this vital resource to find vendors for all your purchasing and consulting needs.

The Directory is divided into three sections:

- By category of business/product/service;
- Alphabetical by firm name; and
- Preferred services of Community BancService Corporation (CBSC), a division of CBAI.

The Associate Member Directory is distributed twice annually via e-mail and is also available on our website at [www.cbai.com](http://www.cbai.com). The website version will be continuously updated as new firms join membership. If you would like a hard copy, please contact [Valerie Johnston](#).

## CONNECT WITH CBSC PREFERRED PROVIDERS



### Harland Clarke: Unleash Your Inner Marketing Genius

Ever notice how words that begin with multi are usually good for you? Multigrain. Multimedia. Multivitamin. Multipurpose. *Multichannel* is no different. But in the area of marketing, somehow, somewhere along the way, multichannel got a bad rap for being complicated, hard to manage, disjointed. And it's totally not that at all. Download a simple action plan for delivering a multitouch, cohesive multichannel marketing experience through every stage of the customer lifecycle.

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### The Baker Group: Baker Market Update

This week is notable not only for having a full calendar of economic data, including a new Jobs Report, but also for having a pretty heavy docket of Fed-Speakers. Dallas Fed President Robert Kaplan got a head start on this week's speaking engagements when, in a virtual address to the Montgomery Area Chamber of Commerce last Friday, he declared that it was time to start thinking about tapering asset purchases amid signs of excessive risk-taking and financial imbalances. He also thinks the Fed should have its first rate increase next year.

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### Kasasa: Hear How This Checking Strategy Unlocked 68% More Loan Volume

Join us for a complimentary *Independent Banker Magazine* webinar with content from Kasasa on Wednesday, May 12, 2021, at 2 p.m. Central. With the economic uncertainty of COVID-19 and a tidal wave of liquidity, one community bank has found a way to engage consumers, bring in more loans, and re-balance the balance sheet. Learn how they are building primary financial relationships to drive customer acquisition and prepare for whatever comes next — and how this strategy can work for you in 2021.

Key takeaways:

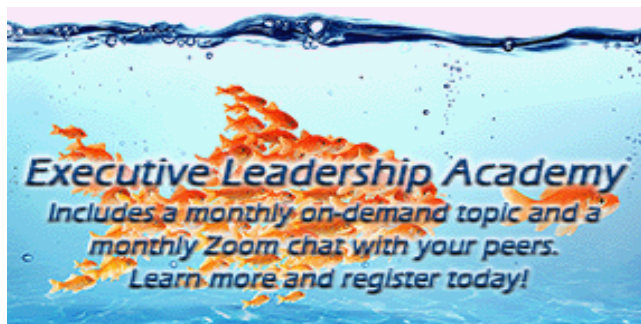
- Learn how stimulus packages and market conditions affected consumers and what this could mean for your future.
- Hear from bank executives how the right products and marketing strategies can lead to higher loan growth and non-interest income.
- Discover metrics you should be tracking to identify your best strategy in 2021.

### CBIS: The Future of Insurance Risk Management is Different!

The future will contain many major changes to wrap our heads around on the topic of insurance risk management. This future expects to show us a very different insurance world than we are accustomed. Also, the ever-new concept of fusion centers is now!

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CBSC PREFERRED PROVIDERS



FHA Issues Waiver on Appraisal Requirements

The Federal Housing Administration issued a temporary partial waiver to parts of the Single Family Housing Policy Handbook 4000.1 related to appraisal requirements in changing markets. The partial waiver addresses difficulties in changing markets with increasing property values and a shortage of housing supply.

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### **Participate in the CBAI 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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### **SomerCor Awarded Prestigious SBA Status**

SomerCor, a Chicago-based Certified Development Company (CDC) and CBAI associate member, is proud to announce it was awarded Accredited Lender Program (ALP) status by the U.S. Small Business Administration (SBA). ALP is a prestigious designation granted by the SBA to high performing, non-profit SBA 504 lending companies. To achieve ALP status, SomerCor underwent an extensive SBA qualification process that included the evaluation of staff expertise, as well as an assessment of performance metrics related to SomerCor’s loan processing, portfolio growth and servicing, and compliance with SBA lending regulations.

CDCs with ALP designation are granted an increased authority in the processing, closing, and servicing of SBA 504 loans, resulting in an expedited lending experience for borrowers and lending partners. In addition, pending SBA final rules, SomerCor will be able to participate in the new SBA 504 Express Loan program. ALP CDCs will have the authority to approve, authorize, close, and service SBA 504 loans of \$500,000 or less under program enhancements enacted through federal COVID-19 relief legislation.

### **CBAI LEGAL: Is the Deceptive Marketing Tactic Re-emerging?**

Twenty years ago, mortgage customers of CBAI members were inundated with loan and refinance solicitations from mortgage companies. Those solicitations often prominently displayed the name of the CBAI member on the outside of the envelope, sometimes including words such as “Important Information About Your Mortgage Enclosed.” Seeing the outside of the envelope, many recipients had the false impression that the mail was legitimate correspondence from the CBAI member, rather than a “spam” offer from some fly-by-night mortgage company. After 20 years, is this deceptive marketing tactic about to make a comeback?

[Read Most Recent CBAI LEGAL »](#)

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

Session 3: May 24, 2021\*  
Session 4: May 25, 2021\*  
CBAI Headquarters, Springfield

*A detailed beginner  
to intermediate level  
training program.*

The banner features a photograph of two men in business suits, one standing and one seated, in a professional setting.

**Asset/Liability Management:  
Investments, Liquidity, and  
Interest-Rate Risk Seminar**

CBAI, Springfield  
June 2, 2021

The banner features a photograph of two bulls in a field, one larger and one smaller, under a clear sky.

## **MORE UPCOMING EDUCATIONAL PROGRAMS**

## Group Meeting Registration Now Open for Groups 3, 4, 5, 6, 7, 8 & 9

CBAI leaders and executive staff are visiting 11 locations on the Group Meeting tour this spring. Bankers from nearly 200 banks participate in these enjoyable and informative events each year. This year's after-dinner presentation is titled "Skimming and Card Cloning," and will be conducted by Mike Burke from SHAZAM. Burke covers the anatomy of a debit card and how fraudsters are stealing this information with the use of skimming devices at ATMs, Points of Sale (POS) and fuel dispensers. CBAI President Kraig Lounsberry provides updates on Association projects and community banking in general and Senior Vice President of Governmental Relations Jerry Peck offers an up-to-the minute report of banking-related legislative activities.

Consisting of an optional golf outing and a dinner meeting, each Group Meeting provides an excellent opportunity to get the latest information on key banking issues and catch up with friends and peers. (Note: The Group 1 & 2 Meeting will follow a different format and the meeting date will be released soon.)

[See the 2021 Group Meeting Schedule and Make Plans Now to Attend »](#)

## Community Bank Marketing Conference Set for May 26 in Springfield

CBAI is pleased to offer its Community Bank Marketing Conference on May 26 at the Northfield Inn and Conference Center in Springfield. The conference is designed to help community bank marketing professionals develop their skills and grow within the banking profession. The keynote speaker is Dave "The Shef" Sheffield, a high-energy, award winning motivational speaker. Sheffield's sessions "*Blabvertising: The Art of Word-of-Mouth Marketing*" and "*Unleashing the Leader Within You!*" motivate and inspire during a time of unprecedented change. Patrick Dix, vice president – strategic alliances, SHAZAM, presents "*Social Media: Paid, Owned, Earned*" and "*Communicating During a Crisis*," and Bill Elliott, senior consultant and director of compliance education, Young & Associates, Inc., presents "*Advertising Compliance*." The event also includes a mini-expo featuring the latest in products and services for community banks. Don't miss this opportunity for invaluable networking and powerful information.

[Register Today »](#)

## Don't Forget Early-Bird Pricing at CBAI's Annual Convention & Expo Ends June 30

Registration is now open for CBAI's 47th Annual Convention & Expo, scheduled for September 23-25, 2021, at the Marriott Marquis, Chicago, IL. Expert speakers on the hottest community banking topics fill an education agenda featuring 20 break-out sessions. This year's Opening Breakfast Speaker is Christine Cashen, who delivers a fast-paced, hilarious program with useful content that makes her a sought-after speaker worldwide. Cashen is the author of *THE GOOD STUFF: Quips & Tips on Life, Love, Work and Happiness*, which was named motivational book of the year by the Next Generation Indie Book Awards. Also on the agenda are the Welcoming Reception with BancPac Live and Silent Auction, a jam-packed Exhibit Hall with more than 70 booths, the Annual Business Meeting Luncheon, and much more. The Closing General Session speaker is Vallie Collins. Collins shares the details of her experience during the flight and rescue of the event that has become known as the "Miracle on the Hudson" in the hope that the experience inspires and motivates all to treasure each and each day because "every day is a lucky day!" Don't wait! Register today for early-bird pricing and receive a significant discount to attend CBAI's annual showcase event! You won't want to miss it!

[Register Today »](#)

## The Community Bankers School to be Held July 11-16, 2021, in Bloomington

Are you an ambitious person who wants to be a leader at your bank? If so, then the Community Bankers School (CBS) is looking for you!

The Community Bankers School consists of two, one-week sessions at Illinois Wesleyan University in Bloomington. It features a nationally recognized faculty and a well-rounded, comprehensive curriculum. Topics covered in Class I include compliance, accounting, commercial and consumer loan documentation, collections, bank security, auditing, investments, and technology, while Class II focuses on management aspects. The 2021 session opens Sunday, July 11, and concludes Friday, July 16.

To be admitted to CBS, applicants must meet the following qualifications:

- current employee of a community bank; and
- high school graduate with three years in banking; or college graduate and one year in banking.

For an more information or for an enrollment form, please [click here](#) or visit [www.cbai.com](http://www.cbai.com) today! Deadline to enroll is July 1, 2021!

[Register Now »](#)

[VIEW CBAI's EVENTS CALENDAR](#)

# ASSOCIATE MEMBER DIRECTORY

## SPRING 2021



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