



CBAI E-Newsletter, sponsored by SHAZAM  
Edition: May 15, 2024

## IN THE NEWS

### IMPORTANT NOTICE: CBAI's Website and Database Will Be Unavailable on Tuesday, May 28, 2024

Please be aware that CBAI's website and database will be unavailable on Tuesday, May 28, 2024, as we work with our AMS provider to perform required scheduled maintenance. For questions regarding the website, please [email Stacy](#) or call her at 217.560.3096. During this time, if you need any member of our staff, please call CBAI headquarters at 217.529.2265 for assistance.

[Read Full Notice »](#)

### CBAI's 2024 Call on Washington Recap

CBAI members joined with hundreds of community bankers and guests from across the country from April 29 – May 1, 2024, to deliver our important legislative and regulatory priorities to policymakers in Washington, D.C. Again this year, CBAI's Call on Washington was held in conjunction with the Independent Community Bankers of America's (ICBA's) Capital Summit.

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### CBAI Foundation Announces 2024 Essay Contest Scholarship Winners!

The Community Bankers Association of Illinois (CBAI) Foundation for Community Banking is proud to announce the 2024 Annual Scholarship Program winners. Now in its 37th year, the program awarded \$21,000 to 23 high school seniors via an essay writing contest. The overall winner, Nora Hammer, Oregon High School, sponsored by Harvard State Bank, receives a \$1,000 scholarship per year for up to four years of higher education. This year, 75 CBAI member banks representing 241 students statewide participated in the contest. Congratulations to all the winning students and sponsoring banks! *Details will be available in September 2024 for the 2025 scholarship program.*

[See Winners »](#)

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### The Baker Group Is Committed to Community Banks

The Baker Group was founded by a community banker in 1979 with the express purpose of serving and supporting community banks nationwide. Over the last 45 years, our commitment to that mission has not wavered. We now help more than one-thousand community banks across the country manage their balance sheets, interest rate risk and investment portfolios.

Some in our industry openly advocate for fewer community banks in the U.S., going so far as to say we should have just a few dozen mega banks. *We cannot disagree more strongly!* Community banks are the lifeblood of America and the communities they serve. Show us a thriving city or town anywhere and we promise there will be a strong community bank at the heart of that town, lending to small businesses, helping farmers, donating to charities, and supporting the community in countless ways. Without

community banks, America as we know it would look much different, and not in a good way. The Baker Group remains committed to supporting community banks, the banking associations that advocate for them, and our shared mission of strengthening local communities across America. We are customer focused and industry responsive, providing honest and insightful guidance through strategic balance sheet and investment solutions.

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### **CBAI's Efforts to Combat Check Fraud Continue to Gain National Attention**


The results of CBAI's recent member survey concerning check fraud and its observations and recommendations to the federal banking regulators were highlighted in an April 30, 2024, American Banker's article titled, 'Like wildfire': Rising Check Fraud Pits Small Banks Against Big Banks. The article opened with the statement, "A group of community bankers in Illinois is pushing regulators to get tougher on their enforcement of "know your customer" laws with the big banks, which they say have done too little to combat the dramatic rise in instances of check fraud last year."

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### **CBAI Urges Federal Reserve to Withdraw Debit Interchange Fee and Routing Proposed Rule**

In a May 10, 2024, comment letter to the Board of Governors of the Federal Reserve System, CBAI stated many reasons for its opposition to their proposed rule on debit interchange fees and routing requirements. The Federal Reserve is not required to revisit and change the interchange cap. Consumers will not benefit from a reduction in the cap – only the big-box retailers and giant e-commerce merchants will be the beneficiaries. Community banks and their customers will be harmed by the reduction in the cap, particularly those consumers who are the most vulnerable. Accordingly, CBAI strongly urged the Federal Reserve to withdraw this flawed and misguided Proposal and engage with community banks on this important matter.

[Read CBAI Comment Letter to the Federal Reserve »](#)



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### **CBAI Participates in FHLB-C Economic Roundtable with Congressman Darin LaHood**

On May 13, 2024, CBAI welcomed the opportunity to participate in the Federal Home Loan Bank of Chicago's Economic Roundtable meeting with Congressman Darin LaHood (IL-16). The associations represented at the meeting were CBAI, Home Builders Association of Illinois, Illinois Bankers Association, Illinois Credit Union League and Illinois Realtors.

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### **Illinois Treasurer's Office Caps AG Assist Program**

Starting June 1, 2024, the Illinois Treasurer's Office will cap the popular link-deposit program, AG Assist, at a maximum deposit limit of \$10 million until the end of the year. In a letter to participating financial institutions, the Treasurer's Office noted a surge in the program's popularity in 2023 that led to more than \$1 billion in deposits placed in Illinois financial institutions in 2024. The Treasurer's Office will also cap the maximum spread on lines of credit and long-term deposits under the program.

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### **CBAI Foundation Is Conducting a "Talent Search!"**

CBAI's Foundation for Community Banking is conducting a "Talent Search" to find karaoke teams to perform on Friday night at CBAI's 50th Annual Convention & Expo! Five years ago, we held a "Be a Rockstar for the Foundation" karaoke fundraising event at our annual convention and now it is back by popular demand! But this time, we are searching for teams who are itching to take the stage! To join the karaoke competition, your team must raise a minimum of \$500 for the Foundation by the **team entry deadline of July 15, 2024.**

On September 20, 2024, at CBAI's 50th Annual Convention & Expo Friday evening event, each karaoke team will have the opportunity to perform one song at the beginning of the night. Attendees will be able to "vote" for their favorite performance by donating to the Foundation in that team's name. All fundraising dollars raised, including the entry fee, other donations solicited before the event, and "votes" on the night of the event, will be added together to determine each team's total. The karaoke team that has raised the most money for the Foundation at the end of the night will be deemed the winner! So, grab your friends, warm

up your pipes, and show off your talent to support CBAI's Foundation! Send your team's name, team members, and \$500 entry fee to Valerie Johnston, CBAI, 901 Community Drive, Springfield, IL 62703 by July 15!

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## **Nominations Deadline is May 31 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 »](#)



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## **Agencies Issue Guide to Assist Community Banks to Develop and Implement Third-Party Risk Management Practices**

Federal bank regulatory agencies today released a guide to support community banks in managing risks presented by third-party relationships. Community banks engage with third parties to help compete in and respond to an evolving financial services landscape. Third-party relationships present varied risks that community banks are expected to appropriately identify, assess, monitor and control to ensure that their activities are performed in a safe and sound manner and in compliance with applicable laws and regulations. These laws and regulations include, but are not limited to, those designed to protect consumers and those addressing financial crimes. The guide offers potential considerations, resources and examples through each stage of the third-party relationship and may be a helpful resource for community banks. While the guide illustrates the principles discussed in the third-party risk management guidance issued by the agencies in June 2023, it is not a substitute for that guidance.

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## **CBAI Foundation Announces a "50 for 50" Anniversary Fundraiser**

In honor of CBAI's golden anniversary, the Foundation for Community Banking is spearheading a special "50 for 50" Campaign. There are several different ways you can choose to participate. You can make a bank donation in honor of the 50th anniversary, such as \$500 or \$5,000, or any \$50 increment you wish. Another option is to encourage your staff members and/or board members to make a \$50 donation to the Foundation in honor of CBAI. Banks can also choose to offer to match staff donations up to \$500, \$5,000 or any amount they choose. You can also increase your bank's current accumulated donation to the \$5,000 mark, which is the silver donation level, or celebrate CBAI's golden anniversary by becoming a gold-level sponsor.

Contributions in any amount are greatly appreciated! All banks, associate members and individuals donating to this campaign will be recognized in Banknotes magazine. Banks and associate members reaching the \$5,000 Silver level or \$10,000 Gold level during CBAI's golden anniversary year will also be recognized on social media, with a news release, and at CBAI's annual convention. **All donations are 100% tax deductible!**

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## **CBAI Publishes 2024 Spring Associate Member Directory**

CBAI's 2024 Spring Associate Member Directory is now available! Take advantage of this vital resource to find vendors for all of 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](#).  
[See Directory »](#)

### **Fed's Bowman Expects Inflation to Remain Elevated**

Federal Reserve Governor Michelle Bowman said she expects inflation to remain elevated for "some time." Speaking in Florida, Bowman said after seeing progress on slowing inflation last year, the U.S. has not seen further progress over the first quarter. While the current stance of monetary policy appears to be restrictive, she remains willing to raise target interest rates at a future meeting. The Federal Open Market Committee held interest rates steady last week. Fed Chairman Jerome Powell said he still expects rate cuts later this year and thinks rate increases are unlikely.

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### **FDIC Issues Third-Party Report of Misconduct at the Agency**

The FDIC released a report from an independent third-party review of allegations of sexual harassment and other misconduct at the agency, management's response, and the FDIC's workplace culture. Conducted by Cleary Gottlieb and overseen by a special committee of the FDIC board of directors, the independent review found the FDIC has failed to provide a workplace safe from sexual harassment, discrimination, and other interpersonal misconduct and found management's responses to allegations of misconduct, as well as the culture and conditions that gave rise to them, have been insufficient and ineffective. The report, which was based on the experiences of more than 500 current and former FDIC employees, included recommendations for protecting victims, transforming the agency culture, holding leadership accountable, improving transparency, and more.

[Read Report »](#)

[Read Gruenberg's Message to FDIC Employees »](#)

### **ICBA Unveils Latest ThinkTECH Accelerator Cohort**

ICBA announced the launch of the seventh edition of its ICBA ThinkTECH Accelerator program promoting community bank innovation. This second cohort of the year will focus on companies providing solutions and support for areas including artificial intelligence, financial health and wellness, subscription management, digital onboarding and compliance. Community banks can register to join in either open or private bank visit sessions. During the upcoming 10-week program, the cohort will work collaboratively with a network of industry leaders and community bank executives to refine their solutions. Scheduled for May 28-July 19, the latest ThinkTECH Accelerator program will allow community bank teams to join 3.5-hour sessions with these participating fintechs including Prelim Technologies, Rego Payment Architectures, FINBOA, RiskScout, ScribeUp, and Savvi AI.

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### **ICBA's Independent Banker List Top-Performing Community Banks**

This month's Independent Banker magazine profiles the top-performing community banks of 2024. The top banks were identified using FDIC return-on-assets data from the past three years. The 75 top performers were broken into three categories based on asset size: less than \$300 million, \$300 million to \$1 billion, and more than \$1 billion. Among the top banks in the \$330 million to \$1 billion category was **Servbank of Oswego, IL**.

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### **At Hearing, Scott Touts Challenge to CFPB's Credit Card Late Fee Rule**

Senate Banking Committee Ranking Member Tim Scott (R-S.C.) touted his ICBA-supported resolution to nullify the Consumer Financial Protection Bureau's final rule on credit card late fees during a committee hearing. During a hearing on "junk fees" in financial services and housing, Scott said the CFPB's rule would result in lower credit limits and higher interest rates for borrowers along with new fees for services that are currently provided free of charge. ICBA supports Scott's Congressional Review Act resolution, which would express congressional disapproval of the rule and nullify its implementation. An ICBA-supported House companion resolution introduced by Rep. Andy Barr (R-Ky.) passed the House Financial Services Committee last month.

[View Full Committee Hearing »](#)

[Read Scott's Resolution »](#)

## Last Chance to Register 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. **Registration closes Wednesday, May 15, 2024.**

[Read More and Register »](#)

## OCC Offers Currency Mutual Forum in June

The Comptroller of the Currency is offering a Currency Mutual Forum on Tuesday, June 25, 2024. Speakers include the Acting Comptroller of the Currency, senior OCC staff and mutual bankers. The Mutual Forum will begin with registration starting at 9:30 am Eastern Time and conclude at 5:00 pm Eastern Time. The program will begin at 10:00 am Eastern Time. There will be a welcome reception beginning at 5:30 pm on Monday, June 24.

Attendance to the 2024 OCC Mutual Forum is open to senior management and members of the boards of directors of OCC supervised mutual savings associations and mutual holding companies. You may attend in person or virtually.

[Register Today »](#)



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[READ FULL NOTICE HERE »](#)

If you have questions, please contact Stacy Workman at 217.560.3096.

UPDATE...

The graphic features a blue background with a white gear icon and a progress bar. To the right, a smartphone and a laptop display the same message.

## NEWS FROM SERVICES

### CBSC Releases New "Why I Did It" Podcast Episode Featuring Rich Eckert

Every day, community bankers are faced with decisions regarding which new programs their bank should offer that will generate more revenue, attract new customers, reduce expenses, or improve security. Then, they must determine how to select the best vendors. Navigating the journey can seem overwhelming. Sometimes, it helps to have a friend who has been through a similar experience.

Why I Did It, a new video-podcast created by CBSC, seeks to help community bankers learn from the experiences of fellow community bankers who are willing to share their stories about why they implemented new services or programs, how they selected a vendor, the implementation process, as well as tips to make the change a success.

[Listen to Episode Two Featuring Rich Eckert »](#)



### Regulatory Violations Index Reveals Dynamic Financial Services Regulatory Environment

A new [Regulatory Violations Intelligence Index](#), a compilation of penalties imposed by U.S. federal and state regulators in financial services over the past few years, offers insights to lenders across three areas: consumer protection-related offenses, financial offenses and competition-related offenses. The *Index*, provided by [CBSC Preferred Provider Wolters Kluwer](#), may provide banks a broader view of major supervisory activities and thematic priorities for consideration in their compliance program management efforts.

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### CBIS and Wolters Kluwer Launch New BOI Filing Service

Community BancService Corporation (CBSC), the business services subsidiary of Community Bankers Association of Illinois (CBAI), recently announced it has endorsed Wolters Kluwer's new BizFilings Beneficial Ownership Information (BOI) reporting solution. As of January 1, 2024, the Corporate Transparency Act (CTA) mandates qualifying small business owners gather, document and submit their Beneficial Ownership Information to FinCEN, the Financial Crimes Enforcement Network of the U.S. Department of Treasury. CTA is estimated to impact more than 32 million small businesses in the U.S. Generally, a small business is defined as fewer than 20 employees and less than \$5 million in annual revenue.

Small businesses formed prior to January 1, 2024, have through December 31, 2024, to file. Small businesses formed after January 1, 2024, have 90 days after their formation to file. In 2025, newly formed small businesses must file within 30 days from formation. Failure to file may result in financial fines and criminal penalties, including imprisonment.

[Register here](#) to attend a FREE webinar on May 30, 2024, that explains the CTA/BOI requirements in greater detail and the BizFilings BOI reporting solution.

### **Ncontracts: How to Respond to Common Bank Board Technology Objections**

Your board of directors is responsible for safety and soundness, growth and increasing the profitability of your bank — all while serving the needs of your customers, employees and community. Meeting these goals requires that the board of directors makes wise investments in capital projects, including adding or upgrading technology. In a world of finite resources, they want to see a return on investment (ROI). A board must justify its investments and measure ROI in terms of money saved, increased income and/or profitability, or stronger safety and soundness. Therefore, when presenting a technology investment to the board, you need to demonstrate how the investment will deliver value by supporting the board's goals. How can you make your case to the board? Find out four common objections and how to overcome them.

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### **ADVANTAGE Powered by JMFA: Compliance Chat: Are Overdraft Fees Going Away?**

View the latest "Compliance Chat" video from ADVANTAGE, powered by JMFA, as Amanda Kephart visits with Cheryl Lawson to discuss how recent activity from the CFPB could impact overdraft fees. For many community banks and credit unions, there is an overwhelming amount of speculation, which is creating growing concerns.

While predicting the future isn't crystal clear, changes are on the horizon. One major question is on most people's minds right now: "Is the CFPB eliminating overdraft fees?" It's important to understand the CFPB's goal isn't to eliminate overdraft fees, but rather to reduce consumer costs. They are looking to strike a happy medium between consumers and financial institutions. However, when overdraft fee amounts range from \$40 to \$3, it leaves plenty of room for uncertainty. Will overdraft fees vanish completely?

[Learn More »](#)

### **CBIS: Is Rental Insurance Necessary for Community Bank Vehicles?**

If you're renting a car, it's easy to get overwhelmed by the insurance options offered at the rental counter. You can quickly lose sight of policies you already carry and, unfortunately, waste money on additional protection you don't need. At the same time, don't be overconfident that your insurance will protect you in all instances. Before securing a car for business or pleasure in the U.S., take the time to familiarize yourself with the rental-specific benefits of common insurance coverages and the ins and outs of rental company insurance offerings.

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CBSC Preferred Providers



## MORE UPCOMING EDUCATIONAL PROGRAMS

### **Loan Portfolio Management Offered June 11 in Springfield or Via On-Demand Recorded Session**

CBAI is pleased to offer “Loan Portfolio Management” seminar to be held Tuesday, June 11, 2024, at the CBAI Headquarters, Springfield, and/or via on-demand recorded session. Managing a community bank’s loan portfolio occurs at three levels – the highest level is the board of directors and executive management. The lending department manager or senior lender take on additional duties, while at a third level, the day-to-day performance of the lenders is critical. This course looks at the key roles and duties at all three levels. The greater focus is on the lender level, since that is the starting point for effective, overall management.

Successful lenders can achieve sales goals and maintain credit quality at the same time. It doesn’t happen by accident, nor does it require a workaholic approach to the job. The key is organizing your individual portfolio along the theme of streamlining the credit process to maximize the marketing process. The result is better service to your most important customers and prospects on an individual basis. Bonus: Given the current environment, this course also will cover effective ways lenders can market for deposits. Richard Hamm of Advantage Consulting & Training, Huntsville, AL, leads this program.

[Register Today »](#)

### **Register for HR Legal Topics for 2024 & Beyond on June 12 in Springfield**

CBAI is pleased to offer the “HR Legal Hot Topics for 2024 & Beyond” seminar scheduled for June 12, 2024, at the CBAI Headquarters in Springfield. All human resources personnel as well as bank presidents/CEOs would benefit from this seminar. Management-Side Labor & Employment Attorney Jeff Risch of Amundsen Davis LLC will present a timely discussion on the very latest local, state and national legal developments impacting HR and personnel management in 2024 and beyond.

[Register Today »](#)

### **Trust 101: Fiduciary Essentials Scheduled for June 13 in Springfield or Via On-Demand Recorded Session**

CBAI is pleased to offer “Trust 101: Fiduciary Essentials” on Thursday, June 13, 2024, at CBAI Headquarters or via on-demand recorded session. Whether you are new to the Trust (wealth management) industry or looking for a refresher, this seminar provides the “fiduciary essentials” of trusts within the wealth management industry. Specifically, the session reviews the background of trusts – how they work and why they are used. In addition, the responsibilities of serving as a trustee are shared along with the various trust types that exist. Risks associated with administering trusts and industry best practices are also shared in this informative session. This seminar is designed for bank trust administrators, trust sales, compliance officers and any bank employee wanting to learn more about fiduciary law, trust basics and fiduciary liability. Patrick Alyward, founder/CEO of TRUSTworthy Consultants, Inc., and managing director of the Fiduciary Education Center, LLC, leads this seminar.

[Register Today »](#)

### **Early-Bird Registration for CBAI’s 50th Annual Convention & Expo Open Through June 30**

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. Expert speakers on the hottest community banking topics fill an education agenda including the CBAI Fintech Showcase, powered by the ICBA ThinkTECH Accelerator. Colette Carlson, founder of Speak Your Truth, Inc., is this year’s Opening Breakfast Speaker. Stroll among the tables laden with items for the live and silent auctions supporting Community BancPac at the Welcoming Reception. Enjoy food, drinks and entertainment as you bid on your favorites! Also on the agenda is our jam-packed Exhibit Hall with over 80 booths, the Annual Business Meeting Luncheon, and much more! 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 Educational Calendar

*Breakthrough to Excellence!*



*Community Bankers School  
July 14-19, 2024  
Illinois Wesleyan University  
Bloomington, Illinois*



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