



CBAI E-Newsletter, sponsored by **SHAZAM**

July 14, 2021

IN THE NEWS

Thirteen CBAI Member Banks Named to ICBA's Top Lenders List

ICBA's *Independent Banker* magazine announced in the July issue its rankings of the top community bank loan producers for 2021. Based on 2020 FDIC data, the 2021 list features agricultural, commercial, and consumer and mortgage lenders that made the most of one of the toughest years in recent memory. Thirteen CBAI member banks were named to the lists.

Anchor State Bank, Buckley State Bank, and Farmers National Bank of Griggsville were among the banks in the agriculture category with less than \$500 million in assets. In the \$500 million to \$1 billion agriculture category were **The First National Bank in Carmi, Legence Bank, Eldorado, and Midwest Bank, Monmouth. Dieterich Bank, N.A., Effingham, Bank of Springfield, First State Bank, Mendota, and Heartland Bank and Trust Co., Bloomington**, were recognized in the agriculture category for banks with more than \$1 billion in assets.

In the consumer and mortgage category, **Allied Bank, sb, Oswego**, made the list for banks under \$500 million in assets and **Evergreen Bank, Oak Brook**, landed a spot on the more than \$1 billion asset category. The **First National Bank of Ottawa** was recognized in the commercial category for banks \$500 million to \$1 billion in assets. Congratulations to all the CBAI member banks named as top community bank loan producers for 2021!

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Post Job Openings on CBAI's Career Center

Do you have a job opening at your bank? CBAI member banks can find qualified employees by posting classified ads on the Career Center of CBAI's website. Contact **Valerie Johnston** to take advantage of this free member benefit today!

[Visit CBAI's Career Center »](#)

The advertisement features the Wolters Kluwer logo in the top left corner. The main text reads 'Listen to what bankers are saying about CASH Suite™' and 'Wolters Kluwer's commercial lending solution'. A blue arrow points to the right at the bottom right of the ad.

The advertisement has a blue background. At the top, it says 'CBAI'S 47TH ANNUAL CONVENTION & EXPO' and 'SEPTEMBER 23-25, 2021 CHICAGO, IL'. Below this is a quote in white cursive: 'We're Putting the Band Back Together'. At the bottom, in red, it says 'EARLY-BIRD REGISTRATION DEADLINE IS JULY 19!'.

Join Us for the CBAI FedPac Baseball Game!

Where: Busch Stadium in St. Louis

When: Wednesday, July 21, 2021, at 7:15 p.m.

Who: St. Louis Cardinals vs. Chicago Cubs

Why: To keep community banking in the game

Cost: \$150/ticket (personal CBAI FedPac contributions)

The Cardinals and Cubs are locked in battle for the National League Central Division title and every head-to-head game is important. You can help support CBAI FedPac and cheer your team on to a division title.

CBAI FedPac was created to enhance the impact of Illinois community banks in Washington, D.C. It helps us support the candidates who believe in our mission to serve our communities and customers.

Bankers can purchase tickets for **\$150 (personal CBAI FedPac contributions)**. The cost of admission includes entry into a "Redbird Row Skybox", food, and drink. Don't come alone - bring along a rookie or veteran player from your bank. **Tickets are limited, so act today to secure your reservations.**

In addition, associate members and CBAI member banks can help underwrite this event with their generous contributions. Jessie Schmidt 800/736-2224 or David Schroeder 847/909-8341 are in the dugout to answer any questions regarding sponsorships. We hope to see you at the old ball game!

Reserve Your Ticket Today »

Community Bankers' Feedback Wanted on Illinois Treasurer Programs

Please join Illinois Treasurer Michael Frerichs and the CBAI governmental relations team for an opportunity to provide direct feedback about programs impacting community banks. The Treasurer and his staff would like community bankers' input on the Invest in Illinois Programs including Ag Invest, Business Invest and Community Invest. Also being discussed is the new CDFI and MDI loan guarantee program. This free event will take place via Zoom on Monday, July 19, at 10:00 a.m.

More Information and Zoom Meeting Link »



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Former NCUA Official Criticizes Credit Union Bank Purchases

A former National Credit Union Administration official this week raised concerns over credit union acquisitions of community banks. In separate blog posts on Wednesday and Thursday, Callahan & Associates co-founder and former NCUA Central Liquidity Fund President Chip Filson said these transactions:

- Convert firms subject to market monitoring into private entities.
- Exclude from the process credit union member-owners and are often not in their interest.
- Are often justified through generalizations, not due diligence.

Read Wednesday's Blog Post »

Read Thursday's Blog Post »

Federal Reserve Announces It Will Soon Release New Tool to Help Community Banks Implement Current Expected Credit Losses (CECL) Accounting Standard

The Federal Reserve announced on Thursday it will soon release a new tool to help community banks implement the Current Expected Credit Losses (CECL) accounting standard. Known as the Scaled CECL Allowance for Losses Estimator or "SCALE," the spreadsheet-based tool draws on publicly available regulatory and industry data to aid community banks with assets of less than \$1 billion in calculating their CECL allowances.

The Federal Reserve will launch the SCALE tool and answer questions during an "Ask the Fed" webinar on July 15, 2021. The session is intended for community banks and will feature participation from the Financial Accounting Standards Board and the Conference of State Bank Supervisors. **Registration information is available [here](#).** The SCALE tool will be available

via SupervisionOutreach.org/cecl. All bank officers at banks under \$1 billion are welcome to attend the Ask the Fed event.

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Congress Pushes Back on IRS Reporting Plan

House Ways and Means Committee Republicans issued a fact sheet pushing back on the Biden administration's proposal to require banks to report customer account information to the IRS. The congressional fact sheet says the proposal would supercharge the IRS and require local banks to serve as tax auditors and raises doubts about the size of the agency's estimated "tax gap."

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CBAI Urges Limiting Novel Charters' Access to Federal Reserve Accounts and Services

In a July 9, 2021, comment letter to the Board of Governors of the Federal Reserve System, CBAI acknowledged the significant rise in fintechs and nonbanks (Novel Charters) applying to the Federal Reserve for accounts and direct access to its services. However, these Novel Charters do not satisfy the definition of a bank because they do not offer all the required services, so they are not subject to all the appropriate laws, rules, and regulations, and they are not supervised by all the appropriate federal regulators. CBAI urged the Federal Reserve to prohibit Novel Charters from even being legally eligible to apply for an account and direct access to the Fed's services and limit eligibility to actual, full-service, fully-regulated, legitimate banks.

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2021 Directory of Illinois Financial Institutions is Now Available

The 2021 Directory of Illinois Financial Institutions is now available! A complimentary directory was mailed out to all CBAI member banks. If you would like to purchase an additional copy, please visit www.cbaidirectoryonline.com.

Join CBAI for Regional Legislative Roundtables

The CBAI governmental relations team will be hosting legislators and community bankers at roundtable receptions on July 14 in Girard, August 11 in Chicago, and August 31 in Vandalia.

These casual events are an opportunity for community bankers to interact directly with lawmakers and discuss the concerns of our industry. Anyone from the bank, from directors to tellers, are welcome and encouraged to attend. Drinks and appetizers will be provided. **There is no cost for CBAI members to attend.** These events are made possible by generous sponsorships from ICBA, CBSC, and IZALE Financial Group. For more information or to register, please contact **Jerry Peck** at 217/529-2265.



Quarles Raises Doubts About Fed CBDC

Federal Reserve Vice Chair for Supervision Randal Quarles expressed doubts about the benefits of a U.S. central bank digital currency. Addressing the Utah Bankers Association, Quarles said the benefits of a Federal Reserve CBDC are “unclear” while it would pose “significant and concrete risks.”

With the Fed slated to issue a discussion paper on CBDC this summer, Quarles said a Fed CBDC could:

- Create challenges for the structure of the banking system by instituting the Fed as the dominant provider of credit.
- Undermine the economic benefits of commercial banks competing to attract customers.
- Present an appealing target for cyberattacks and other security threats.
- Facilitate illicit activity.
- Be difficult and costly for the Fed to manage.

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Chicago Region’s Division of Depositor and Consumer Protection Newsletter

In the second quarter 2021 issue, we discuss flood insurance; Community Reinvestment Act assessment areas; Coronavirus Aid, Relief, and Economic Security Act (CARES Act) mortgage and eviction relief; Truth in Lending Act-Real Estate Settlement Procedures Act Integrated Disclosures observations; and Home Mortgage Disclosure Act frequently answered questions. Lastly, we highlight some upcoming webinars offered through the Region’s Community Affairs program.

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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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The Baker Group: Baker Market Update

The equity and bonds markets are seeing plenty of volatility. A college professor of mine always used to say that “fear and greed” drive the markets. This week, the markets seemed to be plenty fearful of the delta COVID-19 variant that is fueling worries about the global economic comeback. The Olympics further added to that fear by announcing a ban of spectators at Tokyo’s summer games as Japan declared a state of emergency to curb the spread of coronavirus. The Dow closed Thursday’s session lower by nearly 260 points and the Dow has rebounded strong this morning with an early 375 point increase.

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Kasasa: Banking Believe It or Nots

To say the least, these are very different times for the banking industry — and especially community financial institutions. The past year has challenged traditional thinking and forced new ways of doing business. Making smart decisions is imperative right now, and there are some oft-heard beliefs going around that we think need to be explored deeper — so you can have the information you need.

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Ncontracts: Beware of Fair Lending Risk in Loan Originator Compensation Programs

Loan originator compensation is a key source of fair lending risk. Through the years, we have seen both regulator guidance and DOJ settlements that encourage the proactive management of Regulation Z and fair lending compliance.

As a quick reminder, Regulation Z states that “no loan originator shall receive and no person shall pay to a loan originator, directly or indirectly, compensation in an amount that is based on a term of a transaction.” Reg Z also says that “a loan originator shall not direct or steer a consumer to consummate a transaction based on the fact that the originator will receive greater compensation from the credit in the transaction than in other transactions the originator offered.”

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Harland Clarke: Back to the Basics: Three Essential Strategies for Winning Contact Center Culture

With consumer preference shifting to self-service, the call center is one of those few opportunities for a personal touch. In this article, Harland Clarke Vice President of Contact Center Solutions Terri Panhans shares proven strategies for creating a high-performance culture and winning customer experiences.

Learn how to delight customers and grow business with a culture-first approach to customer experience.

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CBIS: Ransomware to “Extortionware”

The biggest problem with ransomware is that getting caught will land you a federal prison sentence. But extortion via the “dark web” tends to be anonymous, difficult to trace, and hard to extradite. Plus, there is little incentive from other countries to curtail criminal activity.

The best formal response still includes securing data beforehand, seeking forensic assistance from your insurer, which may include breach coaching, notifying official regulatory authority and law enforcement, as well as knowing when to provide a formal notification to customers. Many breach expenses are covered by your insurer at no cost to the insured, which again may include coaches, forensics, legal, notification, public relations, etc.

[Read More from CBIS »](#)

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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.

Donate to the Community BancPac Live & Silent Auctions

The Community BancPac Live and Silent auctions are back! Made possible by the generosity of leading community bankers, this is always a fun filled event that kicks off CBAI's Annual Convention. Last year's raffle with virtual drawing was a great way to

support Community BancPac, but it lacked the pizzaz of a live gathering of community bankers. Now that we can all join together safely again, let's make this year's auctions our best ever. It all starts with you!

We encourage you to think locally when deciding what items you will donate to the cause. There are great craftsmen, artists and retailers in your communities. The Community BancPac auction is a great way to support local businesses while showcasing what the amazing products your community makes to your fellow bankers.

If shopping is not your thing, you can still make a cash donation that will allow CBAI staff to purchase popular items for the auction and credit your financial institution for the item donation. This year, we are asking anyone that makes a cash donation to consider allowing your funds to be combined with other financial institutions to purchase higher priced items. All financial institutions will be credited with the item donation they contributed to in the auction booklet and on the bid sheet. Please check the box on the donation form if you are willing to combine funds.

[Download Auction Donation Form »](#)

CBAI LEGAL: Court Rejects Challenge to Lender's Winning Foreclosure Sale Bid

In a June 28th opinion, the First District Illinois Appellate Court dismissed an argument that a foreclosing mortgagee's winning bid at a foreclosure sale was so low (resulting in a large deficiency judgment) that the winning bid should be declared "unconscionable" and the foreclosure sale at that bid should not have been judicially confirmed.

[Read Most Recent CBAI LEGAL »](#)

Compliance for New Lenders

**August 17 - 18, 2021
CBAI, Springfield**

By attending this valuable program, new lenders will gain knowledge about these regulatory compliance issues and how to properly comply with them.





Advanced Internal Auditing
August 23, 2021
CBAI, Springfield

MORE UPCOMING EDUCATIONAL PROGRAMS

Early-Bird Pricing at CBAI's Annual Convention & Expo Extended to July 19th

The early-bird registration deadline for CBAI's 47th Annual Convention & Expo, scheduled for September 23-25, 2021, at the Marriott Marquis, Chicago, IL, has been extended to July 19, 2021! 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 on handling conflict, reducing stress and energizing employees. Also on the agenda are the Welcoming Reception with Community BancPac's Live and Silent Auction, a jam-packed Exhibit Hall, the Annual Business Meeting Luncheon, and much more. The Closing General Session speaker **Vallie Collins** shares her experience during the flight and rescue of the event that has become known as the "Miracle on the Hudson."

Don't wait! Register by July 19th 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 »](#)

[VIEW CBAI's EVENTS CALENDAR](#)





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