



CBAI E-Newsletter, sponsored by **SHAZAM** August 11, 2021

IN THE NEWS

CBAI Urges the Federal Reserve to Reinforce and Clarify Certain Provisions in Debit Interchange Rulemaking

In an August 10, 2021, comment letter to the Board of Governors of the Federal Reserve System, CBAI urged the Federal Reserve to reinforce the two unaffiliated network requirements which preserve at least a minimum level of competition for transaction routing to help prevent certain large payment card networks from dominating the routing of debit transactions. CBAI also urged the Fed to clarify that card-not-present debit transactions must be able to be processed on at least two unaffiliated payment card networks. Finally, CBAI urged the Fed to focus its attention and demand compliance with the regulations by all parties to debit card payments and to not increase the regulatory burden on community banks. [Read CBAI's Comment Letter to the Federal Reserve »](#)

Agencies Extend Foreclosure Moratoria

The federal government extended the moratorium on single-family real estate-owned evictions until Sept. 30 for Fannie Mae, Freddie Mac, the Federal Housing Administration, and the USDA. The moratorium applies to:

- **FHFA: Properties that have been acquired by the enterprises through foreclosure or deed-in-lieu of foreclosure transactions.**
- **FHA: FHA Single Family Title II forward and Home Equity Conversion Mortgage foreclosed properties, except for those properties that are legally vacant or abandoned.**
- **USDA: Properties financed or guaranteed by the USDA Single Family Housing Guaranteed Loan Program.**

CFPB Updates Mortgage Servicing Small Entity Compliance Guide

The Consumer Financial Protection Bureau updated its Mortgage Servicing Small Entity Compliance Guide to include guidance on the 2021 Mortgage Servicing COVID-19 final rule and the 2020 Mortgage Servicing COVID-19 interim final rule.

[Read Guide »](#)

[2021 Mortgage Servicing COVID-19 Final Rule »](#)

[2020 Mortgage Servicing COVID-19 Interim Final Rule »](#)

CBAI'S 47TH ANNUAL CONVENTION & EXPO

*"We're Putting The Band Back Together"
Download the full convention brochure here!*



SEPTEMBER 23-25, 2021 MARRIOTT MARQUIS, CHICAGO, IL

Join CBAI for a Regional Legislative Roundtable in Vandalia

The CBAI governmental relations team will be hosting legislators and community bankers at a roundtable reception on 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.

August 13 is Deadline to Submit Nominations for CBAI Foundation Scholarships for Children and Grandchildren of Community Bankers

The CBAI Foundation for Community Banking is proud to present three annual \$4,000 scholarships endowed by: SHAZAM®, Kasasa and Community BancService Corporation. Eligible students are children and grandchildren of community bankers and students who work at our members' community banks. (These students are not eligible for the original Foundation essay contest scholarships). Your community bank can be eligible for all three with a tax-deductible contribution/pledge of at least \$2,500 to the Foundation. The presentation of these scholarships will be held at the Annual Recognition Program during CBAI's 47th Annual Convention in Chicago. If you would like to know how your bank can become eligible for these scholarships, please view the form below or contact Bobbi Watson. **Nominations must be received by Friday, August 13, 2021.**

[Download Form »](#)

CFPB Interpretive Rule Re: Juneteenth 2021

The Consumer Financial Protection Bureau issued an interpretive rule to address certain time-sensitive borrower protections related to the treatment of June 19, 2021, as a business day or federal holiday. The guidance covers interpretive questions and compliance challenges with respect to rescission of closed-end mortgages and certain time-sensitive mortgage disclosures. Read the interpretive rule.

[Read More »](#)



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Donate to the Community BancPac Live & Silent Auctions

We encourage you to think locally when deciding what items you will donate to the Community BancPac auction. 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. Some other great auction item ideas include electronics, sporting events, concert tickets, sports/autographed memorabilia, and nice alcohol/cigars.

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.

[Donate Now »](#)

OCC, SEC Discuss the State of Cryptocurrency

In separate events, Securities and Exchange Chairman Gary Gensler and Acting Comptroller of the Currency Michael Hsu discussed efforts underway to adapt to the digitization of banking and finance and determine how fintechs, payment platforms, and digital assets fit into the regulated system.

- In remarks before the Aspen Security Forum, Gensler voiced concern about “a crypto market now where many tokens may be unregistered securities, without required disclosures or market oversight.” [Read More »](#)
- In testimony before the Senate Banking Committee, Hsu elaborated on the formation of the Digital Asset Sprint Initiative, an interagency effort featuring a series of sprints to provide a coordinated and timely response to issues raised by rapid growth in this area. [Read More »](#)

CBAI FedPac Fundraiser – A Bases-Clearing Home Run!

CBAI extends a BIG THANK YOU to the many community bankers, associate members and staff for stepping up to the plate and supporting CBAI FedPac!

This game was a great opportunity for members to get together and have some fun while supporting a great cause. Several players were new to the league of FedPac supporters, and many others brought their teammates, which made for a great mix of veteran players and rookies.

Participation in an event like this is an enjoyable and effective way to contribute to CBAI FedPac and get involved. CBAI sincerely thanks all our championship team members for their support for the CBAI FedPac.

[Read More »](#)



Purchase the Results of CBAI's 2021 Compensation Survey

The results of CBAI's 2021 Compensation Survey are now available. Administered by BalancedComp, the survey results are free to participants, thanks to sponsor IZALE Financial Group. Non-participants can purchase results for \$300 for CBAI members and \$500 for prospective members. If you are interested in purchasing the results, please contact [Bobbi Watson](#).

Regulators Provide State of the Industry Report to Congress

Agency heads from the FDIC, OCC, and the NCUA provided a state of the industry update during testimony before the Senate Banking Committee recently. The panel covered a broad range of topics including CRA reform, consolidation in the banking industry, overdraft fees, rate cap proposals, climate risk, and bank-fintech collaborations.

- Acting Comptroller of the Currency Michael Hsu said the agency's newly created Climate Change Risk Officer will work with industry stakeholders to accelerate the adoption of climate risk management practices within banks. [Read More »](#)
- FDIC Chairman Jelena McWilliams said that its regulated banks take into account weather-related risks, and they are examined for how they plan for those risks. [Read More »](#)

Hsu also said OCC staff are gathering and analyzing data on bank-fintech partnerships that will inform the development of future options to protect consumers and expand financial inclusion.

OCC Issues New Bulletins

The Office of the Comptroller of the Currency is issuing this bulletin to inform banks and examiners about sound risk management principles associated with engaging in U.S. Small Business Administration guaranteed lending programs.

[View the Complete Bulletin »](#)

The OCC also issued a bulletin which informs national banks, federal savings associations, and federal branches and agencies of foreign banking organizations of the appropriate names and addresses for notices required by the Community Reinvestment Act and Equal Credit Opportunity Act, and for posters under the Fair Housing Act. Banks should make the appropriate changes to their notices and posters, if necessary, within 90 days of this bulletin's date of issuance.

[View the Complete Bulletin »](#)



**I DECIDED TO PARTNER
WITH SHAZAM.**

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

Strengthening community financial institutions.

Lawmakers to CFPB: Consider Impact of 1071 Reporting

House Financial Services Committee Republicans called on the Consumer Financial Protection Bureau to consider the impact on small institutions as it develops a proposed rule on small-business data collection and reporting. The joint letter led by Subcommittee on Consumer Protection and Financial Institutions Ranking Member Blaine Luetkemeyer (R-Mo.) cites previous CFPB outreach to small entities and notes the potential for increased regulatory costs on financial institutions and decreased access to credit for small businesses. Section 1071 of the Dodd-Frank Act requires financial institutions to collect and report certain data on credit applications from women-owned, minority-owned, and small businesses, including the race, sex, and ethnicity of the principal owners. A recent legal settlement with the CFPB determined that the bureau will issue a proposed rulemaking by Sept. 30. The CFPB last year issued an outline of proposals for implementing the rulemaking that would exempt community banks with \$200 million or less in assets or up to 100 small-business loan originations.

[Read More »](#)

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!**

[Read More »](#)

CBAI LEGAL: Another Foreclosure Challenge Defeated

Perhaps proving that if there are 10,000 attorneys willing to represent mortgagors facing foreclosure, there will be 10,000 novel defenses raised in attempts to prevent or overturn foreclosures and judicial foreclosure sales. A recent opinion from the Second District Illinois Appellate Court disposed of another mortgagor's dispute regarding technical compliance with foreclosure evidentiary and procedural standards.

[Read Most Recent CBAI LEGAL »](#)

CONNECT WITH CBSC PREFERRED PROVIDERS



Regency 360: New Hire Kits

New Hire Kits from Regency360 are a great way to welcome employees on their first day of work. These kits can be especially useful for helping employees feel like part of the team, by providing them with company-branded swag. Kits are also beneficial for providing new hires with the essential products they need to get up and running. Regency360 makes creating new hire kits a simple, easy process. With the option to order your kits one at a time, or purchase large amounts of inventory, we can make your new hire kit program function based on budgets and criteria that work for your business. We can also act as a central distribution hub to receive all elements of the kits while also handling order fulfillment.

Perhaps the most important element to your new hire kit is the product selection itself. In order for your kit program to be a success, you want to make sure each product is selected carefully and intentionally. Our team of purchasing and sourcing experts will help you choose products that are sure to be a hit with your new employees.

Here are some tips on putting together the perfect New Hire Kit from Regency360 for your next employee.

- Think about what your employee will need while on the job, vs. products that may not be useful.
- Include a piece of company-branded apparel – even if your employee is working remotely.
- Choose quality over quantity
- Opt for personalized items when you can
- Include a welcome message from the employee's team or manager

Product kits can also be useful outside of onboarding – create kits for client appreciation, incentives, prizes, and more. Regency360 can help you with the entire process, from product sourcing to delivery. Contact **John Bybee** with any questions, and he will be more than happy to help!

[Read More »](#)

College Ave Announce New Program Enhancements

Community BancService Corporation, Inc. (CBSC), the business services subsidiary of the Community Bankers Association of Illinois (CBAI), the only state trade association that exclusively serves Illinois' community banks, recently announced that College Ave Student Loans, a CBSC preferred provider, has made several new enhancements to their student loan offerings.

- **Multi-Year Peace of Mind** – Borrowers can feel confident to borrow with College Ave throughout their degree. This simplification makes life much easier for borrowers.
- **Advanced Loans for Health Professions Degrees** – Students pursuing an advanced health professions degree can now pay for their schooling with the new **Graduate Health Professions Loan**.

There is still time to join the program for the 2021-2022 Academic Year Peak Lending Season. Now is the perfect time to launch this program at your bank. For more information contact **Wynde Walker**.

Harland Clarke: The Ultimate Guide to Successful Contact Center Outsourcing

Thirty-six percent of consumers say an unhelpful agent is the most frustrating aspect of a poor service experience. As financial institutions navigate uncertainty and adapt to a new normal, third-party call centers are proving to be a vital part of a strong business continuity strategy, ensuring resilience and delivering a number of bottom-line benefits — but it's all contingent upon selecting the right provider. Before you select a third-party call center provider, consider how their services measure up.

[View "The Ultimate Guide to Successful Contact Center Outsourcing" »](#)

Kasasa Podcast: Planting for Future Growth

Everybody wants loans, and nobody wants deposits – except for the megabanks and neobanks. What do they know that community financial institutions don't know? In part one of this two-part episode of Thinking Outside the Vault, Kasasa's Chief Research Analyst Patrick Dickson explains what the competition is thinking and how community financial institutions can develop a counter-strategy. It all comes down to cultivating relationships with consumers that can lead to significant growth down the road.

In this episode we discuss:

- The balance sheet difficulties that most community financial institutions are facing.
- The conventional solutions that many leaders will turn to in an attempt to rebalance their loan-to-deposit ratios.
- How the work of growing your institution is akin to planting a forest or an orchard.
- How megabanks and neobanks are carving up the retail banking space.
- What you can do to establish relationships with consumers that will lead to future growth.

[Listen Now »](#)

[Listen to the Second Part of the Conversation »](#)

CBIS: ATM Marketplace During Work Shortage

As you know, we've written about ATM exposures many times. They became a HOT target for criminals during the pandemic. Attempts to break into ATMs more than doubled in 2020 – a 220% increase in ATM "smash and grab" claims between 2019 and 2020. Cash is still king with crooks as it's completely untraceable and erasable. In keeping with CDC guidelines, community banks continued operations during COVID-19 peaks via a remote workforce, by appointment, or extended drive-thru hours. Bank customers were encouraged to use ATMs and it only follows that community banks were holding more cash exposure in each machine at any given time. Now, a couple of new "wrinkles" have surfaced, namely, an increase in false claims of undispensed cash and a labor shortage adding to the weight of carrying out proper ATM internal controls by inexperienced employees.

[Read More from CBIS »](#)

CBSC PREFERRED PROVIDERS

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.



MORE UPCOMING EDUCATIONAL PROGRAMS

CBAI's 47th Annual Convention & Exposition Slated for September 23 – 25

Community bankers are the backbone, the nerve center, of a great band. So, let's reunite in Chicago and put the band back together! The Community Bankers Association of Illinois' 47th Annual Convention and Exposition is scheduled for September 23 – 25, 2021, in Chicago. This year's convention features hard-hitting educational topics, a large exhibit center, and many fun-filled social events.

You don't want to miss this year, "We're Putting the Band Back Together!" For more information, see the full convention brochure or contact **Tracy McQuinn** at 800/736-2224.

[See Full Convention Brochure »](#)

Community Bank Cybersecurity Conference Set for August 25 with On-Demand Recorded Session Option

In today's risky environment, it's not if, but when. As technology continues to advance, so does the chance your organization will be the target of a cyberattack or the victim of cybercrime, whether from internal or external sources. Community banks are especially challenged as they deal with the same threat risks and regulatory governance expectations as the megabanks – without the same resources. The sessions covered during this conference are:

"We Are Under Attack – Don't Wait Until Your Bank is Compromised to Test Your Incident Response Plan" with Bill Baumann, Sales & Marketing Ironcore, Inc.;

"How Not to Manage Vendors: Strategies for Avoiding Costly Vendor Management Mistakes" and "Blindsided: How to Respond When a Vendor Gets Hacked," with Michael Berman, JD, founder and chief executive officer of NContracts;

"Social Engineering: Why Be Me When I Can Be You?" with Mark Scholl, principal with Wipfli LLP; and

"Challenges & Opportunities for Community Banks in Digital Assets & Cryptocurrencies" with David Carman, co-founder/board member of Global Digital Asset & Cryptocurrency Association.

[More Information and Register Today »](#)

CBAI's 47th Annual Convention Exposition Nearly Sold Out!

The Community Bankers Association of Illinois' 47th Annual Convention and Exposition provides an excellent marketing opportunity for exhibiting companies. The CBAI convention continues to be the strongest and largest venue to reach Illinois bankers. Designed for directors and senior officers of community banks throughout Illinois, the exposition is an important marketplace for suppliers of bank products and services. At press time, only four booths remain to sell out the jam-packed exhibit hall.

You don't want to miss this year, "We're Putting the Band Back Together!" For more information on exhibiting, contact **Melinda McClelland** at 800/736-2224.

[See Exhibitor Brochure »](#)

[VIEW CBAI's EVENTS CALENDAR](#)



Introducing a New Education Program for CBAI members!

Train your team with this award-winning online training platform built for community bankers.

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