

*Connected to Community Banking!*

Community  
Bankers  
Association  
of Illinois

*One Mission. Community Banks.*

## CBAI E-Newsletter, sponsored by SHAZAM February 12, 2020

NEWS

EDUCATION

ADVOCACY

SERVICES

FOUNDATION

### IN THE NEWS

#### **CBAI Calls for Congressional Hearings on Credit Union Acquisitions of Community Banks**

CBAI and ICBA have called on Congress to hold hearings on the surge of tax-exempt credit unions purchasing tax paying community banks. In letters to Congress, ICBA said this trend is the result of a long-term transformation of the credit union industry. Credit unions have "weaponized" their tax subsidy and lax regulatory environment and Congress should investigate how this activity is reshaping the financial services landscape. In recent Hill meetings, CBAI said every credit union purchase of a community bank diminishes tax revenues and further solidifies this publicly subsidized sector of the financial services industry. The acquisition of tax paying community banks by tax-exempt credit unions is an existential threat to community banks and the communities they serve and should prompt Congress to act now.

[Read ICBA Letter »](#)

[Read CBAI Hill Meetings Leave Behind »](#)



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

The Illinois General Assembly returned to Springfield for the start of the 2020 legislative session where Governor JB Pritzker delivered his first State of the State Address. CBAI questions IDFPR about the legality of credit unions acquiring the assets of community banks and we call on Congress to investigate the practice. The USDA has released information on crop insurance for industrial hemp, a former State Senator pleaded guilty to accepting bribes, and the State Treasurer looks to expand automatic IRAs to all employers.

[NEWS FROM THE FRONT »](#)

## CBAI Announces Opening Breakfast Speaker and Closing General Session Speaker at 46th Annual Convention & Expo

CBAI is pleased to announce 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. For more than 15 years, she has jazzed an amazing variety of audiences throughout the United States, Canada, South Africa and Australia. Cashen is an authority on sparking innovative ideas, handling conflict, reducing stress and energizing employees.

The Closing General Session Speaker is Vallie Smith Collins. As a salesperson, travel was a key requirement of her job. As a result, Collins was a passenger on US Airways Flight 1549 that landed in New York's Hudson River on January 15, 2009. 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 every day because "every day is a lucky day!" Mark your calendars for September 24-26, 2020! More information coming soon!



## Fed's Bowman Sworn in for Second Term

Michelle "Miki" Bowman was sworn in for her second term as a member of the Federal Reserve Board of Governors. CBAI & ICBA strongly supported Bowman's renomination for a full term on the board, which the Senate approved in September. Bowman made history in 2018 as the first person to fill the Fed's community banking seat, which exists because of ICBA's successful advocacy. Bowman's new term expires Jan. 31, 2024.

[Read More »](#)

# The "C" Conference

## Essential Training for C-Level Community Bankers



February 19, 2020  
Crowne Plaza, Springfield, IL

## Completing CBAI's 2020 Compensation Survey Just Got Even Easier!

Survey administrator, BalancedComp, has developed two demonstration videos to help you through the process. The first provides an overview of how to complete the survey and the second demonstrates the file uploading and position matching segment that allows you to download your salary and incentive data. Both videos are less than four minutes in length but provide valuable information that is especially helpful if you are new to the process.

Ensure your bank has the competitive edge in recruiting top talent! Complete the 2020 Compensation Survey quickly and easily by April 15, 2020, and receive free results. (Non-participants pay \$300). **Conducted by BalancedComp and sponsored by IZALE Financial Services**, the compensation survey is now available on CBAI's website.

[Survey Overview Video »](#)

[File Upload and Position Matching Video »](#)

[Complete the Survey »](#)

## Registration Open for FHLB Chicago Spring Member Meetings

You're invited to attend the 2020 FHLBank Chicago Member Meetings this spring. Hear from an economic expert as they discuss the economic and mortgage outlook for the year, gain strategies for navigating the ever-changing financial landscape, hear about trends in retail banking, and learn more about the customized products and solutions FHLB has to offer you.

[Read More »](#)

## Otting says OCC Won't Extend CRA Comment Period

Comptroller of the Currency Joseph Otting testified before the House Financial Services Committee on the OCC-FDIC proposal to reform the Community Reinvestment Act. Committee members cited a joint letter signed by ICBA requesting an extension of the comment period from 60 to 120 days, which Otting said the agency would not grant. Participants also debated provisions in the CRA proposal related to credits for loan and dollar amounts, mortgage-backed securities, and thresholds for small-business and agricultural loans.

[View the Hearing »](#)



## Deadline to Submit Entries for CBAI's 2020 Foundation Annual Essay Contest is March 4!

The CBAI Foundation for Community Banking provides \$21,000 in scholarship funds for top high-school seniors statewide. One semifinalist may be chosen from each of the 12 CBAI groups via an essay-writing contest. CBAI annually awards a \$1,000 scholarship to a student in 11 of CBAI's 12 groups and \$500 to a second person in each group, which ensures geographical uniformity of winners. One student will win \$1,000 a year for up to four years of higher education. And, as in previous years, the high school of the overall winner will receive \$500. ***Your bank has an excellent chance of sponsoring a winner at no cost to the bank! The deadline to submit essays is March 4, 2020.***

[More Information »](#)

## Fed Finalizes Updates on Bank Ownership Standards

The Federal Reserve Board finalized simpler rules for determining control of banking organizations. The final rule, which takes effect April 1, lays out several factors and thresholds that the board will use to determine if a company has control over a bank. Factors include total voting and non-voting equity investment as well as overlap between company and bank directors and staff.

[Read More »](#)

## Order Free Marketing Materials for Community Banking Week in Illinois!

April 5-11, 2020, is the 30th Anniversary of Community Banking Week in Illinois! This year's theme is "Always Community-Focused." Invite the friends and neighbors of your community bank to help celebrate the independent spirit that is the hallmark of locally-run banks. For your FREE marketing kit, contact Bobbi Watson at [bobbwi@cbaicom](mailto:bobbwi@cbaicom) today!

[Learn More »](#)



Make Your Voice Be Heard  
April 28 - May 1, 2020

# 2020 CALL ON WASHINGTON

## **Dr. Christina Handley Named OCC Chief Information Officer**

The Office of the Comptroller of the Currency (OCC) recently announced the selection of Dr. Christina Handley as the agency's Chief Information Officer (CIO), effective March 1, 2020. As CIO, Dr. Handley will lead all OCC information technology (IT) programs, supporting the agency's mission of ensuring that national banks and federal savings associations operate in a safe, sound and fair manner.

[Read More »](#)

## **Banks Tighten CRE, Credit Card Loan Standards**

Banks left standards on commercial and industrial loans largely unchanged during the second quarter of 2019 while easing standards for smaller firms, according to the Federal Reserve's latest survey of senior loan officers. Banks reportedly tightened standards on commercial real estate loans and credit card loans. Demand was unchanged for C&I loans, down for certain CRE loan types, and up for household loans.

[Read More »](#)

## **USDA Issuing Final Trade Assistance Payments**

The USDA said it will issue the third and final tranche of 2019 Market Facilitation Program payments. The payments help farmers suffering from damage due to trade retaliation by foreign nations.

[Learn More »](#)

## **Fed Bars Goldman Exec from Banking Industry**

The Federal Reserve Board said it is permanently barring Goldman Sachs senior executive Andrea Vella from the banking industry for his role in Goldman's financing of a defrauded Malaysian sovereign wealth fund. The Fed has already penalized two former Goldman executives who have also been criminally charged by the Justice Department.

[Read More »](#)

## **Econocheck Testimonial**

Read what June Kidd, President/CEO of The First National Bank of Tremont  
has to say about Econocheck's "Thank You" Program!

## Participate in the "Dress Down" Campaign Benefitting CBAI's Foundation Scholarship Program

CBAI encourages your bank to hold a "dress down" day for your staff benefitting CBAI's Foundation for Community Banking scholarship program. Choose any day in 2020 and ask your employees to donate a minimum of \$5 to the Foundation to dress casually. Participating banks will be recognized for their support in Banknotes magazine and at CBAI's convention! Your donations help fund the Foundation's 31 scholarships offered every year to high school seniors, the children and grandchildren of community bankers, and CBAI's Community Bankers School students. (All Foundation donations are 100% tax deductible). To find out more information on participating in "Dress Down for the Foundation," contact Valerie Johnston at [cbaicom@cbaicom.com](mailto:cbaicom@cbaicom.com) or by phone at 800/736-2224. Please send donations to: CBAI Foundation, 901 Community Drive, Springfield, IL 62703.

## Brainard: Fed Understands FedNow Urgency

The Federal Reserve understands stakeholder urgency to quickly launch the FedNow real-time payments service and is working to determine initial business requirements, Fed Governor Lael Brainard said. Speaking at Stanford, Brainard said FedNow and The Clearing House's RTP system together will increase payments speed and efficiency.

[Read More »](#)

## You Could Win \$100 Just for Liking Us!

Like CBAI on Facebook by March 31, 2020, and we will enter you into a drawing for \$100! Visit us on Facebook at [www.facebook.com/CommunityBankersofIL](https://www.facebook.com/CommunityBankersofIL) and like our page! (If you have previously liked our Facebook page, you are already automatically entered in the drawing!)

Then, let us know what your bank is doing! From community events to recent hires and retirements, let us know the happenings at your bank! We want to share your news with community bankers around the state on our Facebook page! Contact Valerie Johnston at [valeriej@cbaicom.com](mailto:valeriej@cbaicom.com).

## SEC Recommends Best Practices for Cybersecurity, Resiliency

The Securities and Exchange Commission recently issued examination observations related to market participants' cybersecurity and operational resiliency practices. The report recommends developing and updating a vulnerability-management program, securing legacy systems that contain personal information, and ensuring clearly defined communication channels in the event of an information security incident.

[Read More »](#)

[ICBA's Bank Cyber and Data Security Guide »](#)



## MORE UPCOMING EDUCATIONAL TRAINING

### CBAI's Community Bank Cybersecurity Conference to Be Held March 3 in Springfield

CBAI is pleased to offer "CBAI's Community Bank Cybersecurity Conference" in Springfield on March 3, 2020. In the ever-changing world of Cybersecurity, this conference brings to you the hottest topics affecting community bankers in the operations and technology landscape. The agenda includes the following topics and speakers: "Cybersecurity Update: Threats & Risks" with Ron Hulshizer, managing

director, BKD Cyber; "The Three-Legged Stool of Privacy, Data Security & Vendor Management" with Michael Carpenter, vice president risk management, Ncontracts; "Cybersecurity: A Banker's Perspective" with Ben Hayden, risk services manager, SHAZAM; "The Evolving Role of the Technology Professional" with Mark Scholl, partner, Wipfli LLP; "Blocking & Tackling: Rewriting Your Fraud Playbook" with Liz Little, fraud consultant, SHAZAM; and "Ten Ways Your Team Can Improve Risk Monitoring" with Michael Carpenter, vice president risk management, Ncontracts.

[Register Today »](#)

[VIEW CBAI's EVENTS CALENDAR HERE](#)

## NEWS FROM SERVICES

### **The Baker Group: Baker Market Update**

After months of market-moving rumors and non-rumors about a trade deal maybe happening or maybe not, investors have exchanged those rumors and non-rumors with new ones surrounding the accelerating or decelerating spread of Wuhan's coronavirus; the virus mas fina. Recently rumors mostly deal with growing concerns about the rising death toll and number of infected persons around the world. But don't hold your breath behind that surgical mask, new rumors could incubate at any moment.

[Read More »](#)

### **Beware of Electricity Teaser Rates**

CBSC's preferred provider for energy aggregation, The Stone River Group, has recently notified CBAI that a few of their customers have received information from an electric supplier offering a variable rate teaser program. Beware the rate is only valid for the first month of the contract. After the first month, the supplier can raise the rate to any rate they choose.

The Stone River group has found that the best options for most community banks is to offer fixed-rate pricing. Fixed-price contracts offer price certainty, better budgeting and protection against pricing spikes. For more information, contact Justin Cheger at the Stone River Group by phone at 800-829-6719 or by email at [justincheger@thestonerivergroup.com](mailto:justincheger@thestonerivergroup.com).



***CBAI Connected to Community Banking is sponsored by SHAZAM***

### **MAKE SHAZAM MARKETING SERVICES YOUR GO-TO AGENCY**

Our full-service, award-winning [marketing agency](#) has a unique understanding of the business needs and values of community banks like yours. We can promote all your programs including checking and savings accounts, home mortgages, auto loans, business and agricultural loans, investment services and more. SHAZAM's in-house agency can meet all your marketing needs at an average rate of 50% less than many agencies! [Let's have a conversation!](#)

### **Kasasa: Why Owning Your Data is an Opportunity Too Good to Ignore**

Everybody wants to know what "the next big threat in banking" is going to be. Chalk it up to a fascination with innovation, even among a group of people (community financial institution leaders) who typically view change as a risk worth avoiding. Well, I've got good news and bad news for you. First the bad news: the biggest threat to your institution isn't what's coming down the silicon superhighway, it's the 800 pound gorilla known as your data. Next, the good news: you can do something about it. You can put the gorilla to work and use that mountain of muscle to power your future.

[Read More »](#)

## CBIS: Help Protect What Your Community Bank Has Been Building for a Lifetime

It only takes a second to lose what your community bank has spent a lifetime building. Many insureds settle for a \$1,000,000 Excess Liability Umbrella Policy, but is that a sufficient amount to protect your bank? What's your risk? How much is enough?

[Read More from CBIS »](#)

CBSC Preferred Providers



Find us on:

