



## CBAI E-Newsletter, sponsored by SHAZAM February 26, 2020

[NEWS](#)

[EDUCATION](#)

[ADVOCACY](#)

[SERVICES](#)

[FOUNDATION](#)

### IN THE NEWS

#### **CBAI ACTION ALERT: Urge Congressional Oversight Hearings to Address Credit Union Acquisitions of Community Banks!**

CBAI calls on all Illinois community bankers to urge Congress to investigate the accelerating trend of tax-exempt credit unions buying taxpaying community banks. These acquisitions are fueled by the growing credit unions' tax subsidy which further erodes an already stressed Illinois income tax base.

Credit unions' founding mission is to serve people of modest means and with a common bond. Yet, according to a new report from Federal Financial Analytics, credit unions are increasingly serving middle- and upper-income households, have figured prominently in reports of predatory lending and benefit from less stringent safety and soundness regulations. Credit unions can't have it both ways and there must be consequences for their actions.

Your response to this Alert supports next week's CBAI staff Hill meetings in Washington D.C. CBAI will be urging every member of the Illinois Delegation to support Congressional investigations into credit unions' abuse of its taxpayer subsidy.

[Take Action Now »](#)

#### **Register NOW for Webinar – Fight Back Against Credit Union Abuse!**

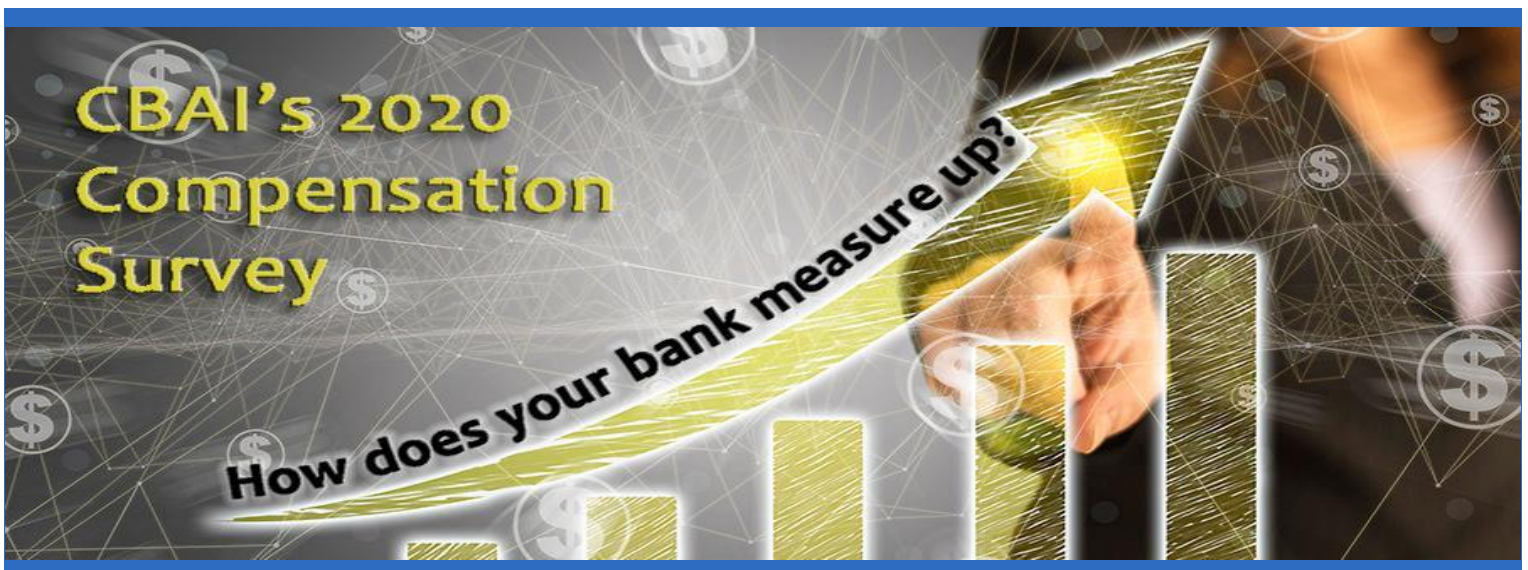
The ICBA is hosting a webinar on **Tuesday, March 3, 2020, at 1p.m. (Central Time)** led by policy and advocacy experts who will show how community bankers can fight back against credit union abuse. As a CBAI members are invited to register for this webinar to help ensure a bright future for our industry.

The webinar will cover the waterfront of abuses that the credit unions' tax-exempt status affords (acquisitions of community banks, secret executive salaries, vanity park and sporting venue naming rights), their abandonment of their mission (redlining urban cores, not serving people of modest means), and much more. Join us in standing up for our industry and your community bank.

You will receive valuable tools to fight back, including:

- Whom to contact.
- How to contact them.
- What you can do without leaving your community.

[Register Today »](#)



#### **FDIC and OCC Announce 30-Day Extension of Comment Period for Proposed Changes to CRA Rules**

The Federal Deposit Insurance Corporation (FDIC) and Office of the Comptroller of the Currency (OCC) extended the public comment period for proposed changes to the rules implementing the Community Reinvestment Act (CRA) until April 8, 2020. On December 12, 2019, the FDIC and OCC announced a proposal to modernize the regulations under the CRA and provided for a 60-day comment period following formal publication on January 9, 2020, in the Federal Register (85 FR 1204). The FDIC and OCC have now determined that a 30-day extension of the comment period is appropriate. [Read more.](#)

[Read More »](#)

## CBAI Announces Saturday Night Entertainment at 46th Annual Convention & Expo

CBAI is excited to announce the Saturday night entertainment at its 46th Annual Convention & Expo, "The Greatest Spectacle in Banking," scheduled for September 24-26, 2020, at the JW Marriott in Indianapolis.

**Burning Las Vegas** does it better. Better, because they deliver a concert level experience out of an event level package. They give audiences superior sound and stage production technology, with the command, proficiency and emotional commitment of a concert level performance. Burning Las Vegas elevates the moment higher and sustains it longer, because they engage the moment authentically, they see where it needs to go, and know how to take it there. No gimmicks, no novelty hats...Burning Las Vegas doesn't imitate, they emulate. It's simple to say, much harder to achieve: Burning Las Vegas does it better.



## Feds Expose North Korean Hacking Campaign

Federal law enforcement identified a North Korean hacking campaign targeting financial institutions, among other private-sector industries. The Cybersecurity and Infrastructure Security Agency and FBI released several malware reports to help network defenders identify and reduce exposure to North Korean cyber activity. Each report includes malware descriptions, suggested response actions, and recommended mitigation techniques. The Defense Department's Cyber Command said the malware is being used for phishing and remote access by North Korean cyber actors—the first time the department has attributed a campaign to North Korea. [Read more.](#)

[Read More »](#)

## Regulators Issue 2020 HMDA Guide

The Federal Financial Institutions Examination Council issued its 2020 Home Mortgage Disclosure Act reporting guide. The resource includes technical updates and is designed to help financial institutions better understand HMDA requirements, including data collection and reporting.

[Access the Guide »](#)

## National Taxpayers Union Supports Credit Union Hearings

The National Taxpayers Union joined ICBA's call for Congressional oversight hearings to reexamine the credit union tax exemption, noting the recent surge in large, credit union acquisitions of tax-paying community banks.

[Read More »](#)

## Powell: Separate CRA Plans Would Work

Federal Reserve Chairman Jerome Powell told the Senate Banking Committee that diverging regulatory paths on Community Reinvestment Act reform wouldn't harm Fed-regulated banks. In his second day of congressional testimony, Powell noted that the OCC-FDIC reform proposal would allow certain community banks to continue using the current system, so Fed-regulated banks would be in a similar position if it doesn't join with those agencies on a final rule.

[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 [bobbiew@cba.com](mailto:bobbiew@cba.com) today!

[Learn More »](#)

## Harland Clarke: Millennials are Still Using Checks – Here's Why

There's an unfair stereotype for millennials: selfish, head constantly in their smart phones, with an interest only in social media and bespoke "experiences." This stereotype led many in the financial services industry to believe the paper check would be nonexistent by 2020, largely due to the millennial preference for mobile banking and payments. But the 2016 Federal Reserve payments study shows a slower decline in check usage than previously anticipated. The number of check payments only decreased from 18.1 billion, to 17.3 billion, when checks had previously been disappearing at a rate of 2 billion per year. As it turns out, the theory millennials prefer tech to traditional payments like checks and cash couldn't be more inaccurate, and there is data to prove it.

[Read More »](#)

## Fintech Plans to Purchase Bank

Financial technology company LendingClub announced plans to acquire Boston-based Radius Bancorp for \$185 million. If approved by the Office of the Comptroller of the Currency, LendingClub would become the first fintech to purchase a bank. The fintech, which specializes in consumer installment loans noted several expected benefits from its foray into banking including, adding deposits as a low-cost, stable source of funding and the ability to sell more products and attract new customers.

[Read More »](#)



## ICBA Offers Resources for Coronavirus Response

ICBA recently updated its Crisis Response and Preparedness Center to provide community banks with the most current information regarding the Coronavirus (COVID-19) outbreak. Resources include situational reports from the World Health Organization, Center for Disease Control and other expert organizations. ICBA members can also access the Financial Services Information Sharing and Analysis Center's Disaster Executive Brief, which outlines potential impact to the financial services sector and actions taken to mitigate risk.

While COVID-19 has had minimal impact in the United States, community banks are encouraged to review travel restrictions to impacted regions, ensure internal pandemic plans are up-to-date, and consider any third-party dependencies which may be at risk for disruption.

[Read More »](#)

## 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 »](#)

## 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). (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@cbai.com](mailto:valeriej@cbai.com) or tag us in your Facebook post!

[Visit Our Facebook Page »](#)

*"Now CBAI members can affordably utilize search engine optimization and control their bank's brand across all digital media."*

## 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.

### The FDIC's 2019 Annual Report is Now Available

The report is a summary publication providing information about the corporation's activities, financial performance, and trends of the past year.

[Read More »](#)

### Survey: Americans Have \$21 Billion in Unused Gift Card Balances

All those unredeemed gift cards in people's drawers and on dresser tops are adding up. New research from Bankrate LLC estimates the total value of Americans' unredeemed gift cards and leftover store credits at \$21 billion.

Bankrate says its survey, the firm's first of its kind, found the average adult has \$167 in unused gift cards or store credits. Some 25% of U.S. adults have let a gift card expire, and 22% have lost one. More than half, 57%, have held onto an unused gift card or store credit for more than a year.

[Read More »](#)

### Digital Wallets: An Overview

Nearly one in four consumers use digital wallets on a daily basis, and 40 percent use digital wallets weekly or multiple times per week, with researchers predicting that the number of consumers that have used a digital wallet could climb to 64 percent by year end.

ICBA's latest payment executive brief focuses on this growing area, providing an overview of digital wallets, digital payments apps, and retail apps, including their functions, characteristics and opportunities for community banks to deploy.

[Read More »](#)



## 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 »](#)

### Asset/Liability Management: Investments, Liquidity, and Interest-Rate Risk Set For March 25 in Springfield

After three years of hiking rates, the Federal Reserve pivoted sharply by cutting rates three times in the second half of 2019. Finding a balance between interest rate risk, liquidity and performance has never been more critical. You can improve your liquidity position by holding a lot of cash, but performance suffers. You can increase performance with long term fixed rate assets, but may have to take on significant IRR to get there. Managing any one of these issues in isolation is easy, but managing all three simultaneously is a challenge that all community banks must face. This program explores the unique relationship between IRR, liquidity and performance and gives you specific ideas about how to manage all three simultaneously. We begin with a discussion of the current economic environment and the outlook for Federal Reserve monetary policy before looking at recent banking industry trends including a high performance banking analysis. Discussions include topical regulatory and reporting issues related to interest rate risk, liquidity and investments.

[Learn More and Register Today »](#)

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

## NEWS FROM SERVICES

## The Baker Group: Baker Market Update

The week has barely begun and investors around the world are paring down risk. Weekend coronavirus reports of more cases in more places have equity markets reeling and Treasury bonds rallying. It could be a record producing rally as the Ten-Year is trading within a basis point or two of its all-time low of 1.36% reached in July of 2016. Despite today's fear rally, there's a lot of data due this week but the attention it garners is likely to be overshadowed by the shadow of a pandemic.

[Read More »](#)

## Kasasa: What Google's New Checking Account Means for Community Financial Institutions

Perhaps one of the most surprising changes that technology has ushered in is the concept of data as a product. Now that the cost of data storage has fallen dramatically (and is approaching zero), companies are treating it as a stand-alone resource, worthy of being mined for additional value. This is one of the reasons that Google recently announced that they will offer a consumer checking account backed by CitiGroup and another credit union local to Google's headquarters.

To be clear, Google is not launching a bank. They're effectively following a strategy that Kasasa has been using for years now. They're effectively creating a network between financial institutions built on a common product: the checking account.

[Read More »](#)



***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!](#)

## Wolters Kluwer: Summary of Changes to IRAs in SECURE Act

The SECURE Act, which was part of the funding bill signed by President Trump on Friday, December 20, includes numerous provisions that will impact individual retirement accounts. One of the more significant changes is a provision which changes when IRA owners must begin taking required minimum distributions.

[Read More »](#)

## CBIS: New EEOC Enforcement Data

On January 24, 2020, the United States Equal Employment Opportunity Commission ("EEOC") published its enforcement statistics for fiscal year 2019. The data indicates the EEOC received 72,675 charges of workplace discrimination, with retaliation remaining the most prevalent filed charge with the agency, followed by disability, race and sex.

[Read More from CBIS »](#)

CBSC Preferred Providers



**CBAI'S 36TH ANNUAL CAPITAL CONFERENCE**  
APRIL 22, 2020 - SPRINGFIELD, ILLINOIS  
LUNCHEON WILL BE AT THE SANGAMO CLUB  
RECEPTION WILL BE AT THE WYNDHAM SPRINGFIELD CITY CENTRE

Find us on:

