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CBAI E-Newsletter, sponsored by SHAZAM April 22, 2020

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IN THE NEWS

Senate Extends Paycheck Protection Program with Specific Allocation for Community Banks

On April 21, 2020, the United States Senate approved \$321 billion in new funds for the SBA's Paycheck Protection Program (PPP). The legislation contains an additional \$310 billion for loan funding and includes an ICBA and CBAI advocated carveout for community banks to assure that these funds were not monopolized by the largest banks. A total of \$60 billion has been allocated as follows:

- \$30 billion for loans made by banks and credit unions that have between \$10 billion and \$50 billion.
- \$30 billion for loans made by community banks and credit unions with assets of less than \$10 billion.

Additionally, CBAI continues to urge prompt resolution of the existing operational failures and responses to unanswered questions regarding the flawed roll-out of the original round of funding for the PPP. CBAI hopes that many of these problems are addressed prior to the next round of funding.

This legislation is set to be considered and voted on the U.S. House of Representatives on Thursday, April 23rd and the President is expected to sign the bill.

Visit CBAI's Website for Guidance During COVID-19 Crisis

CBAI's website offers various resources and guidance for community banks regarding the COVID-19 crisis. Find the results of our member survey regarding the response of community banks to the outbreak, protocols and best practices from your fellow community bankers, talking points to inform and reassure your customers, the link to our free webinar on pandemic preparedness, links to additional resources, and much more.

[CBAI Guidance During COVID-19 Crisis »](#)

FHLBC Offers Important New COVID-19 Relief Programs

The Federal Home Loan Bank of Chicago is offering an important set of COVID-19 relief measures to help support its members and the communities they serve. The program includes a maximum \$4 million, one year, interest free, no prepayment penalty, collateralized advance to help with members' immediate liquidity needs. The program also includes each member receiving a \$20,000 grant to redistribute to their small businesses and nonprofits customers directly impacted by the pandemic. These programs are both timely and extremely generous.

Both programs are in addition to previously announced temporary relief provisions to help reduce disruptions faced by members' borrowers, and are available from April 27 through May 22. Please refer to *Important Information Relating to COVID-19* on the FHLBC's website for additional program details and requirements.

You are also invited to join FHLBC's Weekly Market Update webinar on **Thursday, April 23, from 3:00-4:00pm, CDT**, where they will spend time covering the facets of our COVID-19 Relief Program and will answer any questions you may have.

[Read More »](#)

[Register for the April 23rd Webinar »](#)

[FHLBC COVID-19 Resource Center »](#)



Illinois Congressman Brad Schneider (D-10th) and Dan Lipinski (D-3rd) Urge Additional Funding and Enhancements to the SBA's Paycheck Protection Program

CBAI thanks Illinois Congressmen Brad Schneider and Dan Lipinski for signing a letter to the U.S. Treasury and the SBA urging that the needs of community based financial institutions be met when replenishing the Paycheck Protection Program (PPP). This letter was an initiative of the U.S. House of Representatives' "Blue Dog Coalition," which is a formal group of fiscally-responsible democrats.

The letter highlights the importance of community banks and how many of these financial institutions and their small business customers have been shutout of the PPP. In describing the operational failures of the rollout, the letter continued by stating, "This is everyone's worst nightmare about government — it doesn't work when you need it the most."

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CBAI Members Celebrate Community Banking Week

CBAI member banks celebrated the 30th anniversary of Community Banking Week April 5-11, 2020. Although typical in-bank celebrations were not possible this year, community banks still found many different ways to celebrate. One popular way was with prize give-aways for customers, which often included gift cards to local restaurants and businesses needing economic support. Donations were given to local charities in honor of the week, as well. Other fun ways to celebrate included themed dress-up days for bank staff, virtual story time for kids read by bank employees, clever drive-thru hand-outs such as Pay Day and 100 Grand candy bars, at-home scavenger hunt contest, hearts hung in bank windows to show support of medical workers, and much more. Community banks also focused on informing customers about fraud schemes associated with the pandemic. We are proud that our members took advantage of this time to show that community banks are "Always Community-Focused." Check out the CBAI Facebook page to see the member posts we shared regarding Community Banking Week!

[See Facebook Page »](#)

SBA Paycheck Protection Program (PPP) Progress Report

On the day that the initial round of funding was exhausted, (April 16, 2020), the Small Business Administration released its Paycheck Protection Program (PPP) Report. The highlights included:

- The approved loan count was 1,661,367 and the gross dollars were \$342,277,999,103.
- 4,974 lenders are participating in the program.
- Illinois ranked fifth in both approved loans and approved dollars at 69,893 and \$15,972,578,071, respectively.
- Illinois' average loan amount was \$228,592 compared with the national average of \$206,000.
- The largest percentage of the number of loans (74.03%) was under \$150,000 and the largest percentage of dollar amount of loans (23.56%) was between \$350K and \$1 million.

Illinois ranked fifth in both the number of and dollars of approved loans. Those states ahead of Illinois with the largest total number of loans were Texas, California, Florida and New York.

The SBA released this list of the 15 largest approved dollar lenders (no names, just the number of loans and total dollars.) All were over approximately \$3 billion in approvals, with the largest being \$14.1 billion, and the average number of approved loans being 21,000.

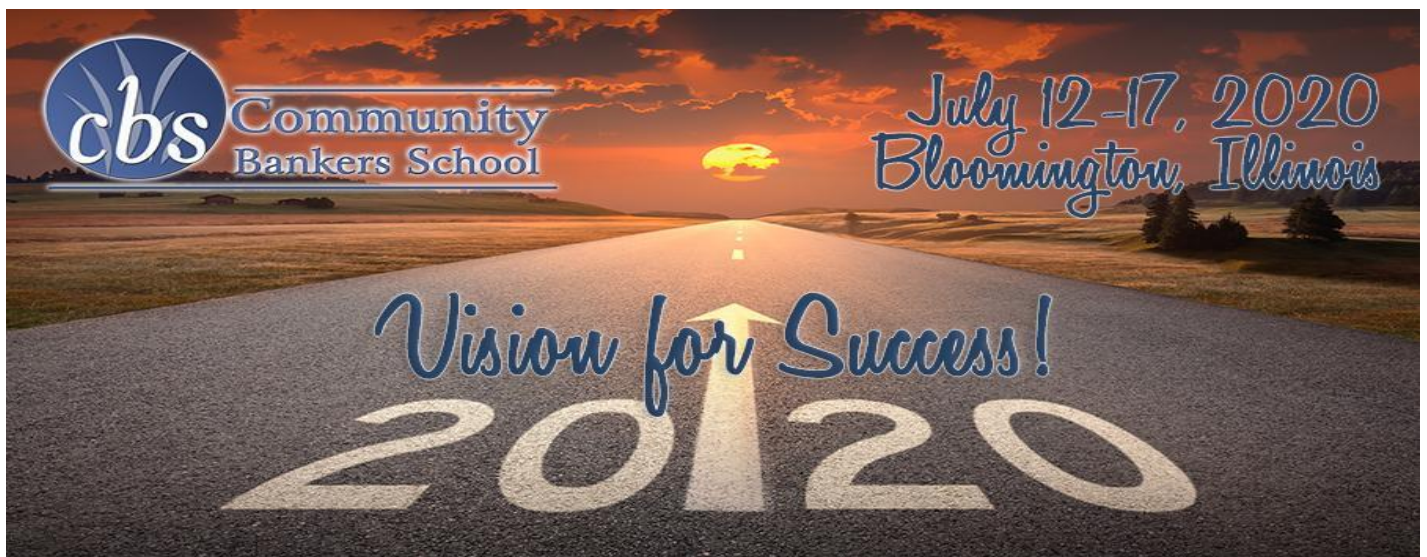
[Read SBA Progress Report »](#)

IRS Launches Economic Impact Payment Consumer Resource Pages

The IRS launched new resource pages to help eligible tax filers and non-filers receive their Economic Impact Payments.

The resources, which have reportedly experienced delays due to heavy demand, allow non-filers to ensure they receive their payment and filers to check their payment status, confirm their payment type, and enter bank account information for direct deposit.

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ICBA FAQs Offer Latest on Emergency Response

ICBA updated its frequently asked questions on the federal response to the COVID-19 pandemic with information on the Federal Reserve's new facilities, the latest on SBA's Paycheck Protection Program, tax issues, and more.

The latest updates join numerous FAQs on rebates and stimulus payments, loan modifications and accounting, deposit insurance and exams, compliance, mortgage lending, the Federal Home Loan Banks, operations, agriculture, and more. The Treasury Department and Small Business Administration separately answered key questions about the PPP.

[Read ICBA's FAQs »](#)

[Read Treasury's FAQs »](#)

Fox Business Hosts Back Dedicating PPP Funds to Community Banks

Fox Business Network's Maria Bartiromo, Steve Forbes, and Dagen McDowell on Wednesday expressed support for dedicating Paycheck Protection Program funds to community banks, as ICBA is advocating with policymakers.

On Maria in the Morning, they noted that community banks know their customers, have been more communicative with small businesses, and have been better than larger banks at getting PPP loans out the door.

"Community banks need to get the money so that the community banks can really be bigger players here," Bartiromo said. "That's where Main Street lives."

[Watch the Clip »](#)

Agency Webinar Friday on Loan Modifications

Federal regulators are scheduled to host a webinar for bankers on the revised interagency statement on loan modifications and reporting for financial institutions working with customers affected by COVID-19. Scheduled for 3 p.m. (Eastern time) Friday, April 24, the webinar will address accounting and regulatory reporting questions and clarify the interaction between current accounting principles and Section 4013 of the CARES Act.

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\$13.4M in COVID-19 Fraud This Year: FTC

More than 18,000 Americans have lost \$13.4 million in COVID-19 fraud since the beginning of the year, the Federal Trade Commission reported. In a new blog post, the FTC said the top complaint categories relate to travel and vacations, online shopping, bogus text messages and various imposters.

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CBAI's Jerry Peck Interviewed on Illinois Farm Bureau's Radio Program

Illinois Farm Bureau's RFD Radio program recently featured Jerry Peck, CBAI's SVP of governmental relations, and Julie Stapleton, VP of commercial lending at the Bank of Springfield, discussing the ways community bankers are assisting their customers and neighbors in the ag community during the crisis.

[Listen Here »](#)

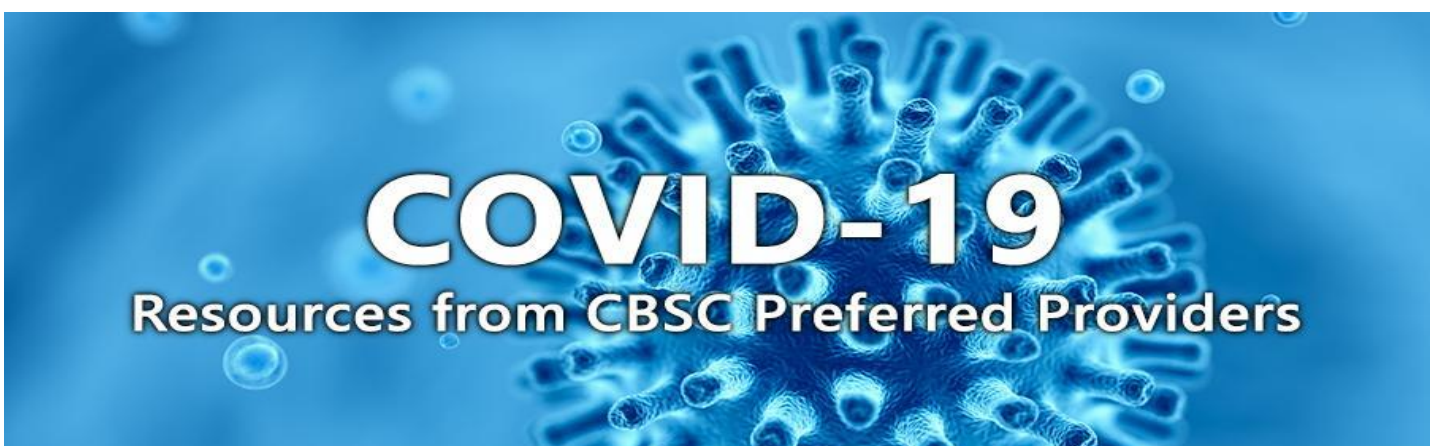
We Need Your Stories!

Community bankers are most comfortable when they put their heads down and go to work. We know you do amazing things for your customers and communities, but you rarely stop to take credit. But in the coming days and months, we need to tell your stories. Our nation is headed for difficult financial times. We need to make sure we are reminding everyone that community bankers are the good guys and are helping their customers in need. We can do this by sharing our success stories with policy makers and in press releases. We know it's not in your nature to brag, but in this instance, sharing your victories in helping customers is some of the most effective advocacy we can do for our profession. E-mail Jerry Peck at jerryp@cbaicom.

CBAI 2020 Group Meetings Have Been Cancelled

Due to the uncertainty surrounding the COVID-19 crisis, CBAI Leadership has made the difficult decision to cancel the 2020 Group Meetings. If you have already registered for a group meeting in May or June, CBAI will refund your registration fee.

These are difficult times for all of us, but as usual, community bankers are rising to the occasion to serve their customers and help keep our economy afloat. When it comes time for the recovery, community bankers will be right there leading the way. Keep up the good work and stay safe.



COVID-19
Resources from CBSC Preferred Providers

Blog: Community Bankers Give Back Amid COVID-19 Crisis

In the face of a global pandemic, community banks are serving their customers and communities in their time of need, ICBA President and CEO Rebeca Romero Rainey writes in a new Main Street Matters post.

In the post, Romero Rainey cites several community banks that are working diligently to protect employees, contact affected customers, and support the community. "When times are tough, the true nature of community banks emerges," Romero Rainey writes.

Community banks are encouraged to share how they are stepping up to serve during the COVID-19 crisis for recognition as part of the 2020 ICBA National Community Bank Service Awards.

[See Blog »](#)

CNBC's Cramer: "I Should Have Used a Community Bank"

CNBC commentator Jim Cramer said on national television that community banks are ahead of the game in processing loans under the SBA's Paycheck Protection Program and keeping small businesses informed of their progress. Speaking on Thursday's "Squawk on the Street" broadcast, Cramer said he has been working with a larger bank that has not delivered on his loan application. However, community banks are on track despite the backlog at the SBA.

"Community banks are obviously well ahead—they really are," Cramer said. "I should have used a community bank."

[Watch Clip »](#)

USDA Releases COVID-19 Tool for Rural Communities

The USDA unveiled a one-stop shop of federal programs that can be used by rural communities, organizations and individuals affected by the COVID-19 pandemic. The COVID-19 Federal Rural Resource Guide is focused on rural leaders looking for federal funding and partnership opportunities to help address the pandemic.

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Fed Changes Director, Shareholder Rules for PPP Loans

The Federal Reserve Board announced a temporary rule change to support access to the SBA Paycheck Protection Program for certain bank directors and shareholders. The SBA recently clarified that lenders may make PPP loans to businesses owned by their directors and shareholders that own less than 30 percent equity in the bank.

The Fed's change will allow those individuals to apply for PPP loans under Fed regulations, consistent with SBA's rules and restrictions. Specifically, these PPP loans will not be subject to section 22(h) or the corresponding provisions of Regulation O if they are not prohibited by the SBA lending restrictions.

The change only applies to PPP loans, will be in place while the PPP is active, and is effective immediately. Comments will be accepted for 45 days after publication in the Federal Register.

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USDA Announces Food Assistance Program

The USDA announced the Coronavirus Food Assistance Program, a \$19 billion relief program to support farmers and ranchers, maintain the integrity of the food supply chain, and ensure access to nutrition amid the COVID-19 pandemic.

The program will provide \$16 billion in direct support based on actual losses for agricultural producers where prices and market supply chains have been affected. These funds also will help with losses due to lost demand and short-term oversupply caused by COVID-19.

The USDA also will partner with regional and local distributors to purchase \$3 billion in fresh produce, dairy, and meat for distribution to food banks, community and faith-based organizations, and other nonprofits.

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Agencies Defer Real Estate Appraisals, Evaluations

Federal regulators issued an interim final rule temporarily deferring real estate-related appraisals and evaluations for up to 120 days after closing due to the COVID-19 emergency. These provisions will expire Dec. 31 unless extended by the agencies.

The interim rule does not apply to transactions involving acquisition, development and construction of real estate. Additionally, the federal and state agencies issued a joint statement outlining other flexibilities in industry appraisal standards to help lenders during the pandemic.

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SHAZAM's Core Values: Integrity and Commitment. Committed to You.

As we're still coming to grips with the impact COVID-19 is having on our personal and business lives, let's stop and remember *we're all in this together*. While that phrase may seem a little overused, at SHAZAM we mean it. For the past few weeks, our continuous message to the community banks we serve has been clear – we are here to help.

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College Avenue Student Loans Offers Webinar on Private Student Loan Referral Program

CBSB has partnered with College Ave Student Loans to provide a Private Student Loan Referral Program. Illinois banks can now offer their customers a full suite of in school private student loan products as well as refinancing of existing student loans while banks avoid all funding and loan administration. Please join CBSB and our business partner, College Avenue, for a webinar on a new Private Student Loan Referral Program which will allow banks to:

- Serve Your Best Customers
- Avoid All Lending and Loan Administration
- Generate Referral Fee Income

[Register for Tuesday, April 28th, at 10:00 a.m. »](#)

[Register for Thursday, April 30th, at 2:00 p.m. »](#)

CBAI LEGAL: Board of Directors' Distinctions Between State and National Banks

State and federal laws, regulations and Interpretive Letters reveal that while there are some similarities between the treatment of Boards of Directors of national banks and state-chartered banks, there are also differences.

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MORE UPCOMING EDUCATIONAL TRAINING

Update on CBAI Educational Programs

CBAI's Education Department is presently working on rescheduling or changing programs to a virtual learning format through May 31st. We are currently promoting June programs as scheduled. Please refer to www.cbai.com for updates.

* CBAI is monitoring the COVID-19 situation and will make any changes to in-person sessions as necessary to comply with state and federal mandates and orders.

CBAI Now Offering "Knowledge Bytes" Hot Topic Videos

Community Bankers Association of Illinois, in conjunction with Brode Consulting Services, is now offering "Knowledge Bytes" videos covering hot topics, including the impact of COVID-19. These videos can be viewed at your leisure. Upon purchase, you will receive an emailed link to view the video. Your link will be available to your bank for up to two months. This vital training, including audio, visuals and handouts, can be viewed any time that is convenient for you. Each video is approximately 45 to 60 minutes in length, depending on the topic.

[Read More About "Knowledge Bytes" Training »](#)

CBAI Webinars: More Locations, Faster Delivery

We are enhancing the way you can view our live and on-demand webinars to make it easier for your bank while we all navigate through the COVID-19 pandemic. We have two new options on how you can view our webinars so that they are more accessible to your bank. You will now be able to access our live webinars from three different locations at no additional cost to your bank. Also, our on-demand webinars will now be available for viewing 48 hours after the live webinar takes place.

CBAI will continue to monitor the community banking industry to bring your bank new and relevant topics. As always, all our webinars can be accessed from anywhere. CBAI will continue to be here for you!

[Visit www.cbai.com](http://www.cbai.com) for [Webinars and On-Demand Links](#) »

CBAI COVID-19 Related Webinars Available:

- BSA Compliance Requirements During the COVID-19 Challenge
- Financial Scams, Fraud & Criminal Activity During COVID19
- Increasing Remote Services During & After the Pandemic
- Interagency Statement on Loan Modifications: Working with Borrowers Impacted by COVID19
- New FMLA Families First Requirements for Paid Leave Effective April 1, 2020
- Pandemic Preparedness: Managing Coronavirus & Other Epidemics On-Demand Only - FREE to CBAI Members
- The CARES Act: Impact & Implications for Community Banks

[Register Today](#) »

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

MORE NEWS FROM SERVICES

Harland Clarke: Skip-A-Pay, Credit Line Utilization and Mobile Deposit Activation Programs Help Customers Cope During COVID-19 Crisis

Extending financial relief to customers is a hallmark of community banking. Programs such as Skip-A-Pay, Credit Line Utilization and Mobile Deposit Activation can help customers cope during this difficult time. Harland Clarke's Direct Mail Service helps bankers quickly and easily inform customers about the Program benefits and how to access them. For more information, please contact [Diane Schipkowski](#) at 815-493-8763.

Wolters Kluwer: COVID-19 Regulatory Banking Updates Available

CBAI Preferred Service Provider Wolters Kluwer is now offering COVID-19 Regulatory Resource Bulletins, a complimentary service providing COVID-19-related global regulatory updates for the financial services industry. The service provides relevant updates on U.S. insurance regulations and global banking and securities regulations. Subscribers may elect to receive one or both versions.

[Learn More and Subscribe](#) »

[Wolters Kluwer: Technology Accelerates Loan Applications for CARES Act Paycheck Protection Program](#) »

The Baker Group: Baker Market Update

It would help if we were poised to receive some positive economic news this week, but that would take more poise than is available. Already out this morning, the Chicago Fed's National Activity Index fell to minus 4.19 in March from just barely over zero in February. It was only expected to decline to negative 3.

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CBSC Partner Ncontracts Offers COVID-19 Solution for CBAI Member Banks

Ncontracts is offering an assortment of webinars, articles and COVID-19-related checklists to share for community banks. Please click on links below to learn more about each topic:

- [Publication article on regulatory scrutiny with compliance management systems.](#)
- [Webinar link for May 13 webinar on Fair Lending and COVID-19](#)
- [Press release on our recertification of our SSAE-18](#)
- [E-book on COVID-19 and operational risk department-by-department](#)
- [Work-from-home risk assessment](#)
- [Mortgage servicing checklist w/ CARES Act compliance](#)

CBIS: Any Lender Liability for SBA or Payroll Protection Plan?

On April 7, 2020, the FDIC issued a revised interagency statement confirming modifications would be made by financial institutions working with customers affected by COVID-19 and that these modifications are encouraged. One such example exists under the SBA program and the Payroll Protection Plan that was created by Congress in the recently passed CARES Act to provide loans mainly for businesses with 500 or fewer employees that were in operation in 2019 and up through February 15th of this year. The plan authorizes up to \$349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis.

But let us not forget about lending liability exposures that may arise from allegations by a borrower for a wrongful lending act which typically includes an error, misstatement, act, omission, neglect or breach of duty whether actual or alleged. This may also be an agreement or refusal to grant or extend a loan, lease or extension of credit, loan servicing or restructure, termination, transfer, repossession or foreclosure of any such loan.

[Read More from CBIS](#) »

[CBIS: COVID-19 Employer FAQs](#) »

[CBIS: Estimated Cost Implications of COVID-19 for Self-Funded Employers](#) »



[CBSC Preferred Providers](#)



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