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Community  
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Association  
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## CBAI E-Newsletter, sponsored by SHAZAM

June 3, 2020

### IN THE NEWS

#### **U.S. House Passes Legislation to Improve the SBA Paycheck Protection Program**

CBAI applauds the near unanimous vote (417-1) in the United States House of Representatives to reform the SBA's Paycheck Protection Program (PPP) and we particularly thank Illinois Congressmen Raja Krishnamoorthi (D-08), Mike Quigley (D-05), and Brad Schneider (D-10<sup>th</sup>) for cosponsoring this important legislation.

The bill addresses several areas of concern with the SBA's program by permitting the extension of the maturity of loans with remaining balances after the application of forgiveness from two to five years; extending the date of the origination covered period for forgivable expenses beyond June 30<sup>th</sup> (8 weeks) to December 31, 2020 (24 weeks); providing a rehiring safe harbor based on employee availability; increasing from 25% to 40% the amount of loan proceeds that can be used for non-payroll expenses; and ensuring full access to payroll tax deferment.

Two important issues that were not addressed in this legislation concerned a presumption of compliance based on a borrowers' certification that the funds were used in accordance with the terms of the program, and a PPP loan forgiveness calculator to easily determine the loan forgiveness amount. CBAI will continue to advocate with policymakers for these improvements, and others as they arise, to maximize the benefits of this program for community banks and their small business borrowers.

#### **CBAI ACTION ALERT: Tell Our U.S. Senators to Pass PPP Reforms**

CBAI joins with the ICBA in urging Illinois community bankers to tell our United States Senators to pass needed Paycheck Protection Plan (PPP) reforms. Last week the United State House of Representatives passed reforms to the PPP by an almost unanimous vote of 417-1. While there is broad bipartisan support for necessary fixes to this SBA program, we need to continue to our advocacy efforts to maximize the benefits of these loans to small businesses and minimize the administrative burden and liability for community banks and their small business borrowers.

Please share this Action Alert with your board of directors, senior management and staff. We need a strong response from Illinois community bankers. Thank you for responding.

**Take Action Now »**

The banner features a dynamic, blurred background of a race track with several colorful race cars in motion. The text is overlaid in a bold, stylized font.

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## Community Bank Paycheck Protection Program Stories

The COVID-19 crisis has placed an enormous strain on individuals, small businesses and communities. Community bankers have stepped-up and responded with patience, diligence, resourcefulness and compassion. The flawed roll-out of the SBA's Paycheck Protection Program (PPP) challenged community bankers as they worked many long nights and weekends to secure the lifeline that small businesses needed to survive and recover. We asked our members which loan stood out in their mind as the most meaningful. Here are their stories, which clearly demonstrate the vital importance of these loans to small businesses.

[Read Stories »](#)

## CBAI Member Banker Named to ICBA's "40 Under 40" Emerging Community Bank Leaders List

The June issue of Independent Banker magazine, ICBA's monthly publication, features its annual "40 Under 40" emerging community bank leaders list. The list recognizes up-and-coming community bank innovators and influencers who represent the future of the industry. **Rachel Wicklund**, 39, chief compliance officer at **Goodfield State Bank**, was named to the list. Wicklund doesn't just understand the demands of a strong compliance management system; she embraces them. Wicklund extended teamwork beyond her Goodfield State Bank colleagues by reaching out to another local community bank to explore an arrangement where each bank's compliance officer helps the other bank to perform required audit functions. The initiative is now in its third year and has allowed both community banks to conserve resources, remain independent and better serve their communities. Wicklund is a very active CBAI member and currently serves on the Legislation and Regulation Committee.

[Read More »](#)

## CBAI ACTION ALERT: Tell the FDIC to Ease Proposed Brokered Deposit Restrictions!

CBAI joins the ICBA in urging Illinois community bankers to tell the Federal Deposit Insurance Corporation (FDIC) to ease its proposed broker deposit restrictions. The FDIC is proposing a new rule that is too broad and inappropriately limits community banks' ability to use third parties without running the risk of having those deposits considered brokered deposits. Your response to this Action Alert will inform the FDIC that this proposal could negatively impact your customers and your community bank.

Please share this Action Alert with your board members, senior management and staff. We need a strong response from Illinois community bankers. Thank you for your responding.

[Take Action Now »](#)



## Last Call! Deadline is June 5 to Submit Your Nomination for the BKD Award for Excellence and Innovation, presented by CBAI

Nominations are being taken for 2020 Excellence & Innovation BKD Award, presented by CBAI and the accounting firm of BKD LLP. The purpose of the award is to bring recognition to banks with an outstanding and innovative product/service or program. Your bank **does not need** to be a BKD client in order to enter. Nominations are due at CBAI headquarters no later than **Friday, June 5, 2020**.

Last year, the winner was Washington Savings Bank, Effingham. This year, your bank could be the winner! Send us your community bank's innovative programs, unique community service projects or special way your bank has stepped up to help local businesses during the COVID-19 pandemic. Your extra efforts deserve to be recognized! **Nominations can be submitted to Valerie Johnston .**

[Learn More About the Award »](#)

[Download a Nomination Form »](#)

## ICBA Urges Investigation into NCUA Low-Income Rulemaking

ICBA called for an investigation by the Office of the Inspector General into the National Credit Union Administration's recent actions amending its definition of low-income credit unions without deference to notice-and comment-rulemaking requirements under the Administrative Procedure Act.

The NCUA's actions "raise the specter of collusion that pose serious doubt as to the agency's motivations and whether it acted in an improper manner that benefits the nation's largest credit unions at the expense of the smallest," ICBA President and CEO Rebeca Romero Rainey wrote. The NCUA said it will begin counting active-duty military personnel with Army or Fleet Post Office addresses as "low-income" individuals, which will free institutions like Navy Federal and Pentagon Federal from restrictions on member business lending, raising supplemental capital, and accepting deposits from non-members.

Earlier this month, ICBA asked Congress to hold hearings to investigate the NCUA designation and to re-examine the credit union industry's tax and regulatory subsidies.

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### OCC Issues Interim Final Rule Permitting Remote Meetings

The OCC issued an interim final rule permitting telephone and electronic participation at all board of directors, shareholder and member meetings. Banks practicing remote meeting participation must have procedures in place in accordance with elected state corporate governance procedures, the Delaware General Corporation Law, or the Model Business Corporation Act. The interim final rule is effective May 28, 2020. Comments are due July 13, 2020.

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### ICBA Comments on FDIC Proposal to Mitigate Deposit-Insurance Impact of PPP

ICBA commended the FDIC's proposal to partially mitigate the effects of participating in the Paycheck Protection Program and other emergency programs on deposit-insurance assessments, while calling for additional relief measures. In its filed comment letter, ICBA asked the FDIC to ensure that community banks that originated and hold PPP loans, but do not participate in Federal Reserve's PPP Lending Facility, are not unfairly penalized.

"All PPP loans should be excluded not only from the calculation of the loan mix index, but from any measure used to calculate an insured depository institution's assessment rate if their inclusion would have an adverse impact on an IDI's assessment rate. Furthermore, all PPP loans should be excluded from an IDI's assessment base," ICBA wrote.

[Read Letter »](#)



**EXCELLENCE**

Submit your nomination today!  
Deadline for entries is June 5, 2020.

**Excellence in Innovation BKD Award  
presented by CBAI**

**USDA \$16B Direct Payment Program Available**



USDA is accepting applications for direct payments to farmers and ranchers now through August 28, 2020. A CFAP Payment Calculator is also available to assist with the Coronavirus Food Assistance Program application process. The Microsoft Excel workbook allows producers to input information specific to their operation to determine estimated payments and populate the application form. Applicants can also manually download the application form , AD-3114, and as needed, the AD-3114A continuation form.

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### FPC Announces Board Election Results

The U.S. Faster Payments Council announced the results of this year's election for its board of directors. ICBA member Michael Bilski, chairman and CEO of North American Banking Co., continues in his role as chairman and ICBA's Deborah Matthews Phillips will continue as vice-chairman. ICBA member Mark Keeling of the Bankers Bank remains on the board, and Robert Palmer of Community Bankers Association of Ohio was re-elected as a director. The Faster Payments Council works to modernize the U.S. payments system and ensure ubiquitous access to faster payments.



### Visit CBAI's Website for COVID-19 Guidance

CBAI's website offers various resources and guidance for community banks regarding the COVID-19 crisis. Find the latest updates to the SBA Paycheck Protection Program, implications of the CARES Act, results of our member survey, pertinent articles, resources from CBSC Preferred Providers, COVID-19 related training offered by CBAI, 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 and information on other related webinars, links to additional resources from FDIC, OCC, Federal Reserve and ICBA, and much more.

[CBAI COVID-19 Resources »](#)

[CBSC COVID-19 Resources »](#)

[COVID-19 Related Training Offered by CBAI »](#)

### Follow CBAI on LinkedIn!

Get the latest CBAI news and events, plus additional pertinent information for community bankers on our new LinkedIn page! Visit us at [www.linkedin.com/company.communitybankersofil](http://www.linkedin.com/company/communitybankersofil) .

### CBAI LEGAL: Federal Court Evaluates FDCPA Obligations

In a recent decision, the U.S. Court of Appeals for the Seventh Circuit weighed the relative reporting obligations of lenders and credit reporting agencies under the federal Fair Debt Collection Practices Act.

[Read CBAI LEGAL »](#)



## Federal Home Loan Bank of Chicago

Visit [www.fhlbc.com](http://www.fhlbc.com)

## MORE UPCOMING EDUCATIONAL TRAINING

### **CBAI Offering COVID-19 Best Practices & Re-Opening Your Lobby On-Demand Training Series**

CBAI, in partnership with Psycheofsuccess.com, has put together a comprehensive on-demand video training series designed to get you and your team back to work and back to success safely. This on-demand training series provides knowledge on how to create mental, emotional and physical safety. Topics covered include safe cleaning practices, HR challenges and protecting both your employees and your customers.

Each training session provides your community bank with unlimited viewing until the expiration date indicated for each session. Please note as issues change rapidly regarding COVID-19, we are monitoring the information included in this training and reserve the right to replace, alter or delete the information included in this training to comply with federal and state orders and mandates. If a session is updated after purchase, CBAI will inform you and send an updated link. **All training is available to your entire bank for only \$199.**

[Register Now >>](#)

### **Returning to Work: Protecting Employees & Reducing Liability On-Demand Webinar Offered by CBAI**

"We'll all get through this together!" has become the rallying cry for Americans as we navigate the multi-faceted crises created by COVID-19. But how do we know when we're through it? And what does our world look like? Do we just get back to business as usual? Most likely, we return to our workplaces slowly and deliberately, and things will not be the same. While each state and locality are re-opening at a different pace, there are similarities in how we all get back to the "new normal." Join this on-demand webinar for information on returning to work during the COVID-19 crisis!

[Register Now >>](#)

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



## MORE NEWS FROM SERVICES

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

Markets recently greeted protest-dominated headlines with a shrug. As the nation's efforts to reopen our shuttered economy continue, widespread civil unrest is hampering that process in many cities. The risks involved in going to Target have changed.

[Read More >>](#)

### **Join College Ave for a Private Student Loan Referral Program Webinar**

Please join CBSC and our business partner, College Ave, for a webinar on a new Private Student Loan Referral Program. Click on the links below for the webinar time that you or any of your bank team members would like to join:

**When:** Jun 9, 2020 - 10:00 AM Central Time (US and Canada)

**Topic:** CBAI and College Ave Student Loan Referral Program

[Register in advance for this webinar here .](#)

**When:** Jun 17, 2020 - 2:00 PM Central Time (US and Canada)

**Topic:** CBAI and College Ave Student Loan Referral Program

[Register in advance for this webinar here .](#)



### **CSI: Six Ways to Protect Your Institution from Coronavirus-Related Cybersecurity Threats**

During events such as the COVID-19, or Coronavirus, pandemic, there is often an increase of criminal activity online. Preying on fear and panic, cyber criminals are now sending various scams related to COVID-19 and taking advantage of increasing vulnerabilities resulting from unusual working situations. It is critical that you and your institution's employees exercise caution during this time.

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### **CBIS: Recent Electronic Claim Trends**

Much is in the news about the COVID-19 virus pandemic; even concern about electronic exposures to loss evidenced by recent claims trends. Find out more about claims for wire fraud, social engineering, data breach, ransomware and more.

[Read More from CBIS »](#)

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