



IN THE NEWS

SBA Issues Interim Final Rule on Loan Review and Updates to the FAQs

The SBA released an interim final rule on appeals of SBA loan-review decisions under the Paycheck Protection Program (PPP) that outlines the process for borrowers to appeal adverse SBA decisions regarding borrower eligibility, the loan amount received, improper use of the PPP loan proceeds, and/or the PPP loan-forgiveness amount claimed by the borrower.

[See New Interim Final Rule »](#)

[Updated FAQs »](#)

New Rule Imposes Penalties for Non-Compliance with Statewide Mask Order

The Illinois Department of Public Health issued a new emergency rule on behalf of the Governor's Office that imposes a potential fine for businesses who fail to comply with the statewide mask order. The new rule does not modify the conditions of the mask order currently in effect, it simply adds a penalty to the enforcement mechanism. The penalty only applies to businesses, not to individuals, and carries a Class A Misdemeanor. A Class A Misdemeanor carries a fine of between \$75-\$2,500 and up to one year in prison. Because the rule only applies to businesses and a business cannot be put in jail the prison time is effectively mute.

This does create a potential jeopardy for a business who could be fined for the actions of customers or members of the general public in their facility. Under the rule a business would receive a written warning if they are not in compliance that comes with an opportunity to rectify the situation. A second warning comes with the ability for officials to order individuals to leave the premises. The third violation allows officials to recommend prosecutors charge the business with a Class A misdemeanor.

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FHLBank Chicago Announces Transition of President and Chief Executive Officer

The Federal Home Loan Bank of Chicago (FHLBank Chicago or Bank) today announced Matthew R. Feldman, president and CEO, has submitted his intention to retire effective December 31, 2020. Feldman has held his current position since May 2008 and has been with the bank since September 2003.

The board of directors of FHLBank Chicago has accepted Mr. Feldman's plans for retirement and has appointed Michael A. Ericson, COO, his successor effective January 1, 2021.

[Read Full Announcement »](#)



SBA's Lien Requirements on EIDL Loans

Loans issued under the Economic Injury Disaster Loan (EIDL) program over \$25,000 require a blanket lien on the assets of the business. The lien is a Universal Commercial Code (UCC-1) lien allowing the SBA to take an interest in the assets of the business. SBA's lien does not apply to real estate or titled vehicles.

[Read More from the SBA »](#)

[See ICBA's Guide on EIDL Loans »](#)

FinCEN Issued FAQs Regarding Customer Due-Diligence Requirements

The Financial Crimes Enforcement Network (FinCEN), in consultation with the federal functional regulators, is issuing responses to three frequently asked questions (FAQs) regarding customer due-diligence requirements for covered financial institutions. These FAQs clarify the regulatory requirements related to obtaining customer information, establishing a customer-risk profile, and performing ongoing monitoring of the customer relationship in order to assist covered financial institutions with their compliance obligations in these areas.

[See FAQs »](#)

Final SBA Paycheck Protection Program (PPP) Report

August 8, 2020, marked the conclusion of the Paycheck Protection Program (PPP). The benefits of this COVID-19 relief effort for small business was widespread and significant. Community banks did an enviable job in delivering these benefits despite the serious flaws in the rollouts of the Program and continued uncertainty in several important design features.

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USDA Extends Deadlines, Defers Interest Accrual Due to COVID-19

The U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) today announced it will authorize Approved Insurance Providers (AIPs) to extend deadlines for premiums and administrative-fee payments, defer the resulting interest accrual and allow other flexibilities to help farmers, ranchers and insurance providers due to the COVID-19 pandemic.

[Read News Release »](#)



Kasasa: Loan 'Take-Backs'

The COVID-19 pandemic has taken a major financial toll on borrowers, which is why Take-Backs are coming in handy. A new article from CBSC Marketing Partner Kasasa discusses Take-Backs, which allow borrowers to pay ahead to reduce debt but access the extra funds if they need it.

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OCC Issued Rule Creating Exception to Withdrawal-Period Requirement for Collective-Investment Funds

The Office of the Comptroller of the Currency (OCC) issued an interim final rule clarifying rules regarding account withdrawals from collective-investment funds (CIF).

The rule amends the OCC's requirements applicable to national banks and federal savings associations administering CIFs invested primarily in real estate or other assets that are not readily marketable and codifies the time a bank generally has for withdrawing accounts from those CIFs. The rule establishes an exception that allows a bank to extend the period for withdrawals, with OCC approval and provided that certain conditions are met. The rule also creates an opportunity for additional extensions with OCC approval.

The extended withdrawal period under the OCC rule enables banks to preserve the value of CIF assets for the benefit of fund participants during unanticipated and severe market conditions, such as those related to the national health emergency resulting from COVID-19.

[Read News Release »](#)

U.S. Treasury Announces Marketable Borrowing Estimates

The U.S. Department of the Treasury announced recently its current estimates of privately-held net marketable borrowing for the July - September 2020 and October - December 2020 quarters. These estimates assume \$1 trillion of additional borrowing is needed in anticipation of additional legislation being passed in response to the COVID-19 outbreak.

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SHAZAM is a national member-owned debit network, processor and core provider. We serve community financial institutions facing a future full of rapidly changing technology, shifting consumer behaviors and new waves of industry regulations. SHAZAM helps solve these challenges by providing payment solutions, proactive fraud prevention, security services, a core banking solution, advocacy, marketing and more.

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Fed Announces Details of Real-Time Payments Service

The Federal Reserve Board released details of its forthcoming FedNow real-time payments service, which it is seeking to launch in 2023 or 2024.

In a Federal Register notice and branding announcement, the Fed said it will take a phased approach to implementation, with the first release providing core clearing and settlement features to help banks manage the transition to a 24x7x365 service. Additional features will be introduced over time.

[See Federal Register Notice »](#)

[See Branding Announcement »](#)

Ncontracts: Did Your Vendor Need PPP Funds?

Did one of your third-party vendors need Paycheck Protection Program (PPP) funds? This is the question everyone is asking since the Small Business Administration (SBA) released the list of businesses that took PPP loans.

As many financial institutions know after working day and night to serve customers in need of PPP loans, the \$660-billion program is not a free government handout for whoever asks. Its goal was to put emergency funds in the hands of businesses that needed immediate relief to survive.

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Did You Know CBAI Shares the Capitol Fax Newsletter with CBAI Member Banks?

CBAI members can keep track of the latest developments in Illinois politics from an insider's perspective with access to the daily Capitol Fax Newsletter, available in the Members Only Section of www.cbai.com. This content is password-protected so if you need access to CBAI's Members Only Section, contact [Stacy Workman](#) at 217/560-3096.



Wolters Kluwer: Banking Compliance Insights Podcast Series

"Banking Compliance Insights by Wolters Kluwer," podcast series from endorsed partner, Wolters Kluwer. This podcast series was created to deliver insights on compliance trends and strategies for navigating today's regulatory and risk environments.

[Listen to Episode 4](#), covering how the pandemic has created an increasing number of vulnerable populations. With regulatory relief programs, dispersed workforce and distance banking, keeping a focus on fairness and fair lending has been increasingly challenging. During the podcast, vice president, Wolters Kluwer, Samir Agarwal interviews Britt Faircloth, a managing consultant with Wolters Kluwer consulting services team, who will provide strategies for keeping fairness central to your program throughout the product life-cycle.

[View Podcast Series »](#)

August 14 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 Scholarships).*

Your community bank can be eligible for all three with your support of the Foundation. These scholarships are for the children and grandchildren of CBAI member bank employees, directors and officers of community banks with a tax-deductible contribution/pledge of at least \$2,500 to the Foundation. Part-time employees of the bank who are high-school seniors are also eligible. The presentation of these scholarships will be held at the Annual Recognition Program during CBAI's 46th Annual Convention in Indianapolis, IN.

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 14, 2020.**

[Download Form »](#)

Purchase the Results of CBAI's 2020 Compensation Survey

The results of CBAI's 2020 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 at bobbw@cbai.com.

A Big Welcome to CBSC's Newest Endorsed Vendors:



Consider a "Dress-Down Day" 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). For more information on participating in "Dress Down for the Foundation," contact **Bobbi Watson** at 800/736-2224. Please send donations to: CBAI Foundation, 901 Community Drive, Springfield, IL 62703.

CBAI LEGAL: Legal Technicality Affected Disclosure of Embezzler's Records

The prosecution of a bank employee accused of embezzling \$40,000 was hampered by a technicality when bank records were turned over to law enforcement.

[Read Most Recent CBAI LEGAL »](#)

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Boost your bank's productivity, connect with customers and enjoy all the benefits Office 365 and Exchange Email offer.

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Federal Home Loan Bank of Chicago

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UPCOMING EDUCATIONAL PROGRAMS:

Save the Date for CBAI's 2020 Women in Community Banking Conference

Mark your calendars for CBAI's 2020 Women in Community Banking Conference to be held on November 4 and 5, 2020 at the Northfield Center in Springfield. Please contact **Jennifer Nika** at 217/529-2265 for more details.

[VIEW CBAI's EVENTS CALENDAR](#)

MORE NEWS FROM SERVICES

The Baker Group: Baker Market Update

Investors are looking at a data-rich week, but that data may have less influence on market behavior than the direction taken by the uncertainty of other variables. In the aftermath of President Trump's executive order-driven, temporary extension of some pandemic-relief programs, adversarial Congressional leaders will continue to fuss about the best way to spend money we don't have, China and America will continue to fuss about China's behavior, and misbehaving protestors continue to plague some areas of the country, all while a contentious election process plays itself out. And still no college football schedule.

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15 Questions to Ask in Your Check Program RFP

Your check program is a mission-critical element of your product offering, affecting customer engagement, customer experience and your bottom line. Selecting the right check program provider starts with asking the right questions. Asking the right questions starts here, with our guide, "15 Critical Questions to Ask Check Program Providers in Your RFP."

[Get the Checklist »](#)

Ncontracts Webinar: Risk Assessments - Making the Most of Your FI's Secret Weapon

As a risk-management professional, you don't just identify and assess risk. You're also a savvy change agent who leverages the results of those assessments to share insights that shape strategic decisions and objectives. Make sure you're getting the most out of those risk assessments and maximizing your value to the team by joining us for a webinar where we'll show you how to "right-size" your risk assessments. From beginners to experienced risk-management professionals, this webinar will help you maximize the value of this important tool. Webinar will take place on **Thursday, August 20 at 2 p.m (CT)**.

[Register Here »](#)

CBIS: It's Not "New" Math but There's New FI Underwriting in Town

The underwriting environment in the Second Quarter 2020 continues to change. As such, we believe the best advice includes an understanding of the TYPES of information an underwriter needs in order to accurately assess existing and potential exposure for a community-bank applicant.

Insurers remain eager underwriters of community banks; however, their "new" FI underwriting model include specific niche questionnaires requiring additional response for Ag lending, COVID-19 impact, and banking marijuana businesses (MBs).

[Read More from CBIS »](#)



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