



## CBAI E-Newsletter, sponsored by **SHAZAM** September 9, 2020

### IN THE NEWS

#### **CBAI Foundation Needs Your Support**

With the cancellation of this year's convention and other COVID-related restrictions hindering our fundraising efforts, CBAI's Foundation for Community Banking Scholarship Program needs your support now more than ever. The Foundation is relying on your contributions to continue to offer the 31 annual scholarships totaling more than \$40,000 to high school seniors statewide through our essay contest, to the children and grandchildren of community bankers, and to Community Bankers School attendees. We would love to have your continued support.

With college tuitions rising every year, these statewide scholarships help deserving young adults further their educations and develop as tomorrow's leaders. The Foundation also strives to increase public awareness of community banks and their contributions to society.

Please consider making a donation to help the Foundation succeed and continue to offer these valuable scholarships to deserving students. See the attached brochure for a donation form and return the form with your check made payable to CBAI Foundation for Community Banking, 901 Community Drive, Springfield, IL 62703.

[Download Brochure »](#)

#### **CBAI President Kraig Lounsberry Speaks on the History of the Association Supporting Community Banking in Illinois!**

In this session of The CRA Files Podcast, Ron Brooks of CRA Partners interviews Kraig Lounsberry, president of CBAI. CBAI is dedicated to keeping community banks competitive for the benefit of their customers and the communities they serve through delivery of quality education, effective political representation, and essential products and services. Formed in 1974, CBAI has weathered the changes in banking that have buffeted Illinois since then, emerging as a mature, full-service association for today's community bankers.

[View the Podcast »](#)



**10 Habits of Highly Successful Bank Salespeople**

October 1, 2020  
CBAI, Springfield

**REGISTER TODAY!**

#### **CBAI Preferred Provider Ncontracts Once Again Recognized by Inc. Magazine as One of America's Fastest Growing Companies**

Ncontracts, the leading provider of integrated risk management solutions for financial institutions, announced that it has been recognized again this year by Inc. Magazine as a member of the Inc. 5000, the magazine's annual listing of America's fastest-growing private companies. With 184 percent revenue growth over the past three years, Ncontracts ranks in the top half of the list this year, coming in at #2278.

The annual list represents a unique look at the most successful companies within the American economy's most dynamic segment—its independent small businesses, and over the years has included organizations such as Microsoft, Timberland, Vizio, Intuit, Chobani, Oracle, and Zappos.com.

[Read More »](#)

#### **New Emergency Proclamation Form Available from Division of Banking**

The Division of Banking has published a new form to be used for requesting an emergency proclamation pursuant to the Illinois Banking Emergencies Act [205 ILCS 610]. The purpose of this form is to streamline the process for submitting all the information necessary for the Division of Banking to efficiently and expeditiously evaluate and, when warranted, grant such requests. The form is available as a fillable pdf [here](#). It is also available on the Division of Banking applications page [here](#).

Please note the following instructions, which are also included in the form:

1. Completed Emergency Proclamation Requests should be submitted by e-mail to your institution's respective case manager or manager. **See the list of Division of Banking management.**
2. Questions may be answered in the spaces provided or by attaching additional pages, if necessary.
3. All communications and questions concerning the Emergency Proclamation Request should be directed to your institution's respective case manager or manager.



### **CBAI Participates in Webinar Panel on the Paycheck Protection Program Loan Forgiveness**

CBAI thanks Congresswoman Cheri Bustos (D-17th) for hosting a webinar on Paycheck Protection Program (PPP) loan forgiveness which was attended by over 100 of her District's small businesses. CBAI's David Schroeder, SVP federal governmental relations, was a member of the webinar panel which included Illinois-based CPA firms and Robert Steiner, the Illinois director of the SBA.

Schroeder highlighted the strong community bank participation in PPP lending; how many CBAI members' PPP borrowers came from other banks because of their frustration in trying to work with the large banks; how community banks made the majority of the PPP loans including the most to minority-, women-, and veteran-owned small business; and how community banks will work diligently with their small business borrowers on PPP loan forgiveness.

In addition, Schroeder provided observations about where community banks are in the loan forgiveness application process and stated CBAI's strong support for \$150,000 and under automatic loan forgiveness. He indicated that this threshold covers 85% of the PPP loan numbers but only about 25% of the dollars – which is a reasonable compromise position that has garnered bipartisan support. Schroeder also shared CBAI's pride at how well community bankers are serving their small business customers and communities who are struggling to deal with and recover from the virus crisis.

Schroeder encouraged the webinar participants to contact and work closely with their community bank lenders, and to gather and provide as complete a documentation package as possible to make the PPP loan forgiveness process go smoothly.

[View YouTube of the Webinar »](#)

### **ICBA Service Awards Honor Nation's Community Banks**

ICBA announced this year's National Community Bank Service Awards by recognizing community banks across the nation for their extraordinary efforts to help small businesses, consumers, and communities amid the COVID-19 pandemic. Congratulations to the two CBAI member banks recognized, **Millennium Bank, Des Plaines**, and **First National Bank in Amboy**.

This year's call for entries, sponsored by FIS, generated more than 100 community bank stories, a sampling of which is showcased in the September issue of Independent Banker magazine.

In a national news release, ICBA noted that community banks have stepped up as financial first responders, leading the way on the Paycheck Protection Program, donating to local charities and essential workforces, supporting local restaurants, and more.

[Read Release »](#)

## TIMES CHANGE. VALUES DON'T.

SHAZAM is a national member-owned debit network, processor and core provider. Before our founder embraced financial technology, he was a master craftsman and bricklayer. Just like quality brickwork that's built to last, your business requires a high level of precision, technical aptitude and practicality. You'll find all of these qualities in our culture today.

ADVANCE WITH THE RIGHT PARTNER.



6700 Pioneer Pkwy / Johnston, IA 50131 / 855-314-1212 / shazam.net /



### CDC Orders Nationwide Eviction Ban

The Centers for Disease Control and Prevention issued an order under its public health emergency powers to temporarily halt residential evictions through Dec. 31. The Department of Health and Human Services agency issued the order under Section 361 of the Public Health Service Act to prevent the further spread of COVID-19.

Under the order, landlords and residential property owners shall not evict any covered person from any residential property in applicable jurisdictions. It does not apply in any state, local, territorial, or tribal area with a moratorium on residential evictions that provides the same or greater level of public-health protection than the CDC order. The order does not relieve any individual of any obligation to pay rent, make housing payments, or comply with contractual obligations under a tenancy or lease. It does preclude charging or collecting fees, penalties, or interest as a result of the failure to make payments. Evictions for reasons other than not making rent or housing payments will be allowed to proceed, though owners who violate the ban are subject to criminal penalties.

[Read More »](#)

### FDIC Issues Q2 State Profiles

The FDIC issued its state profiles for the second quarter of 2020. FDIC State Profiles is a quarterly summary of banking and economic conditions in each state.

[Read More »](#)

### Treasury Issues Guidance on Payroll Tax Deferral

The Treasury Department and IRS last week **released guidance** on President Trump's Aug. 8 memorandum directing Treasury to defer certain payroll taxes. The guidance allows employers to defer withholding and paying the employee's portion of the Social Security payroll tax if the employee's wages are below a certain amount.

The deferral, which will be in effect from Sept. 1 through year-end, is available to any employee whose wages or compensation during any biweekly pay period generally are less than \$4,000 on a pre-tax basis, or the equivalent amount with respect to other pay cycles. Deferred taxes would be repaid ratably between Jan. 1 and April 30 of next year. While President Trump is pushing to forgive deferred taxes, Congress would need to act.

[Read More »](#)

*Community Banks Lead the Way in PPP Lending!*

CBAI and ICBA continue to aggressively advocate for automatic forgiveness for SBA PPP loans under \$150,000.

*Way to go!*



### ICBA: Exclude PPP Loans from Asset Calculations

ICBA called on Congress to direct federal regulators to exclude Paycheck Protection Program loans from bank and bank holding company asset threshold calculations. In letters to **House** and **Senate** leaders, ICBA noted that the surge of PPP loans has swelled the balance sheets of community banks. Absent a legislative fix, asset-size growth will inadvertently push many community bankers over regulatory thresholds and subject them to additional supervision, regulations and costs.

Whereas banks normally have advanced notice that they are close to crossing an asset threshold and invest in a strategic plan to comply with additional regulations, rapid asset increases due to PPP lending have caused temporary balance sheet inflation.

"This is an exceptional circumstance and bank regulation must be flexible enough to account for it rationally and ensure that PPP lenders are not punished with regulatory costs simply for their participation in an emergency program," ICBA wrote.

[Read More »](#)

### **USDA Extends Foreclosure, Eviction Suspension**

Foreclosures and related evictions for borrowers with USDA single-family housing direct and guaranteed loans are suspended through Dec. 31, according to a USDA Rural Development notice.

The stakeholder notice offers a full rundown of USDA emergency relief for rural residents, businesses and communities affected by the coronavirus outbreak. The extension follows extended moratoriums for certain Fannie Mae, Freddie Mac, and Federal Housing Administration mortgage loans.

The USDA also extended the temporary exceptions on Single Family Housing Guaranteed Loan Program appraisals, repair inspections, and income verifications until Nov. 30.

Separately, the USDA's Farm Service Agency reminded farmers and ranchers that the deadline to apply for the Coronavirus Food Assistance Program is Sept. 11. This program provides direct relief to producers who faced price declines and additional marketing costs due to COVID-19.

[Read More »](#)

### **FHFA Listening Sessions on GSE Capital Rule**

The Federal Housing Finance Agency scheduled two listening sessions on the re-proposed capital rule for Fannie Mae and Freddie Mac. The first session, scheduled for 10 a.m. (Eastern time) Thursday, Sept. 10, will focus on credit risk transfers. The second, set for 10 a.m. Monday, Sept. 14, will address affordable housing access.

[Read More »](#)

**Community Bankers for Compliance Program**

E-Learning Seminars via GoToWebinar  
October 27 & 28, 2020  
February 2 & 3, 2021

Springfield, IL  
May 4, 2021  
August 3, 2021

Lisle, IL  
May 5, 2021  
August 4, 2021

*Time for CBC Renewal!*

*The challenge of keeping pace with the ever-changing compliance regulations!*

The advertisement features a woman in a pink shirt sitting at a desk, looking stressed with her hands on her face. The background is a blurred office setting.

### **DOJ Explores Updating Bank Merger Reviews**

The Justice Department's Antitrust Division requested public comment on whether it should revise and modernize its guidelines on reviewing mergers in the banking and financial services sector.

The division said updates to the 1995 Bank Merger Competitive Review guidelines would reflect emerging technologies and new competitive elements in the industry.

DOJ said the initial review of bank merger applications uses market shares, market concentration thresholds, and other considerations to determine whether to open an investigation.

While the division and the Federal Trade Commission revised their Horizontal Merger Guidelines in 2010, the banking guidelines have remained virtually unchanged since 1995. Comments are due by Oct. 1.

[Read More »](#)

### **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 [bobbii@cbaicom](mailto:bobbii@cbaicom).

### **CBAI LEGAL: Court Examines Mortgagee in Possession Insurance Exclusion**

In an opinion issued last month (August, 2020), the U.S. Court of Appeals for the Seventh Circuit determined whether the facts supported an insurance company's denial of coverage based on an exclusion for property owned by a lender as a mortgagee in possession following default by the mortgagor.

[Read Most Recent CBAI LEGAL »](#)



## Federal Home Loan Bank of Chicago

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

### UPCOMING EDUCATIONAL PROGRAMS

#### Appraisal Review to be Held September 30 in Springfield and October 1 in Lisle

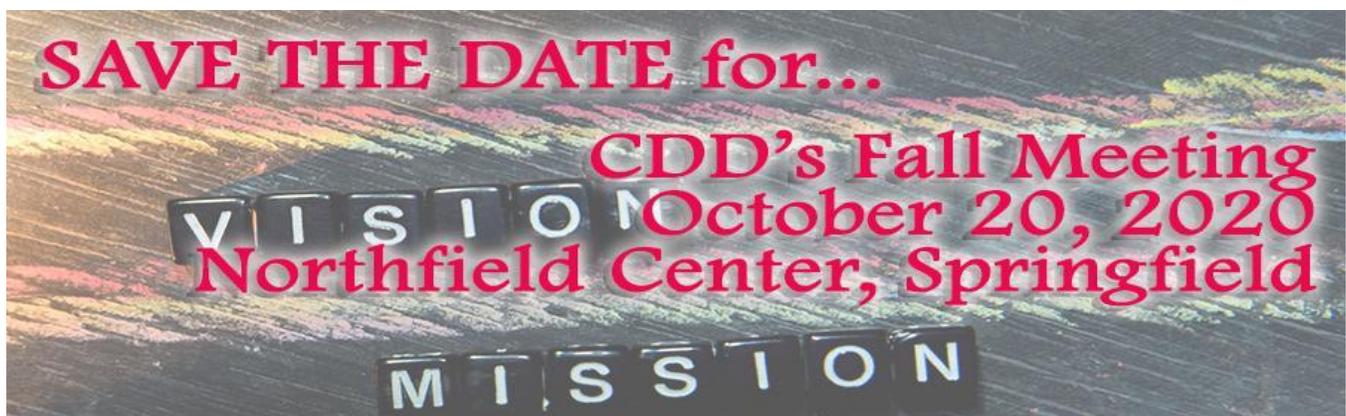
Banks are expected to thoroughly review the appraisals and question the assumptions contained therein when necessary. This seminar has been developed specifically to meet the unique needs of the community bank. It is designed to assist participants in getting timely answers to their questions. We encourage lenders to be active participants by bringing questions, concerns, and compliance issues for review by the group. This two-way flow of information will increase understanding and help improve the bank's effort toward satisfactory compliance implementation. People that would benefit from this seminar would be loan administration, underwriting/credit analysis and all general loan personnel.

[Register Today »](#)

#### Frontline Supervisor in the Now Economy Set for September 30 in Springfield

This program is designed for branch managers and head tellers, as well as customer service representatives and universal bankers with supervisory responsibilities. We have "The Now Economy" and must learn to maneuver effectively so we grow our business while continuing to meet emerging client needs. Bankers all over the bank are delving into the PPP program, answering questions, and processing loans with which they never anticipated being involved. We know that we must continue to help our clients meet their needs outside of the PPP program, and we need to consider how to forge ahead for the remainder of this year and into the next when hopefully our US economy begins to recover. We play a key role, both as a coach and as a business development professional in banking. This seminar focuses on how the frontline supervisor in the branch can take care of the needs of today, while keeping an eye on the future. It's challenging and exciting to be a banker today, knowing you have the responsibility to grow your team and listen to your clients' needs and position your products and services to help your clients achieve their dreams.

[Register Today »](#)



[VIEW CBAI's EVENTS CALENDAR](#)

### MORE NEWS FROM SERVICES

#### The Baker Group: Baker Market Update

This week may be short on days, but it's long on news and the National Federation of Independent Businesses has already begun the data delivery with this morning's announcement that its Small Business Optimism Index took an unexpected leap in August to 100.2 from 98.8 against an expected rise to just 99. The news is particularly welcome in light of a recent survey conducted by the Society of Human Resource Management which found that 52% of small businesses expect to fail in the coming months.

[Read More »](#)

#### Vendor Due Diligence: Are You Making This Common SOC 2 Mistake?

You know SOC 2 reports are a great vendor management tool, but are your critical vendors' SOC 2 reports telling

you everything you need to know about how well they protect your data? Not necessarily. It depends on which report you are getting.

[Read More »](#)

### CRA Modernization Webinar

Earlier this year, the Office of the Comptroller of the Currency issued a modernized Community Reinvestment Act regulation applicable to national banks and federal savings associations under its supervision. It establishes new performance tests, expands the activities that qualify for favorable CRA consideration, makes key changes to assessment area requirements, and adds substantial new data collection, recordkeeping, and reporting requirements. CBSC Preferred Provider Wolters Kluwer hosts a webinar, "**CRA Modernization: Getting up to Speed on the OCC's Final CRA Rule**," featuring a two longtime CRA experts, **Timothy R. Burniston** and **Karen Tucker**, from 2-3:15 p.m. EDT Thursday, September 17.

[Learn More »](#)

[Press Release »](#)

### CBIS: "Real Life" Claims Scenarios

If we were to ask you what the most prevalent Financial Institution Bond claim was, would you guess 33% was due to good old-fashioned robbery? Remember, that's frequency, not severity. No big surprise, but the more serious FIB claims are \*computer fraud related – fraudulent transfer requests via wire, voice, or email and following close behind are ransomware demands. Not to be left out, employee dishonesty still represents 13% of all FIB claims and forgery losses follow close behind with 12%. Now, we're pleased to share what you've requested the most – "real life" claims.

[Read More from CBIS »](#)

CBSC Preferred Providers



CBAI  
Foundation  
For  
Community Banking

**FOUNDATION for  
COMMUNITY  
BANKING  
Scholarship Program**

**YOUR SUPPORT IS NEEDED**  
Please donate to the Foundation to help us fund valuable scholarships for deserving students.

The advertisement features a background image of a smiling female graduate in a cap and gown. The text is overlaid on the right side of the image.