



CBAI E-Newsletter, sponsored by **SHAZAM**

October 21, 2020

IN THE NEWS

Support Incumbents Ashworth and Gross for Federal Home Loan Bank Board

Time is running out to vote for the Federal Home Loan Bank of Chicago Member Director election! CBAI encourages you to support incumbents **James T. Ashworth**, vice chairman, CNB Bank & Trust, N.A., Carlinville, and president and CEO, CNB Bank Shares, Inc., Carlinville; and **Michelle L. Gross**, executive vice president, chief operating officer and director of State Bank of Bement, for re-election this year. CBAI believes they effectively serve the interests of community-based financial institutions on the FHLB board. Signed ballots must be received by mail at the FHLB by **November 3, 2020**.

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Watch Jim and Michelle's joint message. These two incumbents are asking for your support in the upcoming Federal Home Loan Bank of Chicago Member Director Election! Send in your ballot today!



VOTE ASHWORTH AND GROSS!

CBAI Supports Coalition to Stop the Proposed Tax Increase

With early voting under way and the November 3 General Election quickly approaching, the constitutional amendment to move Illinois to a graduated income tax has become the race to watch in Illinois this year. With over \$100 million spent by both sides on advertising, it's hard to ignore. CBAI has consistently opposed moving to a graduated income tax. CBAI opposed the constitutional amendment when it was before the General Assembly and have joined leading business groups including the Illinois Farm Bureau, Illinois Retail Merchants Association, and Illinois Manufacturers' Association on virtual statewide media tours to lay out the case against it. CBAI's main concern has been that a move to a graduated income tax will disproportionately harm farmers and small businesses, which are core customers for community banks. Most small businesses are organized as pass through entities for tax purposes and reporting larger incomes is not uncommon as the sum total for the entire business. Under a new graduated tax, these small employers would be taxed at disproportionately higher rates.

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FDIC Responds to Push for Regulatory Relief for Community Bank

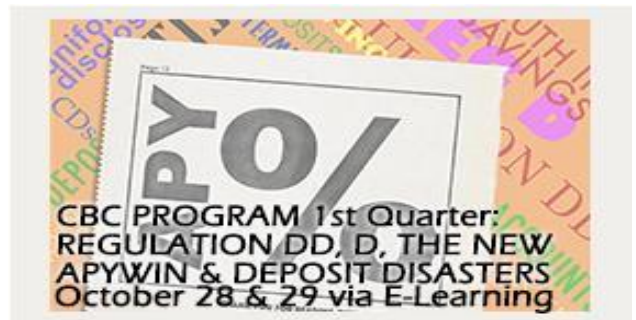
The CBAI and Illinois community bankers joined the ICBA in calling for regulatory relief during the pandemic crisis when PPP loan funding temporarily increase community bank assets above thresholds which trigger compliance with new, costly, and burdensome regulations. The FDIC has responded to this advocacy effort by allowing community banks to use their 2019 asset sizes for 2021 auditing and reporting requirements under Part 363.

[Read FDIC Interim Final Rule »](#)

Despite CBAI Advocacy, Governor Extends Unmodified Executive Orders on Evictions and Garnishment

Governor JB Pritzker has extended his executive orders for another 30 days. Unless the Governor decides to make changes in the meantime, the orders will remain in effect until November 16, at which point he can choose to extend them again. This includes the moratorium on evictions and wage garnishments. CBAI has been arguing for a more nuanced approach. It is one thing to give relief to someone who legitimately lost their income due to the crisis and is seeking relief. Unfortunately, the way the executive orders are written, it makes no distinction between those that are simply using the moratorium to game the system including foreclosures that were already in process prior to the pandemic. We'll continue to push the Governor's Office to alter their approach, as six months of a blanket policy is becoming vexatious for landlords and lenders.

[See Governor's Executive Order »](#)



Buy Tickets Today for the Community BancPac Chairman's Raffle

CBAI's Immediate Past Chairman **David Pirsein, First National Bank in Pinckneyville**, and new Chairman **Shawn Davis, CNB Bank & Trust, N.A., Carlinville**, have stepped up to host the Chairman's Raffle to raise funds for Community BancPac. Incoming Chairman Davis donated top tier technology including a Ring Video Doorbell, Apple AirPods Pro, and Bose Quiet Comfort 35 II noise canceling headphones. Chairman Pirsein donated a stunning, custom-made wine rack and serving board and the grand prize, a beautifully detailed, hand-crafted, outdoor cooler/hospitality center.

A sponsorship from SHAZAM covered all of the administrative costs of the raffle. Because of their generous gift, 100 percent of money received from ticket sales went directly to the only political action committee in Illinois dedicated exclusively to supporting the community banking profession.

Community BancPac Chairman's Raffle tickets are being sold for \$50 each and only 200 tickets will be sold. Raffle tickets purchased were credited and reported as Community BancPac contributions.

The second early bird drawing was held on October 15, 2020, for a bottle of Eagle Rare 10-Year Kentucky Straight Bourbon Whiskey, donated by Community BancPac Chairman **Tom Marantz, Bank of Springfield**. The winner was **Bill Wubben, Apple River State Bank**.

Please plan to join us on October 27, 2020, at 2:00 p.m. for the main prize drawing. This virtual event will happen live on Zoom. Winners of the five main prizes will be selected at this time. We will also draw the winner of this year's Directors Challenge with a prize of \$250.

[Purchase Tickets Today »](#)

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The Baker Group: Market Update

As bonds start looking a little weaker, equities look to be gathering a little momentum. It appears as though investors are once again optimistic that another stimulus deal might be soon hammered out as talks among the relevant parties took place over the weekend.

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Harland Clarke: From Just Plastic to Simply Fantastic

Why card programs are now making close relationships with customers even closer

In today's competitive environment, it is crucial to make the most of your card program, driving what matters to your financial institution: affordable innovation, brand awareness, revenue and — most important — customer engagement.

[Access the Full Article »](#)

CBIS: Phishing Awareness: Do You Know the Signs?

Phishing attacks are on the rise. While firewalls and anti-virus software can help defend against phony emails, they can't resist all phishing attacks. That's why every employee is an important part of your community bank's cyber security defenses.

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CBAI Urges Improvements to the FDIC's Guidelines for Appeals of Material Supervisory Determinations

In an October 6, 2020, comment letter to the Federal Deposit Insurance Corporation (FDIC), the Community Bankers Association of Illinois (CBAI) urged the Agency to make significant improvements to the current appeals and dispute resolution process, stating it is time-consuming, expensive and lengthy, and not only provides little hope of a positive result but causes bankers to fear retribution for elevating disputes. This comment letter follows the participation of CBAI and member leadership bankers in a December 2019 FDIC listening session in Chicago.

CBAI's recommendations for improvement include expanding the role for the Office of Ombudsman in the revised resolution process; strengthening the independence of a newly structured independent office and appeals review panels to replace the Supervision Appeals Review Committee (SARC); adding outside professionals with more diverse backgrounds and experience to the new review panels; and increasing deterrence of examiner retaliation, abuse or retribution by elevating charges to the Chairman of the FDIC.

[Read CBAI Comment Letter »](#)

Participate in CBAI's Foundation for Community Banking Essay Contest Scholarship Program

The CBAI Foundation for Community Banking provides \$21,000 in scholarship funds for top high school seniors statewide. One semi-finalist may be chosen from each of the CBAI groups via an essay-writing contest. A \$1,000 scholarship can be awarded to a student in 11 of CBAI's 12 groups along with \$500 to a second-place person in each group, which assures geographical uniformity of winners. The statewide winner 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's chance of sponsoring a winner is better than ever! It costs nothing for your bank to be involved and there are "no strings attached"! However, the banks reaping the greatest benefits are those which offer local scholarships in addition to the \$21,000 the Foundation has made available for awards statewide.

Through promotion of the Scholarship Program to the community-at-large, as well as involvement with students, participating banks have gained a higher profile for their community-service efforts. Local high-school administrators, teachers and guidance counselors appreciate the scholarship opportunities as well. It is, however, not necessary to work through your local school(s). Banks can promote the program at-large and take the applications and essays directly. Each bank then judges the essays and sends the best to the CBAI Foundation.

Your bank can harvest more publicity, better community goodwill, and a higher profile. It also can be applied toward your CRA requirement. For more information, please contact **Bobbi Watson**.

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ICBA Urges Congress to Join Debate Over Payments Charter

ICBA and other groups this week urged Congress to get involved in the OCC's efforts to grant commercial companies like Amazon or Facebook a national payments charter.

In a joint letter to congressional leaders, the groups said the agency's proposed payments charter raises concerns over the separation of banking and commerce, safety and soundness and consumer protection, and the introduction of systemic risk into the payments system.

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FDIC Survey Shows 95 Percent of U.S. Households Were Banked in 2019

A record 95 percent of U.S. households had a bank or credit union account in 2019, according to a new biennial survey and report released recently by the Federal Deposit Insurance Corporation (FDIC). How America Banks: Household Use of Banking and Financial Services also found that a record low 5.4 percent of U.S. households were unbanked in 2019. Since 2009, the FDIC has measured the banked and unbanked populations in the U.S. and studied household use of banking and financial products and services, the most comprehensive analysis of its kind.

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Fed Issues FedNow Q&A

The Fed issued a Q&A on the FedNow instant payments service, including how financial institutions can get involved in its development. The Fed also offers a new FedNow product sheet detailing the system and its planned launch.

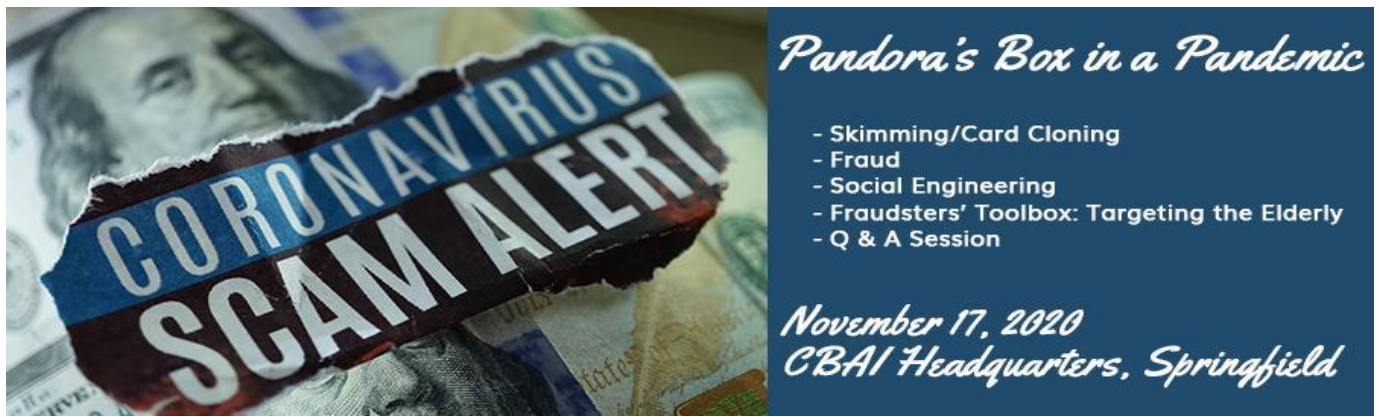
[Read Q&A »](#)

[Read Product Sheet »](#)

Banks Healthy Amid Pandemic: Quarles

U.S. banks have remained financially healthy throughout the coronavirus pandemic even while combatting the economic downturn, Fed Vice Chair for Supervision Randal Quarles said. Quarles said that while bank leadership on Paycheck Protection Program lending and loan forbearance has put a strain on balance-sheet capacity, most banks remain profitable and are adding substantially to their loan-loss reserves to remain resilient.

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SBA Offers EIDL Info on PPP Platform

Information on Economic Injury Disaster Loan advances is now available on the Paycheck Protection Program Forgiveness Platform for submitted decisions, the SBA said in a letter to lenders with several updates on processing forgiveness payments.

According to the letter, lenders can see if the SBA will deduct an EIDL advance from final forgiveness payments.

While borrowers may receive up to a \$10,000 advance payment under the EIDL program, those funds will be deducted from PPP loan forgiveness, leaving some borrowers with a substantial unforgiven balance that must be repaid.

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Op-ed: How PPP Simplification Can Preserve the Recovery

Policymakers can advance the economic recovery despite stalled negotiations over the next economic stimulus package, ICBA President and CEO Rebeca Romero Rainey writes in a new op-ed on Medium. Bipartisan legislation to simplify Paycheck Protection Program loan forgiveness will help small businesses dedicate more of their resources to paying workers and further supporting local economies, Romero Rainey writes.

While the SBA last week announced a simplified process for PPP loans of \$50,000 or less, ICBA continues calling on Congress to immediately pass legislation to simplify forgiveness for loans of \$150,000 or less.

[Read Op-ed »](#)

SBA Clarifies Deadlines for PPP Forgiveness Applications

October 31 is not the deadline for Paycheck Protection Program borrowers to apply for forgiveness, the SBA clarified in a new addition to its PPP frequently asked questions.

The October 31 expiration date on PPP loan forgiveness application forms is displayed as part of SBA compliance with Paperwork Reduction Act, the agency said. It reflects the temporary expiration date for approved use of the forms, though this date will be extended.

The FAQs note that borrowers may submit applications any time before the maturity date of the loan, which is either two or five years from loan origination. If a borrower does not apply for loan forgiveness within 10 months after the last day of the borrower's loan forgiveness covered period, loan payments are no longer deferred.

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FDIC Issues Call Report Materials

The FDIC released call report materials for the Sept. 30 report date, which are due Friday, Oct. 30. The call report includes revisions for institutions subject to the advanced capital adequacy framework.

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FinCEN Issues Advisory on Unemployment Insurance Fraud

The Financial Crimes Enforcement Network issued an advisory to alert financial institutions to unemployment insurance fraud observed during the COVID-19 pandemic. The advisory contains descriptions of coronavirus-related UI fraud, associated red flag indicators, and information on reporting suspicious activity.

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State Regulators Issue Ransomware Assessment Tool

State financial regulators issued a self-assessment tool to banks they supervise to help mitigate ransomware attacks. Issued with the Bankers Electronic Crimes Task Force and U.S. Secret Service, the tools allow banks to assess their efforts to mitigate ransomware risks and identify gaps that require increased security.

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What Google Ad Updates Mean to Bank Marketing

A new Main Street Matters post for community bank marketers covers Google's updated advertising policies taking effect later this month and how to navigate this sea change. Starting Oct. 19, bank marketers will no longer be able to target by gender, age, parental status, marital status and ZIP codes for any marketing related to housing, employment, and credit sectors, ICBA's Rob Birgfeld writes.

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The advertisement features a black and white image of a person in a suit holding a measuring tape. Text on the image reads: "Membership offers customized solutions for your strategies." Below the image is the FHLB Chicago logo and the website address www.fhlbc.com.

Federal Home Loan Bank of Chicago

Visit www.fhlbc.com

Illinois Treasurer's Office Offers Finally Home Program for Mortgage Lenders

The Illinois Treasurer's Office is offering a beneficial program offered called Finally Home, which empowers financial institutions to enhance the way they serve their customers.

The Finally Home Program offers a five-year, 10 percent mortgage guarantee to participating lending institutions throughout Illinois. The program focuses on lower to middle income families trying to buy or refinance a home but are unable due to circumstances "but for" the 10% guarantee to the financial institution. The goal is to help Illinois residents avoid predatory lenders and obtain affordable mortgages.

If you would like to learn more about the program and its guidelines, please [click here](#) or contact [Rebecca Huston](#) at 217-558-6217.

CBAI Women in Community Banking Fundraiser for Breast Cancer Awareness in October

For the past few years, the Community Bankers Association of Illinois' Women in Community Banking Conference has raised money for breast cancer awareness. This October, in lieu of our annual conference, we are encouraging CBAI members who would normally attend the event to participate in a month-long fundraiser to continue to support this cause. Breast cancer is a serious disease that affects millions of people and their loved ones each year — in fact, it's the second most common type of cancer in women after skin cancer. All funds will be collected at the end of the month by CBAI and donated to Susan G. Komen Breast Cancer Foundation for breast cancer research on behalf of CBAI Women in Community Banking. Some fun ideas to raise money might include:



- Put a "Piggy Bank" in your break room and feed the pig
- Raffle off your Women in Community Banking Conference basket or donation item
- "Dress Down Days" or "On Friday's – We Wear Pink!" Donations appreciated!
- Challenge someone to match your donation or funds raised
- Pumpkin decorating contest – the most money raised wins

Be creative with your fundraiser and send CBAI a picture! We would love to post them on Facebook or in Banknotes! And remember to wear your PINK!!!

For more information or if you have any questions, please contact [Jennifer Nika](#) at 217/529-2265. Please send contributions to: Community Bankers Association of Illinois, 901 Community Drive, Springfield, IL 62703.

[Download Flier to Post at Your Bank »](#)

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](#).

CBAI LEGAL: Foreclosure Notice Not Subject to *Lis Pendens* Notice Requirements

In a recent opinion from the First District Illinois Appellate Court, the controlling issue was whether the service of summons requirements for validating a *lis pendens* filing extend to mortgage foreclosure cases.

[Read Most Recent CBAI LEGAL »](#)



MORE UPCOMING EDUCATIONAL PROGRAMS

Save the Date for CBAI's 2021 Convention!

CBAI is pleased to announce the location of the 47th Annual Convention & Expo is the Marriott Marquis in Chicago. So, mark your calendars for September 23 – 25, 2021! More information coming soon!

CBAI's Account Titling Seminar is Scheduled for December 1, 2020, in Springfield or On-Demand Recorded Session

This seminar is designed for new account representatives, tellers, and head tellers who need to understand the various types of account ownerships that exist – from single account owners through corporations. You learn what the different ownership types represent and how to make sure you are opening the proper type of account for your customer. In addition, the seminar covers Customer Identification Program requirements and FDIC Insurance, as well as stop payments, forgeries, and other operational issues that front line staff face on a daily basis.

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Safe Deposit Regulatory Update, Security & Disaster Essentials and Analyze Your System Live E-Classroom Seminar Set for December 8

This live e-classroom seminar talks about questions surrounding safe deposit boxes that have always popped up and this year is no different. David McGuinn has combined three of his most requested topics for this live, one-day E-Classroom seminar with the most up-to-date information. This program is designed to update compliance officers, vault supervisors and attendants, branch managers, auditors, training directors, new account personnel and your in-house legal counsel.

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