

## CBAI E-Newsletter, sponsored by SHAZAM November 20, 2019

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## IN THE NEWS

### NEWS FROM THE FRONT 11/14/2019

Illinois Senate President John Cullerton announced his retirement to his caucus following the conclusion of the 2019 veto session. A replacement will be chosen in January. Municipal pension consolidation, paid sick leave, and daylight savings time were all on the veto session agenda. CBAI also received updated guidance from the Secretary of State's Office on franchise tax calculations for bank holding companies. CBAI has also been busy on the federal side, working to make sure our message breaks through the clutter of the impeachment hearings.

[Read NEWS FROM THE FRONT »](#)

### CBAI Announces 2019 Community Bank Directors' Conference

CBAI is pleased to offer the 2019 Community Bank Directors' Conference on December 11, 2019, at the Crowne Plaza, Springfield. Being a member of a community bank's board of directors is a challenging and rewarding experience. The community bank director has duties to the institution, its stockholders and its depositors. And, he or she has responsibilities to the public-at-large. To meet these duties and responsibilities, a director must be knowledgeable and active. Join us at CBAI's Annual Directors' Conference! CBAI gathered top banking experts to make this comprehensive, one-day conference a must-attend.

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### CBAI's Quarterly Staff Vist to D.C Reinforces the Community Bank Position on Important Issues

CBAI's SVP of Federal Governmental Relations, David Schroeder, was in Washington D.C. for his quarterly visit the week of November 11th. Schroeder updated the Illinois Congressional Delegation on important issues for Illinois community banks and he also met with the OCC, CFPB and the ICBA. CBAI's agenda included; credit union abuse, particularly the acquisition of tax paying community banks by tax-exempt credit unions; the FedNow (real-time payments) service; community bank consolidation; and the continuing farm credit expansionist agenda.

[Read Article »](#)

### Loundy Elected to Federal Home Loan Bank of Chicago Board of Directors

David Loundy, Chairman and CEO, Devon Bank, Chicago, was recently elected to the Federal Home Loan Bank of Chicago Board of Directors. Loundy's four-year term expires December 31, 2023. Thanks to our members for your support of CBAI-endorsed candidate David Loundy!

## Check Out CBAI's Facebook Page!

CBAI recently launched a Facebook page! Visit us at [www.facebook.com/CommunityBankersofIL](https://www.facebook.com/CommunityBankersofIL). Plus, be one of the first 250 to like our page and you will be entered into a drawing for a FREE one-day seminar registration.

We want to use our Facebook page not only to keep you up-to-date on CBAI news and events, but also to share what our members are doing. From community events to new hires, we want to know what's happening at your bank! E-mail Valerie Johnston at [cbaicom@cbaicom.com](mailto:cbaicom@cbaicom.com) to share your news with us.

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## Pushing Back on Farm Credit Expansionist Policies

In a letter to House and Senate Appropriations Committee leaders, ICBA expressed opposition to the tax-advantaged Farm Credit System's efforts to expand its powers through the congressional appropriations process. The ICBA letter expressed serious concerns with report language strongly encouraging the Farm Credit Administration to explore an expedited approval process for community facility "investments" that would replace case-by-case approval from the FCA. This language was rejected by Congress in the 2018 Farm Bill and should not be included in the 2020 appropriations bill.

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In a separate comment letter to the FCA, the ICBA stated its opposition to a proposed rule that would undermine Farmer Mac. The proposal would allow FCS lenders to buy, sell and hold the guaranteed portion of the USDA loans as an investment activity. CBAI joins the ICBA in opposition to the newest Farm Credit expansionist initiatives and will work to defeat these bad public policies.

[Read Letter >>](#)

## OCC, Federal Reserve and FDIC Finalize New Rules

On November 19, the three federal regulatory agencies approved three new interagency final rules. The rules address: a standardized approach for calculating the exposure amount of derivative contracts; changes to the supplementary leverage ratio to exclude certain central bank deposits for banks engaged in custody; safekeeping and asset servicing activities; and the treatment of high volatility commercial real estate (HVCRE) exposures.

In separate actions, the FDIC finalized rules clarifying the federal law governing interest rates state banks may charge their customers and formalizing a long-standing policy related to hiring individuals with minor criminal records. These final rules will be published in the federal register.

[Read More About These Rules >>](#)

## CBAI LEGAL: Court Requires Strict Adherence to Default Notice Requirement

A November 5 opinion from Illinois' First District Appellate Court strictly interpreted pre-default and pre-acceleration notice terms in a loan agreement, even to the point of dismissing the collection lawsuit brought by a creditor that failed to comply with the contractual notice conditions.

[Read CBAI LEGAL >>](#)



## Recent USDA Actions and Announcements:

### **USDA Housing Program to Assess New Fee**

Starting next year, the USDA Single Family Housing Guaranteed Loan Program will begin to assess and collect a technology fee from lenders on each closed loan that was submitted via the Guaranteed Underwriting System. Specifically, any file submitted via GUS that is issued Form RD 3555-18E, "Conditional Commitment for Single Family Housing Loan Guarantee," on or after January 1, 2020, will require lenders to remit a one-time \$25 technology fee with their loan closing package.

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### **USDA Extending Crop Insurance Flexibility**

The USDA Risk Management Agency announced it will continue to defer accrual of interest for 2019 crop year insurance premiums to help farmers and ranchers affected by extreme weather in 2019. The agency will defer interest on 2019 crop year insurance premiums for all policies with a premium billing date of August 15, 2019.

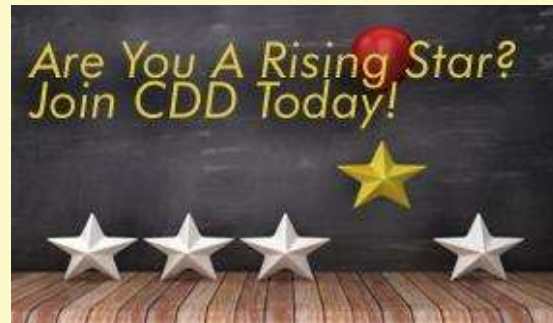
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### **USDA Posts Hemp Production Webinar**

The USDA posted a webinar to provide an overview of the Domestic Hemp Production Program, which was established to create a consistent regulatory framework around U.S. hemp production. The webinar discusses the differences between hemp-related provisions of the 2014 and 2018 farm bills and provides details of the interim final rule published on October 31.

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[Access webinar »](#)



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## NEWS FROM SERVICES

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

This week's data doings have already begun with an announcement by the National Association of Home Builders that its Housing Market Index edged down to 70 from 71. That particular gauge of vitality began the year at just 56 and has enjoyed a steady, upward trajectory, but this is the first down-tick in five months.

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### **CBAI Member Webinar Exclusive!**

Please join Regency360 on Wednesday, December 4, 2019, for a FREE 30-minute educational webinar to learn how Regency360, a CBAI Preferred Partner, can save your bank up to 30% on office supplies, printing, promotional items and company apparel. The team at Regency360 will discuss how its best-in-class ordering platform has helped more than 300 banks streamline their ordering process and **SAVE YOU TIME AND MONEY!!!**

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## ***CBAI Connected to Community Banking is sponsored by SHAZAM***

### **GET TIME BACK IN YOUR DAY**

Customer disputes are an ugly reality of running a bank, and if not handled correctly, can be time consuming and costly. Get time back in your day with SHAZAM's dispute resolution services. Our team of experts will take cardholder calls on your behalf, research claims, coordinate communications and investigate fraud-related cases, all while staying compliant with Regulation E. **Learn more at SHAZAM.**

### **Wolters Kluwer's Lien Solutions Business Wins Two BIG Awards for Business**

Wolters Kluwer's Lien Solutions has earned two 2019 BIG Awards for Business for product innovations it developed on behalf of financial services client firms. Lien Solutions was honored with BIG (Business Intelligence Group) Awards for its Portfolio Sync and its iLien Motor Vehicle solutions. Both products are part of iLien, Lien Solutions' flagship product, and each provides lenders with enhanced operational functionality via an industry-leading SaaS platform.

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### **Free Shipping and Handling on all Wolters Kluwer IRA and Mortgage Paper Orders!**

Calling all CBAI members – Save money while stocking your inventory for 2020!

**Order your paper products** today using **CODE: CBAI** . You'll receive free shipping and handling on all orders placed by December 15, 2019!

### **CBSC Recommends Customer Thank You Program**

Econocheck, a CBSC Preferred Partner, has recently revitalized an old insurance product, which has been offered for more than 30 years. It's called the AD&D Thank You Insurance Program. At no expense to the bank, the program provides \$1,000 of AD&D insurance FREE to customers as a "thank you" from the bank.

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### **CBIS: Private Flood Insurance Issues Continue**

In the last e-news article, CBIS reminded CBAI member banks that National Flood Insurance Program (NFIP) insurance is purchased through individual providers, not the federal government. If a community chooses not to participate in the NFIP, property owners in that jurisdiction are unable to purchase federal flood insurance. However, a lender may require a borrower to obtain flood insurance, even in the absence of a federal purchase requirement. This article explores how flood is defined in a property policy versus NFIP, why flood insurance is better than disaster assistance, and defines the pros and cons of the flood coverage options.

[Read More from CBIS »](#)

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