



CBAI E-Newsletter, sponsored by SHAZAM  
Edition: July 24, 2024

## IN THE NEWS

### **CBAI Urges *Don't Mess with Success* in Reforming the FHLBs**

In a July 13, 2024, comment letter to the Federal Housing Finance Agency (FHFA), CBAI built on its advocacy efforts during the comprehensive review of the Federal Home Loan Banks to urge caution and not harm the highly successful FHLBs. The Banks have historically provided valuable products and services to their financial institution members and have provided significant contributions to affordable housing and community development.

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### **CBAI ACTION ALERT: Urge Illinois' Senators to Support *Trigger Leads* Legislation**

CBAI joins with the ICBA in asking Illinois community bankers to urge Senators Richard Durbin and Tammy Duckworth to include in must-pass legislation a bipartisan bill that would protect the financial privacy of mortgage applicants.

After consumers apply for a residential mortgage, credit reporting agencies sell their loan application and contact information to third parties, leading to an influx of sometimes overly aggressive or misleading solicitations. Sens. Bill Hagerty (R-Tenn.) and Jack Reed (D-R.I.) have filed the Homebuyers Privacy Protection Act (S. 3502) as an amendment (Senate Amendment 2358) to the must-pass National Defense Authorization Act.

The Homebuyers Privacy Protection Act would bar credit reporting agencies from selling consumers' information when they apply for a residential mortgage unless the consumers have provided their consent, or the lender has an existing relationship with the applicant. This legislation will help consumers better protect their privacy and financial information.

[Take Action Now and Contact Senators Durbin and Duckworth »](#)

### **CBAI Thanks Congressman Darin LaHood (R-16th) for Co-Sponsoring Legislation**

CBAI thanks Congressman Darin LaHood for being the first member of the Illinois congressional delegation to co-sponsor an important bill for community banks and their customers in the United States House of Representatives.

The Homebuyers Privacy Protection Act (H.R. 7297) - this is legislation that will require a consumer's consent for the sale of trigger leads by the credit bureaus or restrict the sale to lenders that have an existing mortgage relationship with the consumer.

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KASASA

## **Come Celebrate Our 50th Anniversary Convention & Expo With Us!**

CBAI is celebrating its 50th Anniversary this year! Join us for CBAI's 50th Annual Convention & Exposition, scheduled for September 19 – 21, at the Crowne Plaza in Springfield, IL. CBAI is excited to celebrate this incredible milestone in community banking history. The full Convention brochure will be available later this week, so watch for an email with all the details. You won't want to miss this year's Convention & Expo!

[Questions? Email the CBAI Education Department »](#)

## **Rebeca Romero Rainey: Stop Letting Credit Unions Buy Community Banks**

Credit unions are acquiring community banks at a record rate, and outdated policies are subsidizing these deals, ICBA President and CEO Rebeca Romero Rainey wrote in a new op-ed in *American Banker*. With the number of transactions and value of bank assets sold to credit unions at or above all-time highs already in 2024, Romero Rainey said these acquisitions are fueled by a federal tax exemption that hasn't been updated since 1934; displace critical providers of capital in local communities; expand the portion of the financial services industry exempt from Community Reinvestment Act requirements; and threaten U.S. cybersecurity because the National Credit Union Administration is not authorized to examine credit union third-party service providers for cyber risk.

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## **CBAI Endorses Michelle Gross for the Federal Home Loan Bank of Chicago Board of Directors**

CBAI is pleased to endorse incumbent Michelle L. Gross, executive vice president/chief operating officer, information systems officer, and director of The State Bank of Bement for the Federal Home Loan Bank of Chicago 2024 Member Director Election. Gross joined the Federal Home Loan Bank of Chicago's Board of Directors in 2015 and serves in several pivotal roles, including vice chair, chair of the Human Resource & Compensation Committee, member of the Executive and Governance Committee, member of the Audit Committee and past member of the Risk Management Committee, and Operations and Technology Committee. In addition, Gross serves as a delegate to the Council of Federal Home Loan Banks on behalf of the Federal Home Loan Bank of Chicago.

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## **Episode Five: *Why I Did It* Podcast Featuring Andy Tinberg**

Andy Tinberg, president & CEO at CNB Bank & Trust, N.A., Carlinville, (Oak Forest) explains why his bank pioneered offering the new CBSC Beneficial Ownership Information filing service solution and his small business customers' response. It's been overwhelmingly positive.

[View Episode Five »](#)

[View Other Episodes »](#)

## **Donate to CBAI's Community BancPac Live and Silent Auctions**

The Community BancPac live and silent auctions will be held Thursday, September 19, 2024, at the Crowne Plaza Hotel in Springfield, Illinois. This event kicks off the opening night of CBAI's 50th Anniversary Convention. We are kindly asking you to consider donating an item or cash donation to help make this auction the best ever! Do you have sporting event or concert tickets? Condo/vacations? Half a cow or pig? Experiences? We also encourage you to think locally when deciding what items you will donate to the cause. What about customers that are great craftsmen, artists and retailers in your communities? The Community BancPac auction is a great way to support your customers and local businesses while showcasing the amazing products in your community. You can also make a cash donation that will allow CBAI staff to purchase popular items for the auction and credit your financial institution for the item donation.

[Donate Today »](#)

## **OCC's Hsu: We Need to End Too-Big-To-Fail**

Acting Comptroller of the Currency Michael Hsu said the growing number and size of large banks is reshaping the banking industry. Speaking in Washington, Hsu said that large banks as a group are likely to have \$20 trillion to \$23 trillion in assets by 2030, which is roughly the size of the entire U.S. banking system today. He said the nation needs stricter capital, liquidity, resolution and enforcement standards to ensure the largest banks are neither too-big-to-fail or too-big-to-manage. "No matter how one feels about large banks, simple, dispassionate math provides a sense of scale regarding where we're headed," Hsu said. "Last year's large bank failures in particular highlight the need for regulation reforms in areas like liquidity and long-term debt."

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### **2024 Comp Survey Results Are Available for Purchase**

The results of CBAI's 2024 Compensation Survey are now available! Administered by BalancedComp, the survey results are free to participants, thanks to sponsor Risk Strategies|ZALE Financial Group. Non-participants can purchase results for \$400 for CBAI members and \$600 for prospective members. If you are interested in purchasing the results, please contact [Cortni](#).

### **CBAI's Community BancPac Golden Ticket Raffle!**

Community BancPac is offering a golden ticket raffle in conjunction with this year's annual live at silent auction at CBAI's 50th Annual Convention & Expo. Don't miss your chance to purchase a golden ticket for \$50 each! The lucky winner can select any live auction item from the BancPac auction at CBAI's convention to take home for free before the bidding begins! You must be present to win! Buy your tickets early and get entered into the early-bird drawing on August 15, 2024, for a chance to win one of the finished ends from CBAI's 50th anniversary bourbon barrels and a bottle of CBAI's 50th Anniversary Bourbon. (You do not need to be present to win the early-bird drawing.) Contact [Jessie](#) for more information!

### **FHLB Chicago Opens Reservations for Community Impact Advance Pilot Program**

On July 16, FHLBank Chicago opened reservations for the Community Impact Advance Pilot Program which provides \$50 million in interest rate subsidies to expand affordable housing, economic development, and community partnerships in Illinois and Wisconsin. The Pilot Program provides an up to two percent reduction in interest rates on advances, which are secured loans, to help [FHLBank Chicago members](#) support their customers and amplify the impact they are making in their communities. The program is available on a first come first served basis to FHLBank Chicago members who can reserve up to \$1 million in interest rate subsidy for advances supporting eligible activities in their communities. The Community Impact Advance Pilot Program brings the FHLBank Chicago total commitment to community investment support to over \$180 million for 2024.

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### **ICBA Releases Customer Template Following CrowdStrike Incident**

ICBA released a customizable template that community bankers can use for outbound messages to customers in the wake of Friday's incident at the CrowdStrike cybersecurity firm. The custom template is designed to help affected community banks communicate any outages, reassure customers that their accounts remain secure, and encourage consumers to remain vigilant against phishing attempts following the incident. CrowdStrike said the outage was caused by a single content update for Windows hosts—not a security incident or cyberattack—and it is providing updates [on its blog](#). Microsoft [said](#) it has completed mitigation actions and previously affected Microsoft 365 apps and services have recovered. The incident affected some community banks, with some reporting downed systems.

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### **Bowman: Regulators Should Avoid Climate 'Mission Creep,' Disrupting FHLBanks**

Federal Reserve Governor Michelle Bowman said federal regulators should renew their focus on core financial risks in the wake of last year's large bank failures and avoid straying into less pressing areas, such as climate risk. Speaking in Dallas, Bowman said climate risk principles issued last fall for institutions with at least \$100 billion in assets are an example of unjustified "regulatory mission creep" diverting limited risk management resources away from critical, near-term risk management.

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## Auditing Advertising July 25, 2024 Virtual E-Learning Seminar



### Deadline to Submit Nominations for CBAI Foundation Scholarships for Children and Grandchildren of Community Bankers is August 15

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 essay contest scholarships). Your community bank can be eligible for all three with a tax-deductible contribution/pledge of at least \$2,500 to the Foundation. The presentation of these scholarships will be held at the Annual Recognition Program during CBAI's 50th Annual Convention in Springfield. If you would like to know how your bank can become eligible for these scholarships, please view the form below or contact [Valerie](#). Nominations must be received by Thursday, August 15, 2024.

[Download Form »](#)

### ICBA ThinkTECH Accelerator Showcase Today

ICBA's [ThinkTECH Accelerator Showcase](#), where companies will share solutions in live pitches to community bankers, is scheduled for 5:30 p.m. (CT) today, July 24, at the Graduate School of Banking at Colorado. The showcase marks the culmination of the latest Accelerator program (AP7), part of ICBA's commitment to fostering collaborative community bank-fintech partnerships.

Presenting companies include: Prelim Technologies, a no-code platform for customer onboarding processes; Rego Payment Architectures, a family lifecycle platform tailored for financial institutions; FINBOA, an analytics and process automation platform; RiskScout, which offers cloud-based tools for community banks; ScribeUp, an embedded subscription management solution; and Savvi AI, a platform that helps banks build, launch, and manage AI apps.

[Register Here »](#)

### Don't Miss CBAI's Annual FedPac Baseball Game!

The annual CBAI FedPac baseball game, scheduled for Thursday, August 22, at Busch Stadium, is an afternoon match-up between the St. Louis Cardinals and the Milwaukee Brewers. Bankers can purchase tickets for \$150 - **(personal CBAI FedPac contributions)**. The cost of admission includes entry into the skybox, food and drink. Don't come alone - bring along a rookie or veteran player from your bank. **Tickets are limited and on a first come, first serve basis. ACT NOW** and contact [Jessie](#) for your ticket(s) today!

CBAI FedPac was created to enhance the impact of Illinois community banks in Washington, D.C. It helps us support the candidates who believe in our mission to serve our communities and customers. In addition, associate members and CBAI member banks can help underwrite this event with their generous contributions. [David](#) (847) 909-8341 will be in the dugout to answer any questions regarding sponsorships. We hope to see you at the old ball game!

### Agencies Finalize Guidance on Real Estate Value Considerations

Federal regulators issued final guidance addressing reconsiderations of value for residential real estate transactions. ROVs are requests from financial institutions to appraisers or other preparers of valuation reports to reassess the value of residential real estate. The guidance provides policies and procedures that financial institutions may implement to allow consumers to provide financial institutions with information that may not have been considered during an appraisal or if deficiencies are identified in the original appraisal.

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### ICBA Continues Seeking Feedback on Check Fraud

ICBA continues encouraging community bankers to share their experiences and input on the challenge of check fraud. Community bankers can contact ICBA about check fraud issues, including the lack of responsiveness from large institutions, at [checkfraud@icba.org](mailto:checkfraud@icba.org). In a statement for a congressional hearing earlier this year, ICBA spotlighted check fraud issues, such as mail theft, fraudulent account opening, and large institutions of first deposit that are slow to reimburse community banks for unresolved checks.

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## Donate Today to CBAI Foundation's "\$50 for 50" Anniversary Fundraiser

In honor of CBAI's golden anniversary, the Foundation for Community Banking is spearheading a special "50 for 50" Campaign. There are several different ways you can choose to participate. You can make a bank donation in honor of the 50th anniversary, such as \$500 or \$5,000, or any \$50 increment you wish. Another option is to encourage your staff members and/or board members to make a \$50 donation to the Foundation in honor of CBAI. Banks can also choose to offer to match staff donations up to \$500, \$5,000 or any amount they choose. You can also increase your bank's current accumulated donation to the \$5,000 mark, which is the silver donation level, or celebrate CBAI's golden anniversary by becoming a gold-level sponsor.

Contributions in any amount are greatly appreciated! All banks, associate members and individuals donating to this campaign will be recognized in Banknotes magazine. Banks and associate members reaching the \$5,000 Silver level or \$10,000 Gold level during CBAI's golden anniversary year will also be recognized on social media, with a news release, and at CBAI's annual convention. **All donations are 100% tax deductible!**

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## NEWS FROM SERVICES

### Core10: 3 Real-World Use Cases of API Middleware for Community Banks

Innovation is key for community banks to remain competitive, yet legacy systems often hold them back. These outdated systems, many designed decades ago, lead to inefficiencies, operational bottlenecks, and high maintenance costs, consuming up to 80 percent of IT budgets. Fortunately, API middleware helps community banks break free from these constraints. Middleware acts as a bridge between legacy systems and new applications, enabling banks to innovate without a complete system overhaul. Middleware may sound daunting and highly technical, but it can be simplified into three key areas where it significantly impacts banks: integrations, data warehouse and analytics, and customer experience.

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### Ncontracts: Regulatory Update July 2024

Summer is bringing more than heat waves – it's bringing a wave of regulatory changes and news.

From a major Supreme Court decision to enforcement actions and rule proposals, there's plenty to wade through this month, and the Ncontracts regulatory compliance team is here to help you through it.

Here are a few highlights from this month's Regulatory Brief for July 2024. For a more in-depth discussion of regulatory compliance news and what it means for your institution, listen to the podcast.

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### Wolters Kluwer Webinar on Section 1071 Rule Will Share Compliance Guidance

New mandatory compliance dates beginning in 2025 for covered institutions under the Small Business Data Collection Rule, as mandated by Section 1071 of the Dodd Frank Act, mean that impacted institutions will need to begin their planning and execution to comply with this complicated rule. Regulatory compliance experts from **CBSC Preferred Provider Wolters Kluwer** will host a webinar at 1 p.m. CDT on Thursday, August 8, to discuss implications for complying and to walk through their recently developed Data Collection Procedures Guide as an aid for covered institutions.

[Register Today »](#)

### CBIS: Understanding D&O Insurance

Community banks are invested in their state, county, city, village and especially their customers and employees. When you invest in people, there is a key insurance protection for the executive, employee and the organization itself –

Management Liability a/k/a D&O insurance. For any key executive liability exposure or risk, a sound principle of risk management protection solutions needs to be present that encompasses processes, markets and strategies to provide comprehensive protection for executives and their community bank. There are three key services to deliver truly best-in-class coverage.

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## MORE UPCOMING EDUCATIONAL PROGRAMS

### State CRA Webinar with CBAI & IDFPR on August 1

Community Bankers Association of Illinois (CBAI) and Illinois Department of Financial & Professional Regulation (IDFPR) present the "Illinois Community Reinvestment Act (205 ILCS 735)" webinar via Zoom Livestream on Thursday, August 1, 2024, at 9 a.m. This webinar will also be available as an on-demand recorded session.

The Illinois Community Reinvestment Act (205 ILCS 735) was signed into law on March 23, 2021. CBAI and other stakeholders worked with IDFPR and the Joint Committee on Administrative Rules for three years to negotiate rules to implement the new law. Those rules were approved and went into effect on July 1, 2024. Under the rules, state-chartered banks can expect to see State CRA exams as early as late 2025.

The State CRA is separate from the National CRA. All community banks will be required to undergo National CRA exams. Only state-chartered banks will be required to complete the additional State CRA exam. IDFPR has informed CBAI that they intend to conduct joint CRA exams with National examiners and issue a separate State CRA exam finding.

This webinar will bring together experts on the new State CRA program to inform compliance officers of the new standards. While there is overlap between the exam standards for both CRA programs, there are new provisions and requirements that are unique to the State CRA. This webinar will be helpful to compliance officers, senior bank executives and loan officers. The livestream Zoom format will offer many opportunities to ask questions and seek clarification on the new law directly from senior staff at the IDFPR Division of Banking.

Susana Soriano, acting director, and Edmund Hill, CRA supervisor, IDFPR Division of Banking; Bill Glaze, president, Longview Community Bank; and Jerry Peck, SVP governmental relations, CBAI, panel this webinar roundtable.

[Register Now »](#)

### Register Now for CBAI's 2024 Cybersecurity Conference

CBAI is pleased to offer "2024 Cybersecurity Conference" scheduled for August 13, 2024, or via on-demand recorded session. This Conference features targeted solutions to meet the demands of community banks. It is designed for you, your management team, and your operations/technology staff. The on-demand recorded session option is available for those that are unable to attend the live date or if you would like to train the entire staff on these timely topics.

[Register Now »](#)

### Basic BSA to Be Held August 21 & 22 in Springfield

CBAI is pleased to offer "Basic BSA" (Bank Secrecy Act) on August 21 & 22, 2024, at CBAI Headquarters in Springfield, IL. This seminar is recommended for newer BSA officers, compliance officers, senior management, internal auditors, and others wishing to

refresh or learn about the basics of the BSA. As the role of the Bank Secrecy Act continues to expand, it impacts almost every aspect of banking. It is difficult to find a bank employee who does not have some BSA responsibility. The Basic Bank Secrecy Act Training Program is a two-day program designed to thoroughly cover the basics of the BSA. The course is designed for attendees who have limited knowledge of BSA requirements or those needing a review of BSA fundamentals.

Although the Board of Directors is ultimately responsible for BSA, each bank must have a BSA officer to oversee the day-to-day BSA program. Bank staff need to be able to support the BSA officer and program effectively. Attendees leave the program with a basic understanding of the five key elements (pillars) of an effective BSA compliance program and an understanding of all appropriate reporting standards required by the Act. The presentation includes a brief discussion of the BSA/AML (Anti-Money Laundering) risk assessment and related topics. The primary focus of the institute is to assure that all attendees understand the basic requirements for a sound BSA compliance program, based on the regulation and core examination procedures.

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CBAI Educational Calendar

