



IN THE NEWS

CBAI Board Endorses ICBA Federal Delegate Candidates

The CBAI Board of Directors has once again unanimously voted to support Kim McKee of North Central Bank, Hennepin, and Shawn Davis of CNB Bank and Trust, N.A., Carlinville, for re-election as ICBA State Delegates in Districts 1 and 2, respectively. McKee is currently the CBAI Group 5 Director, a member of the CBSC Board of Directors, and serves on the ICBA Subcommittee for Consumer Financial Services. Davis currently serves on the CBAI Board of Directors as a past chairman and serves on the ICBA Large Community Bank Council. If re-elected, McKee and Davis will begin serving their second and final three-year term next March.

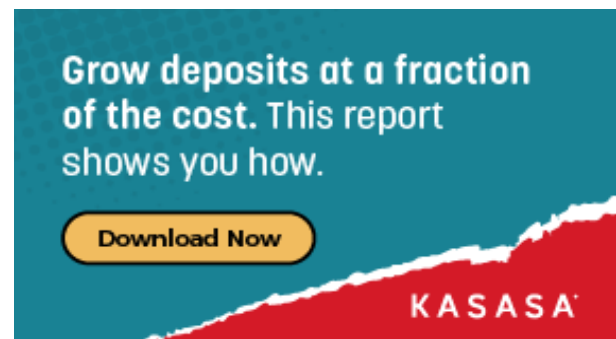
Lawmakers: CFPB's Medical Debt Proposal Will Make Health Care More Expensive

Republican members of the House Financial Services Committee said the Consumer Financial Protection Bureau's proposal to remove medical debt from credit reports will make health care more expensive for those who need it most. The CFPB is proposing to amend Fair Credit Reporting Act regulations by prohibiting creditors from using medical financial information and by limiting the circumstances under which consumer reporting agencies are permitted to provide medical debt information to creditors. In a letter to CFPB Director Rohit Chopra, the committee members said the proposal would force medical providers to require additional upfront payments and undermine underwriting processes. ICBA recently told the CFPB that the proposed rule would lead to inaccurate reports and hinder community banks' ability to comply with other regulations.

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ICBA: FHFA Overstepping with FHLBank Inquiry

The Federal Housing Finance Agency does not have the authority to redefine the mission of the Federal Home Loan Banks, ICBA told American Banker. In a new article (subscription required), ICBA's Tim Roy said the FHFA director's authority was clearly defined in the Housing and Economic Recovery Act of 2008 and any change to the FHLBank mission must be approved by Congress. The FHFA is considering feedback from its recent request for information on the FHLBank mission. In its comment letter last month, ICBA said the agency should not create additional requirements that restrict FHLBank advances to members in good standing and with eligible collateral, which would reduce the availability of mortgage credit and community development funding.



Episode Seven: *Why I Did It* Podcast featuring Kim McKee

Kim McKee, president and CEO of North Central Bank, Hennepin, discusses the tax-advantaged benefits of investing in BOLI, why they chose to share the death benefit with covered executives (it helped a family cope with the loss of a loved one), and how it

has helped them recruit and retain key personnel. She also explains how she chose her BOLI advisor (Risk Strategies|IZALE Financial Group) and why she is convinced they are the best in the business.

[View Episode Seven »](#)

Karaoke Teams Announced for Foundation for Community Banking Fundraiser

Six teams have joined the competition to vie for karaoke stardom to benefit CBAI's Foundation for Community Banking! All six will perform on Friday night at CBAI's 50th Annual Convention & Expo's Live Band Karaoke Parking Lot Party. On September 20, 2024, each karaoke team will have the opportunity to perform one song at the beginning of the night. Attendees will be able to "vote" for their favorite performance by donating to the Foundation in that team's name. All fundraising dollars raised, including the entry fee, other donations solicited before the event, and "votes" on the night of the event, will be added together to determine each team's total. The karaoke team that has raised the most money for the Foundation at the end of the night will be deemed the winner! Support your favorite team with a tax-deductible donation to the Foundation!

[Download List of Teams and Donation Form »](#)

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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Donate Today 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, Springfield, IL. 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. Why not consider customers who 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.

[Download Donation Form »](#)

Fed's Bowman: Bankers and Regulators Not on the Same Page Regarding M&A

When it comes to processing reform for mergers and acquisitions, it can feel like bankers and regulators are living in different worlds, according to Federal Reserve Governor Michelle Bowman. Speaking in Colorado Springs, Bowman said bankers seek to conclude the M&A process quickly so they can begin to integrate the banks but there is "a lack of timely regulatory action." Bowman said the absence of a viable M&A framework increases the potential for additional risks, including limited opportunities for succession planning, especially in smaller or rural communities. Regulators should ensure reforms promote a healthy banking system and acknowledge the role of M&A activity.

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FinCEN Says It Will Only Enforce Willful Beneficial Ownership Violations

Small-business owners doing their best to comply with beneficial ownership requirements should not lose sleep over the new reporting requirements, Financial Crimes Enforcement Network Deputy Director Jimmy Kirby said. The Corporate Transparency

Act requires certain entities, including many small businesses, to report to FinCEN information about the individuals who ultimately own or control them.

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Credit Unions Use Loopholes to Undercut Community Bank: Former Exec

Credit unions use their tax-exempt status to weaken community banks and their capacity to meet the credit needs of local communities, according to a former credit union executive who now works for a community bank. Clint Walters, chairman and CEO of The First Security Bank in Beaumont, Texas, writes in a new American Banker op-ed that credit unions exploit every loophole the government provides to undercut their competition and acquire banks at a record pace.

Walters also said the government-subsidized entities' nonprofit status no longer supports the mission of providing low-cost credit to individuals of modest means. Rather, it allows credit unions to spend lavishly on technology, facilities, executive compensation and naming rights of sporting facilities—at the cost of profits that could be returned to credit union members.

CFPB Updates Small Business Lending Instructions

The Consumer Financial Protection Bureau updated its 2025 Small Business Lending Filing Instructions Guide. The 2025 updates include changing the applicable filing period to reflect the 1071 rule's updated Tier 1 compliance dates of July 18, 2025, through Dec. 31, 2025; changing the Action Taken Date and Application Date data point examples so that they reflect the new compliance dates; and modifying the validation ID E0321 to reflect the updated filing period based on the new Tier 1 compliance dates.

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Lawmakers Call on Gruenberg to Resign or Testify

Republican members of the House Financial Services Committee called on FDIC Chairman Martin Gruenberg to appear before the committee next month if he has not stepped down before then. All 29 Republican members of the committee signed the letter, which asked Gruenberg to immediately resign or appear before the committee on Sept. 19. President Joe Biden on June 13 nominated Christy Goldsmith Romero to replace Gruenberg, who announced in May that he would step down once a successor is confirmed. Goldsmith Romero testified at a Senate Banking Committee nomination hearing last month and would need to be approved by the committee and the full Senate to be confirmed.

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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 ANNUAL CONVENTION & EXPO

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50th Anniversary
Community Banking Association
1874 - 2024
Fifty Years, One Mission, Community Banks.

September 19 - 21, 2024 • Springfield, IL

Support CBAI's Community BancPac Golden Ticket Raffle!

Community BancPac is offering a golden ticket raffle in conjunction with this year's annual live and 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. Contact [Jessie](#) for more information! The winner of the early-bird drawing for the finished end of the anniversary bourbon barrel and a bottle of anniversary bourbon was Adam Luechtefeld, The First National Bank of Okawville. Congratulations!

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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EGRPRA Meeting Scheduled for Next Month

The federal banking regulators are scheduled to hold an ICBA-advocated virtual public outreach meeting on Wednesday, Sept. 25, as part of the Economic Growth and Regulatory Paperwork Reduction Act review. Advance registration is not required to attend this virtual public meeting as an observer. EGRPRA requires the agencies to review their regulations every 10 years to identify outdated, unnecessary, or unduly burdensome regulations applicable to insured depository institutions.

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FDIC Issues Guidance on Interactive Teller Machines

The FDIC issued guidance on whether the use of interactive teller machines at a location other than an established branch facility would require banks to file a domestic branch application. The FDIC said it would not consider an ITM established by a state nonmember bank to be a "domestic branch" subject to FDIC approval if the ITM is an automated, unstaffed banking facility that allows customers to initiate an interactive session with remotely located bank personnel and perform transactions independently. ITMs that operate outside of these parameters may require a branch application, according to the agency.

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CSI: How CFPB's Rule 1033 Could Affect Data Rights and Open Banking

The Consumer Financial Protection Bureau (CFPB) estimates that 100 million consumers have authorized third parties to access their data. That data drives endless business decisions and capabilities. However, financial institutions and technology developers must also be aware of data rights regulations. One such proposed regulation, Rule 1033, would require financial institutions and other data providers to help consumers access and share their data securely using application programming interfaces (APIs). This article explores the proposed rule, how it relates to open banking and what your banks should consider regarding data rights.

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The Baker Group: Second Quarter Bank Trends Webinar

Community bank balance sheets have experienced unprecedented changes and volatility since the pandemic as trillions of dollars of stimulus flooded the system during a time of historically low interest rates. The Fed has aggressively hiked interest rates and that has had an impact on margins, liquidity and overall bank performance. This webinar will examine the most recent community banking trends using the latest call report data so you can see how your recent balance sheet changes compares to others. Webinar is set for Wednesday, August 14, at 10:30 a.m. CDT.

[Register Now »](#)

ADVANTAGE Powered by JMFA: Answers to Five Critical Overdraft Issues Webinar on September 17

Community banks face mounting pressure to balance delivering exceptional service and safeguarding financial stability. With the anticipation of the CFPB's rule on overdrafts and growing market competition, the stakes have never been higher. Hear from leading experts to gain insights into some of the pivotal questions shaping overdraft services, including: Are overdrafts going away?; How can my bank refine its overdraft strategy while prioritizing safety and soundness?; Is lowering our overdraft fee enough?; How can we develop a break-even analysis related to overdrafts?; and What market pressures could influence the future of overdrafts? [Register today](#) to be part of the discussion and hear from industry experts.

Wolters Kluwer Earns Top Five Global Ranking for Excellence in AI Product Innovation

CBSC Preferred Provider Wolters Kluwer has achieved a global top five ranking from **Chartis Research** for excellence in artificial intelligence (AI) innovation in the **Chartis RiskTech AI 50 2024** report. The report explores the broad landscape of AI development and adoption in the financial services industry, showcasing the leading work of technology providers in this dynamic and rapidly evolving environment.

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Ncontracts: What Financial Institutions Need to Know About AI and Regulatory Risk

The regulators have spoken – financial institutions need to get serious about managing AI risk. From cybersecurity and fraud to consumer compliance and third-party risk, AI poses significant regulatory risks. These regulatory risks are addressed in a recent report from the U.S. Treasury, enforcement actions against FIs with vendors using AI, CFPB and interagency statements about the dangers of AI algorithms in lending, a recent bill from the Colorado state legislature, and more. Should financial institutions include AI risks in their risk management frameworks? According to regulators, the answer is a resounding yes.

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Adlumin Offers \$200 Gift Card with a Demo of Its Security Operations Platform to CBAI Member Banks

In nearly every poll, bankers rate cybersecurity as the number one economic threat. Aligning with a world-class cybersecurity solution is critically important to securing banks' IT infrastructure and protecting customer data. Plus, the regulators expect it.

That is why the CBSC Board voted unanimously to endorse and recommend Adlumin's cybersecurity solution to CBAI member banks, and why we encourage bankers to view a demo of its platform. As an added incentive, Adlumin is offering banks a \$200 gift card to view a demo. The gift card can be used to buy the bank's staff pastries, lunch or any other purpose. The gift card is Adlumin's way of saying Thank You for allowing them to demonstrate the cybersecurity protection features of its platform.

Key features of the platform include threat hunting, security operations (SOC), darknet exposure monitoring, incident response and forensics, vulnerability management, compliance support, SIEM support and SOAR capabilities. CBSC encourage you to give your IT team a firsthand look and participate in a 30-minute demo of their platform. This is a fantastic opportunity to see how Adlumin's patented technology provides real-time visibility, compliance automation, and enhanced security for your bank.

[Get Started »](#)

CBIS: Recent Global IT Outage

On July 19, 2024, American cybersecurity company CrowdStrike distributed a faulty update to its Falcon Sensor security software that caused widespread problems with Microsoft Windows computers running the software. As a result, roughly 8.5 million systems crashed and were unable to properly restart in what has been called the largest outage in the history of information technology and historic in scale. The outage disrupted daily life, businesses and governments around the world. Many industries were affected – airlines, airports, banks, hotels, hospitals, manufacturing, stock markets, broadcasting, gas stations, retail stores and more – as were governmental services, such as emergency services and websites. The worldwide financial damage has been estimated to be at least US \$10 billion. So, what is the lesson learned here for community banks?

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CBSC Preferred Providers



MORE UPCOMING EDUCATIONAL PROGRAMS

Register Today for CBAI's 50th Annual Convention & Exposition!

The Community Bankers Association of Illinois is celebrating its 50th anniversary in 2024! Join us for CBAI's 50th Annual Convention & Exposition, scheduled for September 19 – 21, 2024, in Springfield, Illinois. This year, as we reflect on the past, present and future, we must acknowledge and celebrate the amazing group of community bankers who have supported the mission of community banking. This year's theme "Fifty Years. One Mission. Community Banks." features an exciting educational agenda of breakout sessions, a jam-packed exhibit hall, numerous social events including a Friday night "Live Band Karaoke" parking lot party supporting CBAI's Foundation, and so much more! You do not want to miss this incredible milestone in community banking history!

Take a few minutes to look through the pages of the convention brochure which describes all the activities. Then fill out the registration form and return it with payment to CBAI. The Crowne Plaza room block cut-off date has been extended. To ensure accommodation availability, hotel reservations should be made by Friday, August 30, 2024. Room reservations received after this date are confirmed on a "space-and-rate available basis." When you call for reservations, be sure to identify yourself as a CBAI convention attendee. For more information, please visit www.cbai.com!

Check out the special video message below featuring CBAI Chairwoman and Market President, Bradford National Bank, Irvington, Sheila Burcham, and CBAI Special Events Chairman and President/CEO, American Metro Bank, Chicago, Patrick McShane.

[View Special Message »](#)

[Register for CBAI's Annual Convention Today »](#)

CBAI Teams with ICBA to Offer Training and Certifications for Community Bankers

Community Bankers Association of Illinois (CBAI) has teamed up with the Independent Community Bankers of America (ICBA) to provide a comprehensive menu of training resources for Illinois community bankers. On any ICBA course or resource found on [CBAI's website](#), don't forget to use the code IL-CBAI at checkout.

The ICBA offers professional certification programs that are an investment in your team and in the bank. They boost efficiency, increase confidence, maintain credibility, reduce risk, and help your bank stay relevant. ICBA Education offers nine certification programs that are nationally recognized, professional designations and require the user to follow specific processes and procedures before a Certification is granted.

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Register for Branch Management for New Leaders for 2024/25

The series of courses provides the new branch leader/professional with a solid foundation how to manage a branch office by reviewing banking essentials, sales management, people management, and basic business management competencies. Participants gain knowledges that require expertise in topics such as branch operations, customer service, staff supervision and development.

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CBAI Educational Calendar



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