



CBAI E-Newsletter, sponsored by SHAZAM

Edition: September 18, 2024

IN THE NEWS

CBAI's 50th Annual Convention & Exposition Begins Tomorrow - It's Not Too Late to Register!

The Community Bankers Association of Illinois is celebrating its 50th anniversary in 2024! You do not want to miss **CBAI's 50th Annual Convention & Exposition, scheduled for September 19 -21, at the Crowne Plaza in Springfield, IL.** Take advantage of the one-day registration or it's still not too late to register for the full convention! Take a look at the brochures and [email Tina Wilder](#) at CBAI Headquarters or call 217.529.2265 to register!

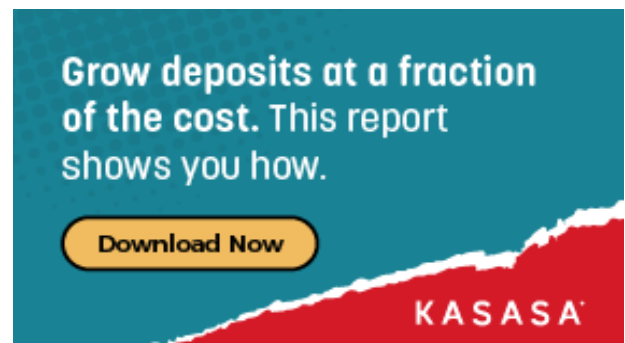
Join us as we reflect on the past, present and future, and celebrate the amazing group of community bankers who have supported the mission of community banking. You don't want to miss this milestone occasion, filled with top-notch education sessions, a large exhibit hall featuring the ICBA ThinkTECH Accelerator, Friday Night "Live Band Karaoke" Parking Lot Party, numerous fun-filled social events and so much more! Come celebrate with old friends, make some new friends, and commemorate CBAI's 50th anniversary!

[Convention Brochure »](#)

[One Day Brochure »](#)

Welcoming Reception's BancPac Live and Silent Auctions Feature Special Anniversary Plans

You won't want to miss this year's Welcoming Reception at CBAI's 50th Annual Convention & Expo on Thursday, September 19, 2024, at the Crowne Plaza in Springfield. The Welcoming Reception, featuring the Community BancPac Live and Silent Auction, is always a fun-filled event that kicks off CBAI's Annual Convention, made possible by the generosity of community bankers, associate members, and friends of community banking. We hope to make this year our biggest and best yet! Check out CBAI's Facebook and LinkedIn pages for a sneak peek at the live auction items! In addition to the live and silent auction items, Community BancPac will be selling CBAI's 50th anniversary commemorative bourbon bottles. BancPac is also offering a golden ticket raffle in honor of the anniversary. 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! The Foundation for Community Banking scholarship program will be holding a "wine pull" raffle. Bottles of wine have been donated by CBAI and CBSC board members, and staff. Interested parties attending the Welcoming Reception can purchase a blind pull of a bottle of wine for \$20 each. Plus, the Backroads Band, featuring CBSC's Jeff Rabenort, is back by popular demand! Don't miss all of the fun and excitement at this 50th anniversary event!



Support the CBAI Foundation for Community Banking Karaoke 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's Exhibit Hall to Feature ICBA ThinkTECH Accelerator Hub

Presented by the ICBA, visit this unique space in the exhibit hall and meet ICBA ThinkTECH Accelerator fintech companies and learn more about how these providers can help your community banks offer enhanced products and services to address the ever-evolving needs of community banks and their customers. On Friday morning, learn about emerging companies in the CBAI Fintech Showcase, brought to you by the ICBA ThinkTECH Accelerator. Find out the companies' new technologies and opportunities for your bank to implement innovative solutions and flourish. This session is designed to allow bankers to engage with early-stage fintech companies that focus on developing products and solutions specifically for community banks and/or their customers.

CBSC Payments Committee Meeting Focuses on Digital Payments, Crypto Assets, and Check Fraud

The CBSC Payments Committee, chaired by Mark Field, chairman and CEO, Liberty Bank, met with senior officials from ICBA and The Atlanta Federal Reserve Bank and discussed a variety of emerging payments topics. Jacob Eisen, president and CEO of ICBA Payments and TCM Bank, shared a plan to reorganize ICBA Payments, which will enable it to add more innovative payments solutions for community banks. Scott Anchin, senior vice president of operational risk and payments policy, ICBA, reviewed the efforts of ICBA's Check Fraud Task Force. Brian Laverdure, ICBA SVP of digital assets, provided an update on digital assets. He said the state of Wyoming is expected to issue a Stablecoin sometime in Q1-25. Dan Baum, SVP and head of payments and FedNOW at the Atlanta Federal Reserve Bank, reported that 968 financial institutions participate in FedNOW, which is at expectations. Bankers discussed many payments-related topics. The CBSC Payments Committee will continue to monitor developments and advise the board on trends, new products and policy positions.

[Read More »](#)

CBAI's Opposition to Recent CFPB Rulemaking Highlighted in American Banker Article

CBAI's opposition to a proposed CFPB rule, which would prohibit the reporting of medical debt and delinquencies and their consideration by creditors in loan underwriting, was highlighted in a September 5th article in *American Banker*.

[Read More »](#)



FHLBank
Chicago

Serving everyone in our communities, in every way we can.

FHLBank Chicago is committed to providing products, solutions, and services that support our members' evolving business needs and help their communities thrive.

Visit fhlbc.com to learn more.

FDIC-Insured Institutions Reported Net Income of \$71.5 Billion

Reports from 4,539 commercial banks and savings institutions insured by the Federal Deposit Insurance Corporation (FDIC) reported aggregate net income of \$71.5 billion in second quarter 2024, an increase of \$7.3 billion (11.4 percent) from the prior quarter. A decline in noninterest expense and one-time gains on equity security transactions contributed to the quarterly increase. These and other financial results for second quarter 2024 are included in the FDIC's latest Quarterly Banking Profile released today.

[Access FDIC Quarterly Banking Profile »](#)

August 2024 Beneficial Ownership Reporting Outreach Activities

As part of their efforts to educate small businesses and other key stakeholders about new beneficial ownership reporting requirements, FinCEN participated in several events in August. FinCEN's outreach has discussed the importance of beneficial

ownership information to safeguarding the U.S. financial system and combatting illicit finance; answered wide-ranging questions from a broad cross-section of the public regarding beneficial ownership filing requirements; and highlighted that filing beneficial ownership information with FinCEN is quick, free, and secure.

FinCEN has directly reached hundreds of thousands of stakeholders and groups through more than 170 beneficial ownership events and other engagements—including conferences, webinars, roundtables and informational sessions—in partnership with Secretaries of State, industry groups, Members of Congress, corporate service providers, Chambers of Commerce, government agencies and other organizations.

[Read More »](#)

Apply by September 30 for FHLB Chicago Community First Accelerate Grants

Community First Accelerate Grants for Small Business ("Accelerate Grants") assist the growth and development of small businesses in Illinois and Wisconsin, creating economic opportunity in the communities FHLBank Chicago members serve. Through our member institutions, we offer grants of up to \$30,000 to eligible small businesses. Accelerate Grants are an opportunity for members to establish and strengthen partnerships with small businesses in their communities. With up to \$30,000 in funding available, you can secure vital support for your eligible small business partners—either as a single grant or as two separate grants of \$15,000 each.

[Read More »](#)



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 that offer local scholarships in addition to the \$21,000 the Foundation has made available for awards statewide. For more information, please contact [Cortni Bartolomucci](#).

[Download Brochure »](#)

FinCEN to Small Businesses: Don't Wait to File Beneficial Owner Reports

The Financial Crimes Enforcement Network called on small businesses to begin filing initial beneficial ownership reports under the Corporate Transparency Act. At the latest beneficial ownership information reporting event in Philadelphia, FinCEN Director Andrea Gacki noted that while small businesses created or registered before this year must file by Jan. 1, 2025, they don't have to wait. Further, those created or registered this year have 90 days to file an initial report, and that period drops to 30 days next year.

Gacki reiterated that small-business owners doing their best to comply with the law should not lose sleep over these new reporting requirements. She noted the CTA penalizes willful violations of the law and that this is where FinCEN plans to focus its enforcement actions. Under the CTA—a bipartisan law enacted to curb illicit finance by supporting law enforcement efforts—many small businesses are now required to report basic information to the federal government about the real people who ultimately own or control them. FinCEN FAQs include information on reporting companies and exemptions.

[Read More »](#)

There are two main ways banks can help their small business customers regarding this reporting requirement. First, banks can spread awareness of the BOI reporting requirements and provide customers with educational materials. Second, banks can

recommend small business customers file directly at the FinCEN site or work with a professional service provider that specializes in CTA compliance, such as Wolters Kluwer BizFilings.

[See More from Wolters Kluwer »](#)

Fed's Waller: The Time Has Come for Rate Cuts

Federal Reserve Governor Christopher Waller said he believes the time has come to lower the target range for the federal funds rate at the Fed's upcoming meeting, and he does not expect the first cut to be the last. Speaking in Indiana, Waller said that with inflation and employment near the Fed's goals and the labor market moderating, a series of reductions will likely be appropriate.

[Read More »](#)

FinCEN: Banks Lead in Reporting Mail-Related Check Fraud

The Financial Crimes Enforcement Network said it received more than 15,000 reports from financial institutions on mail theft-related check fraud in the six months after it issued an alert on the issue last year. FinCEN said it received 15,417 Bank Secrecy Act reports from 841 financial institutions on more than \$688 million in reported suspicious activity in the six months after it issued its February 2023 alert. Banks filed 13,618—or 88%—of the reports, while securities firms filed 885 and credit unions filed 882. Small and midsized banks accounted for the majority of the reports from banks.

In its analysis of the BSA reports, FinCEN identified three primary outcomes after checks were stolen from the U.S. Mail: 44% were altered and then deposited; 26% were used as templates to create counterfeit checks; and 20% were fraudulently signed and deposited.

[Read More »](#)



FBI: Crypto Fraud Complaints Rise 45% in 2023

The FBI's Internet Crime Complaint Center said it received more than 69,000 complaints from the public regarding financial fraud involving the use of cryptocurrency last year. According to the latest IC3 report on crypto, losses with a nexus to cryptocurrency totaled more than \$5.6 billion, an increase of 45% from 2022. While the number of crypto-related complaints represents 10% of the total number of financial fraud complaints, the losses associated with these complaints account for almost 50% of total losses. People aged 60 and above had the most complaints and highest losses. Almost all losses are attributed to investment scams, also known as pig butchering.

[Read More »](#)

ICBA: Credit Unions Shouldn't Use Wall Street to Acquire Community Banks

ICBA called on the National Credit Union Administration to bar tax-exempt credit unions from using funds raised from Wall Street investors to finance acquisitions of tax-paying community banks. In a letter to the NCUA, ICBA said the agency should curb the abuse of its subordinated debt rule, which allows credit unions to use their tax exemption to raise money from private equity firms to acquire community banks. ICBA said the NCUA rule has led to an explosion of subordinated debt issuance by credit unions, rising from \$540 million in the second quarter of 2021 to \$3.65 billion in the second quarter of 2023. It allows credit unions to sell ownership interests in their credit unions to nonmember investors, not their traditional member-owners. And, it has contributed to a cottage industry of boutique investment banks and consultants supporting credit union acquisitions of tax-paying community banks.

To address the negative impact of the subordinated debt rule, ICBA called on the NCUA to prohibit any credit union that issues subordinated debt from participating in a merger or acquisition for the next five years and any credit union from issuing subordinated debt for five years after completing the acquisition of a community bank.

[Read More »](#)

Registration Opens for the FRB Chicago's 18th Annual Community Bankers Symposium

Registration is now open for the 18th Annual Community Bankers Symposium – *Community Banking: Navigating a Changing Landscape* – which is being hosted by the Federal Reserve Bank of Chicago, the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), and the Conference of State Bank Supervisors.

This year's Symposium will be held on Friday, October 11, 2024. This event will take place in person at the Federal Reserve Bank of Chicago. A remote option is available for those unable to attend onsite. Executive officers and directors of 7th District community banks, bank holding companies, thrifts and savings and loans are cordially invited to attend and hear from senior policymakers and industry experts about the challenges and opportunities impacting banking, with a special focus on current industry developments, strategic planning, commercial real estate and other important bank supervisory issues. Registration closes October 4, 2024, at 5:00 p.m. CST.

[Register Today »](#)



Poll Shows Growing Demand for Credit Union Policy Reform

ICBA released new polling data showing Americans are growing increasingly uneasy with credit unions' regulatory exemptions and support reforms to policies that arbitrarily favor these tax-exempt financial firms. According to ICBA's latest polling of U.S. adults conducted by Morning Consult, 69% — including 75% of Democrats and 70% of Republicans — say credit union customers should have the same consumer protections that banks provide, such as those offered by the Community Reinvestment Act.

Seventy-five percent — including 84% of Democrats and 76% of Republicans — say credit union customers should have the same levels of protection against illegal discrimination as bank customers. Sixty-two percent say Congress should investigate whether credit unions should continue to be exempt from certain regulations designed to protect fair lending following reports of racial disparities in mortgage lending at Navy Federal Credit Union.

[Read More »](#)

ICBA LIVE 2025 Hotel Early Access Ends Friday

Community bankers can register by September 20 to secure early access to ICBA's hotel room block at ICBA LIVE 2025, slated for March 11-14 at the Gaylord Opryland Resort & Convention Center in Nashville. ICBA LIVE is the premier event for community bankers, the largest annual gathering of its kind, offering unparalleled opportunities for connection, idea-sharing, and professional growth. It features thought-provoking general sessions, practical learning labs, and peer-driven roundtables, all designed to empower and inspire community bankers.

[Register Now »](#)

Submit Your Vote by October 10 for Michelle Gross for the Federal Home Loan Bank of Chicago Board of Directors – Ballots Are Out!

CBAI has endorsed 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. **The deadline to vote is Thursday, October 10.**

[Read More »](#)



**FHLBank
Chicago**

Serving everyone in our communities, in every way we can.

FHLBank Chicago is committed to providing products, solutions, and services that support our members' evolving business needs and help their communities thrive.

Visit fhlbc.com to learn more.

ICBA Independent Banker Magazine Discusses SCOTUS Decisions Affecting Community Banks

The latest Independent Banker magazine spotlights three Supreme Court decisions that may curb the administrators that oversee community banks. According to the article, the precedents established in *Loper Bright Enterprises v. Raimondo*, *Corner Post, Inc. v. Board of Governors of the Federal Reserve System*, and *Securities and Exchange Commission v. Jarkesy* could limit federal agencies' interpretations of laws and their abilities to pursue administrative enforcement actions. In *Loper*, for example, the Supreme Court abandoned the longstanding "Chevron doctrine," which for 40 years required courts to defer to federal agency interpretations of ambiguous statutes. Going forward, the article notes, courts may substitute their own judgment when determining whether an agency exceeded its statutory authority.

[Read More »](#)

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!**

[Read More »](#)

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 Bartolomucci](#).



**I DECIDED TO PARTNER
WITH SHAZAM**

SHAZAM Core Services will help build your business, improve processes and gain efficiencies. We offer a flexible, end-to-end platform with configurable ancillary solutions.

NEWS FROM SERVICES

CBIS: The Bank and Financial Institution Insurance Team at Gallagher: A Dedicated Group of Experts

When it comes to protecting our clients, Gallagher is a force to be reckoned with. With a team of highly skilled professionals, including Patti Tobin, LeeAnn Homberger, Beth Piester, Dylan Ground, Laken Allen, Lisa Adams and Denise Davis, this team is committed to providing top notch insurance solutions to financial institutions across Illinois.

[Meet the Team »](#)

Ncontracts: Risk Management Strategies for Financial Institutions

A risk management strategy is a plan designed to identify, assess and address risks that could impact a financial institution's operations. An effective risk management strategy doesn't necessarily eliminate risk – it ensures that a financial institution's risk exposure is aligned with its risk tolerance. When it comes to risk mitigation strategies, it all comes down to four key responses. You can either accept the risk, avoid the risk, mitigate the risk, or transfer the risk. This article takes a closer look at these four strategies.

[Read More »](#)

Kasasa: Change the Math: Grow Deposits at a Lower Cost of Funds

Community financial institutions are under serious pressure to improve their balance sheets. The urgent need for liquidity has many banks offering high-yield CDs in an effort to bring in deposits. If your goal is to grow and protect core deposits, fund at the lowest cost, and become less dependent on rate-sensitive funding, then time deposits are never your best option. In this article, we break down how financial institutions can rethink their deposit strategies to grow core deposits without the high cost of funds traditionally associated with CD promotions. Discover the math behind an innovative approach to delivering real growth at a lower cost.

[Read More »](#)

Wolters Kluwer: New Podcast Series Sheds Light On Beneficial Ownership Compliance

Wolters Kluwer has developed a new podcast series under its BizFilings brand to promote a greater understanding among owners of small business entities that are subject to Corporate Transparency Act beneficial ownership information (BOI) reporting. With only a fraction of an estimated 32.6 million qualifying reporting businesses having filed their BOI details to date and a looming year-end deadline, the podcasts are designed to help tackle some of the more complex filing requirements of BOI reporting to help foster greater clarity and compliance.

[Learn More »](#)

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.

[Read More »](#)

CBIS: Emerging Cyber Threat from MFA Bypass

Multi-Factor Authentication (MFA), is a long-standing bedrock of cyber defense strategy that has come under attack. While MFA remains a key and effective requirement to preventing many cyberattacks, we're seeing evidence that threat actors are beginning to develop tactics that may defeat it in certain circumstances. MFA is a security process that requires authorized users to provide multiple forms of identification prior to gaining access to a system, application, or network. They are designed to prevent social engineering attacks that manipulate victims into transferring large sums of money or other sensitive data to criminals.

[Read More »](#)

CBSC Preferred Providers



CBAI's 2024
Women in Community Banking
CONFERENCE
November 7 - Crowne Plaza, Springfield

EDUCATIONAL EVENTS

2024 CDD Fall Meeting scheduled for October 22 in Grafton

CDD Annual Fall Meeting scheduled for October 22, 2024, at Aeries Winery, Grafton, is geared toward honing professional and banking skills. A social event will be held at Alton Hauntings Tour on Monday, October 21, 2024, followed by a full day of education on Tuesday, October 22, 2024. Topics covered include "The Thin Line Between Running & Ruining a Bank," "The Continued Prevalence of Community Banking," and "A Present Look at the Future of Community Banking" with Greyson Tuck, attorney and consultant, Gerrish Smith Tuck; "Legislative Update" with Megan and Jerry Peck, CBAI; and "Economic Outlook" with Deon Perryman, associate partner, The Baker Group.

Support CDD and [register now](#) for these informative educational sessions; as well as the opportunity to network with other CDD members. If you are not a CDD member and would like to join, please [click here](#). If you have any questions, contact [Melinda McClelland](#), CBAI vice president of education & special events, at 800/736-2224.

CBAI Educational Calendar



CONNECT WITH CBAI

