



Education Newsletter

SEPTEMBER, 2013

Don't Miss the Great Educational Opportunities in September and October through ICBND:

Sept 10:
Notarizing Made Simple

Sept 17-18:
Community Bankers for Compliance Session

Sept 23-26:
Fall Frontline-Tying It All Together: BSA Training and Much, Much More

Oct 3:
ACH Exception Processing Workshop sponsored by UMACHA

Oct. 11:
Emerging Leaders Development Group Fall Roundtable and UND Hockey Game

Oct 15:
2nd Annual IT Conference-Information and Registration coming soon!

Oct 24:
Consumer Lending Seminar

Oct 25:
Commerical Lending Semianr

Plus all our Telephone/Webinar Sessions

Ready to Run by Camden R. Fine, President and CEO of ICBA



Question: How long does it take for Congress to enact a new law? Answer: Much longer—and far shorter—than anyone can predict.

The U.S. Senate is commonly referred to, sometimes deferentially and sometimes facetiously, as the world's greatest deliberative body. The description springs from the seemingly boundless debating (and delaying) powers and prerogatives given to the Senate, the proverbial saucer cooling the hot tea often brewed up by the impetuous House of Representatives. But the description also aptly applies to the whole machinery of congressional sausage-making.

Certainly, lawmaking on Capitol Hill can move exasperatingly slowly. It can take months to generate the critical mass of bipartisan consensus necessary for Congress to pass any legislation, even straightforward, broadly backed legislation. But, in truth, the wheels of lawmaking in Washington are always turning. For most of the time the wheels spin slowly. But then there are pivotal times when they speed up significantly, sometimes with relatively little warning. Recognizing this reality is crucial to successful advocacy.

While lawmaking is dynamic

and unpredictable, the process generally follows a cause and effect sequence of slow and then faster movements. The initial slower stage is like training for a marathon. It requires steady, continual effort to educate lawmakers and build momentum behind specific legislation. Policy votes always result from advocacy groundwork beforehand.

The faster movements kick in when circumstances and opportunities align. At such times, lawmakers can act very fast—a kind of legislative sprint toward final passage. A successful race to the finish—where legislation advances through hearings, markups and then to up-or-down votes on the Senate and House floors—can unfold quickly and dramatically. Nobody knows for certain when a legislative sprint may break out or how it will end if it does. But those legislative opportunities don't happen often, so failing to capitalize on them jeopardizes months or years of valuable toil and time.

The lesson: Be ready to run at a moment's notice!

Understanding these two gears of lawmaking (the slow and the fast) is partly what makes community bankers and ICBA such a powerful force in Washington. This is how we convinced Congress to raise the federal deposit insurance limit to

\$250,000 and won asset-based deposit insurance assessments. We worked on those issues for years and never gave in, even when others belittled our efforts. But when the Wall Street financial crisis changed the political dynamics, we were ready—and so were our allies on Capitol Hill. With a final burst of concentrated and coordinated action at an opportune time, we achieved tremendous successes that will benefit community banks for years to come.

Community bankers should keep both of these distinct stages of lawmaking in mind as we work with Congress to achieve meaningful regulatory relief as well as end credit union, Farm Credit System, and too-big-to-fail subsidies and competitive advantages. On these issues, after years of advocacy, ICBA and community bankers have established a strong foundation of specific principles and proposals that many lawmakers understand and support.

Members of Congress have just returned to Washington from their summer recess, and they're setting their goals and agendas for the rest of the year. The momentum is pulling our way. Be ready. Put your sneakers on. The starting gun could sound any time.

Camden R. Fine is President and CEO of ICBA. Reach him at cam.fine@icba.org.



Clearing the Way by Bill Loving, Chairman of ICBA



As members of Congress head back to Washington this month from their summer recess, there's something that should give

them *clear* direction on how they can help community banks prosper—it's called The Community Lending Enhancement and Regulatory Relief Act of 2013 or CLEAR Act. With separate but similar versions introduced in the Senate and House, these bipartisan measures go a long way in driving ICBA's overall agenda to ease excessive regulatory burdens on the nation's community banks.

ICBA has long been at the forefront of this regulatory-relief effort in Washington—carefully molding and advocating its Plan for Prosperity legislative platform, which would promote a sensible regulatory environment that will help community banks to continue to serve their communities. *Several CLEAR Act provisions directly derive from ICBA's Plan for Prosperity.*

That's good news for us community bankers. And let me tell you, ICBA has our backs and is looking out for community banks *big time* on this. ICBA knows that regulatory burden is of the utmost concern for community bankers like you and me.

And relieving community banks of the untenable regulatory burdens they bear will go a long way toward allowing community banks like mine and yours to keep deposits circulating throughout the community, leading to more jobs and a

stronger economic recovery.

Keep in mind: That's an important and positive message that Congress needs to hear. Spread the word with your representatives in Congress. Your voice is vitally important. Remember there is strength in numbers.

But before you take action, I want to give you some details on both the Senate and House versions of the bill so you have all the information you need to help in this effort.

The Senate bill (S. 1349).

This Senate version of the bill was introduced in July, just before Congress left for the summer recess. Sponsored by Sens. Jerry Moran (R-Kan.), Jon Tester (D-Mont.) and Mark Kirk (R-Ill.), the bill would:

- exempt community banks from a variety of new mortgage reforms, including new escrow rules, to support the housing recovery;
- support additional capital opportunities for small bank holding companies; and
- provide exemptions for community banks from Sarbanes-Oxley internal-controls assessment mandates.

The House bill (H.R. 1750).

The House version of the bill, which was introduced in April by Rep. Blaine Luetkemeyer (R-Mo.), would:

- exempt community banks from a variety of new mortgage reforms, including new escrow rules, to support the housing recovery;
- require rigorous and quantitative justification of new Securities and Exchange

Commission rules;

- reduce annual privacy notice redundancies to cut paperwork;
- support additional capital opportunities for small bank holding companies; and
- exempt community banks from Sarbanes-Oxley internal-controls assessment mandates.

While both bills are gaining bipartisan support, there's more work to be done. It's vital that we all speak up and show our members of Congress how regulatory burden affects our ability to serve our customers and communities during this critical time. ICBA's president and CEO, Cam Fine, hit the nail on the head when he said that this legislation is pivotal to unlocking the doors of local economic prosperity. I couldn't agree more, so let's show Congress exactly what that means to us.

So go ahead and get active, community bankers. We've got a good start thanks to ICBA's Plan for Prosperity; now let's make it to the finish line.

Bill Loving is the President/CEO of Pendleton Community Bank in Franklin, WV

September/October Telephone - Webinar Seminars

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| Sept 4: Protecting the SBA Guarantee Start to Finish | Oct 2: Handling Customer Credit Report Disputes |
| Sept 5: CFPB Examination Procedures for Mortgage Loan Originators: Effective Jan. 10, 2014 | Oct 3: Consumer Debt Resolution Series: Advanced Bankruptcy Issues |
| Sept 9: Trust Operations: Overview, Compliance & Examiner Issues | Oct 8: Debt Service Coverage Calculations in Underwriting |
| Sept 10: Director Series: Technology "Crash Course" for Directors | Oct 10: Recent Accounting Developments and a Look Ahead |
| Sept 12: From Prospect to Customer: Skills & Tools for Successful Business Development | Oct 16: Critical Risk Factors in Loan Portfolio Management |
| Sept 17: Compliance Series: Compliance Rules Deposit Operations Must Know | Oct 17: New CFPB Mortgage Servicing Rules Effective Jan. 10, 2014: Community Bank Considerations in Moving from Balloon to ARM Loans |
| Sept 18: Legally Handling the Bank's Right of Setoff on Deposit Accounts & Loans | Oct 22: Dealing with Adverse Action: What to Do and When to Do It |
| Sept 19: The Future of Branch Banking: The New Definition of Convenience | Oct 24: Perfection of Security Interest in Non-Real Estate Collateral and Proper Foreclosure Procedures After Default |
| Sept 24: Security Officer Reports to the Board: Fulfilling Your Annual Requirement | Oct 29: Technology Strategies & Compliance Series: Advanced Facebook Strategies for Community Banks |
| Sept 25: Underwriting Basics: Interviewing, Credit Reports, Debt Ratios & Regulation B | Oct 31: HMDA Solutions: Achieving Data Integrity for Effective Fair Lending Analysis |
| Sept 26: Advanced Commercial Loan Documentation | |



Notarizing Made Simple with Richard Burton, Notary Law Institute

Protect your organization! Notarial liability is the biggest growing concern for organizations today. With virtually unlimited liability for failure to adequately train your notaries, one simple mistake can literally wipe your company out. Train your notaries today—for as they say, an ounce of prevention is worth a pound (or a couple million) of cure! The session will be held at the Ramkota Hotel, Bismarck on Tuesday, Sept. 10 from 1:00 p.m. - 4:00 p.m. For more details see registration information enclosed.

Fall Frontline - Sept 23 - 26 - Four Cities Tying It All Together - BSA Training and Much,

Join us for our Fall session of the Frontline Certification Program September 23 in Minot, September 24 in Grand Forks, September 25 in Jamestown, or September 26 in Bismarck.

Terri Klemann, Compliance Consultant with Young & Associates will be with us, once again lending us her knowledge of BSA and so much more.

The account opening process can be frustrating! Explaining to customers who "just want to open an account" about ownership, responsibility, and terms and conditions in

language they understand can be a challenge. Add to that the need to perform customer due diligence to mitigate risk for fraud and identity theft and to mitigate the risk of your financial institution being used for money laundering and other financial crimes.

This 2 1/2 to 3 hour seminar will focus on helping those who open accounts and those who are key to a healthy Bank Secrecy Act (BSA) program to understand account opening, account titling, customer due diligence and other BSA requirements. We will show how information obtained at

account opening also ties in with the new Currency Transition Report (CTR). We will discuss completion of the new CTR and common errors. We invite you to bring questions pertaining to completion of the CTR as they will be answered as time permits.

This session qualifies for 3 hours of continued education and towards your ICBND Frontline Certification.

Register today by using the enclosed brochure or going online at www.icbnd.com



Community Bankers for Compliance - Sept 17-18 in Mandan

ICBND's final live Community Bankers for Compliance session will be held September 17-18 at the Best Western Seven Seas Inn.

Day 1 of our Community Bankers for Compliance Program seminars will continue the process of discussing the new 2014 regulations. As of the date of our preparation of this brochure, the CFPB has issued major changes to two of the rules that we have already discussed during this series. Therefore, a portion of our time will be used to "back up" and review what all of these changes mean to you. We will also devote a portion of the day to discuss the Servicing Rule,

which is the last of the "new rules" that have not been a part of our program previously. Day 1's presentation will be almost all lending related and all new material.

Day 2 will complete the process of discussing the new 2014 regulations. The manual for this training session will be designed for you to use to train your staff for the new rules. We will deliberately complete the manual in a manner that will allow each bank to change the text to suit the decisions that the bank has made, and incorporate the bank's new procedures for the new rules. We know that the final rules are not complete. There is at least one change to

the appraisal rule that is pending, and it may or may not be final prior to our sessions. We will assure that the manual is on the web page for the session. We will update the manual as the rules evolve, and place new pages on the web page as the CFPB finally makes up its mind.

A reminder to our Community Bankers for Compliance Program members: even if you signed up for the annual program, you still need to complete the registration form and send it in. A registration form is enclosed with this mailing or you can do this on our website at www.icbnd.com

ACH Exception Processing Workshop - October 3

Proper handling of ACH exceptions is critical so you can limit your financial institution's liability and potential losses. Through case studies and a highly interactive full-day workshop, we'll discuss critical exception processing information, such as:

- ◆ Closed accounts, posting errors/issues
- ◆ Settlement and

posting details

- ◆ Return and NOC process (details on when and why)
- ◆ Unauthorized (extended return) entry processes

In this session, you'll also gain knowledge on the processing of Reclamations to round out your ACH exception processing knowledge. Working Knowledge of ACH

recommended.

This session sponsored by UMACHA and taught by Donna Olheiser, Education Services Director at UMACHA, will be held Thursday, October 3rd at the Ramada Hotel in Bismarck and qualifies for 7.5 hours of continued education credit.

Registration information is enclosed and can also be found on our website at www.icbnd.com

Consumer & Commercial Lending Training - Oct. 24-25

ICBND is offering an Introduction to Consumer & Commercial Lending session instructed by David L. Osburn, Osburn & Associates.

Attend either one or both of these proactive seminars and learn how banks make consumer and commercial lending decisions.

At the October 24th Consumer Lending session

you will learn how banks make consumer lending decisions based on the five C's of credit. It will cover the basics of consumer lending and attendees will also be exposed to loan structure, loan support, and documentation issues and how they are an intricate part of the consumer lending process.

The Oct. 25th session will

begin with a overview of conventional commercial lending versus SBA lending. Additionally, the concept of credit scoring will be explored. This session will also cover underwriting and financial statement analysis.

More details on these sessions can be found in the enclosed registration form or on-line at www.icbnd.com