

Nebraska



Independent Banker

Third Quarter 2021



- Public Power Districts Consider Consolidation
- RAK Golf Outing
- Legislative Session Overview

OFFICIAL PUBLICATION OF THE NEBRASKA INDEPENDENT COMMUNITY BANKERS



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pictured on cover (left to right) Tim Burns, Midwest Independent BankersBank,
NICB Chairman Corby Schweers, Lance Marshall and Aaron Otten all with Elkhorn
Valley Bank

Calendar

September 22

NICB Area Meeting

Ole's Steakhouse
Paxton, NE
dinner meeting

October 4

Yostie RAK Event

Firethorn Golf Club
Lincoln

November 11 - 12

Management Conference and Trade Show

Graduate Hotel, Lincoln
book your hotel room before October 20
phone: 844-888-4723
mention Group code: Nebraska Independent Community Bankers Conference.
Cancellation must be made 72 hours before arrival.

January 10, 2022

Annual Legislative Reception

Lincoln

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ICBA LIVE

San Francisco, CA

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Guest Editorial

BY KELLY LAMMERS, DIRECTOR, NE DEPT OF BANKING & FINANCE

I remember the fascination in first understanding the connection that building hospitals, homes, and even the mundane act of putting fuel in your own car not only requires banking, but in many cases would stop, as we know it, without banking. Banks perform a service demanding skills in time value of money, risk awareness, monetary and technology networks, to name a few; which ultimately creates a financial solution that offers a less risky option to the customer than if the customer wished to conduct such business on their own. Banking makes dreams and daily activities come true while the risks absorbed along the way are often behind the scenes; the customer often only seeing what appears to be easy processes. In essence, banking or banking instruments are a fundamental in providing the help wanted by commerce when business needs to move faster.

With much of the Covid-19 concerns behind us, I am traveling once again and plan to continue to make short meet and greets at banks a frequent event. Having visited several banks, one recurring question is whether I feel people want to learn the art and craft of banking. Not only do I believe there is strong interest in banking, I believe the interest is growing. This conversation is a great way to lead into LB 649, which in 2021 created the Financial Innovation Act.

LB 649 becomes operative in October 2021, enabling Nebraska Digital Asset Depositories to develop controllable electronic records, without requiring the records be on premise, or even on domain. This digital institution activity is basically the maturing of a technology, housing both a payment and funds management solution, committed to addressing specific needs in delivery, liquidity, and availability. While digital assets provide a potential new approach to clearing, thanks to a new ledger and a new delivery of the controllable electronic record (think payment instruction or token reflecting value), the act of the exchange is based upon ledger and money. These concepts are familiar to the banking industry and also give support to the fact there is interest in banking.

Over the next several months and into the future, this office will provide printed materials in the way of guidance, application processes, and answers to questions related to the Nebraska Financial Innovation Act. The digital conversation has increased “interest in banking,”

traditional as well as digital. While the regulation of traditional banking within the Department will not change, the addition of a new Charter will result in a Department increase by as much as 4 full time employees. Help wanted in this case will largely be roles in legal and examining.

During my time in the industry, I have seen varieties of proof machines, branch banking, ATMs, and ACH each called revolutionary and a new way of banking. While each made a difference to the industry, they did not make banking less desirable. Also, those tools, which some once believed would replace cash, in fact did not move us into a cashless society; rather, the tools simply provided the help wanted by business and consumers to protect their interests while conducting trade.

Before branches, ATMs, and much of the “new technology”, Nebraska chartered banks totaled 300 institutions in 1961 with total assets of \$564 Million, no branches and no ATMs. Today, Nebraska ranks 8th in the nation with 144 Nebraska chartered institutions totaling \$52 Billion in total assets, 580 branches along with ATM and ITMs. Add to this the 354 locations in Nebraska where national banks and out-of-state bank branches do business, and banking occurs in Nebraska at 1,078 locations as of June 30, 2020, employing 13,498 FTE. It is no wonder help wanted is always part of the conversation. “Help Wanted” sometimes means growth and other times transition; yet it always means opportunity!

I will attempt a few outreach visits every month; thus, don't be surprised when I call to say that I will be in the neighborhood. Feel free to call me (402-471-2171) if you have a time that fits with your schedule and we can compare calendars. My outreach agenda usually includes a handout with your bank's total assets over the past 25 years; but I'm mostly interested in hearing about your bank and community. I am looking forward to the conversation.



Kelly Lammers was appointed as the Director of Nebraska Department of Banking and Finance in September 2020. He has held various examination and information security certifications, served as adjunct faculty for SECC and is the vice-Chair of the Education Foundation Board of Trustees for the Conference of State Bank Supervisors.
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402-471-2171

Anniversaries

Congratulations to the banks that celebrated July and September anniversaries as Nebraska institutions. We also thank you for your membership in the Nebraska Independent Community Bankers family.

July

147 years

Thayer County Bank
Hebron
member since 1970

132 years

American Exchange Bank
Elmwood
member since 2012

106 years

Washington County Bank
Blair
member since 1966

86 years

First State Bank
Randolph
member since 2004

78 years

Elkhorn Valley Bank
Norfolk
member since 1979

York State Bank

York
member since 2003

66 years

FirstTier Bank
Kimball
member since 2003



September

137 years

Riverstone Bank
Talmage
member since 1969

136 years

Bank of Mead
Mead
member since 1995

130 years

Bruning State Bank
Bruning
member since 1972

110 years

CerescoBank
Ceresco
member since 1969

57 years

Security National of Omaha
Omaha
member since 2011

53 years

West Gate Bank
Lincoln
member since 2014

37 years

Cedar Security Bank
Fordyce
member since 1999



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A Word About . . .

BY J ERIC HALLMAN, PRESIDENT/CEO

It's amazing to realize that our year 2021 is more than half over. I remember my parents telling me that time would move past much more quickly the older I got. At the time, I didn't believe them because it never seemed that the fun things like July 4th, Halloween, my birthday, or Christmas ever arrived early enough. Age, responsibilities, and the bills we must pay definitely alter a person's perspective! As fast as time moves by as we age, the things we dread seem to move slower than a snail's pace. Everyone is beyond tired of the pandemic and all that we've had to do to work through the past year and a half. The pandemic has pushed all of us into recognizing new elements of what is normal, what can be accomplished in different ways, and how to be more creative in our approaches to considering the future

We saw our Nebraska Legislature take unprecedented steps in how this year's legislative session was conducted. In the past several year's legislative sessions, the submitted bills impacting community banks had been, in a word, routine, but this year's session, with its changes in advocacy protocols and procedures, proved a much bigger challenge with the introduction of Senator Flood's Nebraska Financial Innovation Act.

LB 649, introducing a process by which a Digital Asset Depository Institution state charter can be applied for and approved, provided the NICB and Nebraska's community banking industry an advocacy issue that, like our pandemic experience, forced us all to rethink how our collective future will be impacted. I will refer everyone to the NICB Legislative Session Overview in this magazine's edition written by NICB's state lobbyists, Zulkoski-Weber, to detail the specifics of LB649 as well as a complete recitation of the bills and studies that NICB's Executive Committee and Legislative Committee identified as important to both our membership and our industry.

Katie Zulkoski, Michelle Weber, Joselyn Luedke, our NICB Legislative Committee and I had countless meetings with Nebraska Legislature's Banking, Commerce, and Insurance Committee members and other Nebraska Senators, Federal Reserve Bank officials, national association advocacy groups, adjacent state association peers, banking industry advocates, and bankers from across Nebraska and Wyoming working through an amendment process

that took NICB from a position of "oppose as written" to a position of "neutral". The amended bill that passed late in this year's session represents a significant rewrite of the bill that was originally submitted and will provide Nebraska state-chartered banks the opportunity to participate.

The future of community banking from a product and regulatory standpoint is changing at warp speed. NICB will be continuing to work with our Legislature in coming sessions to refine and further develop the language within this bill and its impact on our industry. In short, the importance of NICB's advocacy efforts in concert with our state association peers will be increasingly important as our industry evolves in coming years.

Each year, ICBA holds their national convention, ICBA Live, in March followed by the ICBA Capital Summit in late April / early May. This year both of those events were held virtually – a circumstance we're all now very familiar with! As part of this year's Capital Summit program, NICB scheduled and conducted virtual visits with our Nebraska Senator's Fischer and Sasse, and our Nebraska Congressmen, Bacon, Fortenberry, and Smith.

Our visits went very well, and we were able to impress upon each office the importance of supporting the Enhancing Credit Opportunities in Rural America Act (ECORA H.R.1977 and S.2202). ECORA, if enacted, would exempt income from agricultural real estate loans and residential real estate loans in towns under 2,500 in population, from taxation, enabling banks to offer more attractive rates to their customers.

We discussed the need for Congress to move forward on a review of the tax code that has enabled larger credit unions and farm credit lenders to have advantages that community banks don't have. A review of the tax code for these entities hasn't been performed in more than 15 years. We asked our Congressional offices to consider closing the Industrial Loan Company loophole to avert potential consumer and systemic harm and the importance of providing safe harbor to Nebraska community banks for ancillary businesses working with legal cannabis businesses in other/adjacent states.

The good news for 2022 is that both the ICBA Live national convention and the ICBA Capital Summit will be in-person,

barring any further pandemic issues. ICBA Live will be held in San Francisco March 14 – 18, 2022 and ICBA Capital Summit is scheduled to be held in Washington, D.C. May 1-4, 2022.

The pandemic has opened several new doors for NICB's membership regarding our educational opportunities. Of course, NICB's traditional and longtime connection to the Community Bankers Webinar Network has been an education stalwart for our membership for many years. NICB has added to that webinar schedule through our Endorsed Partner, Barret Graduate School of Banking. The Barret School has changed their traditional approach and has now afforded NICB the chance to participate in new education content that expands our membership's access to more and varied opportunities.

Additionally, the Council of Community Bank Associations (CCBA), of which NICB is a member, has broadened its scope encouraging independent state associations to partner with other independent state associations across the country for educational webinars, seminars, and other events. This year, for example, NICB has partnered with our adjacent independent state associations from Colorado, Iowa, and Kansas to make available agricultural seminars that have been very well received by our attending member bankers. Expect these CCBA collaborations to continue adding to our NICB membership value proposition.

NICB will be adding this fall a new software program to enable our association to be more direct in our communication, our business development, our data collection, and storage, and enhance our NICB website to be more user friendly, more accessible, and more informative. Of course, the tried-and-true value of person-to-person networking will always be a mission critical element of NICB membership. Our area meetings, our annual convention, and our regional seminar opportunities will continue our membership to have the peer-to-peer connection that reinforces our traditional banking family environment.

As they say, the most constant thing in the world is change and we all have had to re-evaluate our ways of doing things. Thankfully, in many cases, being forced to look at things differently has given us reason to be creative, be constructive, and ultimately be more productive in ways we might otherwise have been reluctant to try before.

*Eric Hallman
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(C) 402.440.7210*



Dear _____ ,
[current provider]

My _____ keep going up. I want to
[noun]
partner with an organization who _____
[verb]
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Central and Dawson explore consolidation

BY JEFF BUETTNER

Last November, it was announced that The Central Nebraska Public Power and Irrigation District and Dawson Public Power District were engaged in preliminary discussions about a potential consolidation of the two entities. In December, both organizations' boards agreed to share the costs of retaining a consultant to conduct a study to determine whether a consolidation is an economic and strategic fit that benefits both entities, as well as their customers and stakeholders. The first phase of the study by Power Systems Engineering (PSE), headquartered in Madison, Wisc., determined that the proposed merger met those criteria, setting the stage for Phase Two. The study process consists of four phases; approval by both boards is necessary for the study to proceed to the next phase.

"We were excited to see such positive results in the initial portion of the study," said Devin Brundage, Central's general manager. "We will be diligent in taking all the time it takes in this process to thoroughly understand the opportunities and any challenges associated with this potential consolidation."

In April, both Districts' boards authorized PSE to move to Phase Two, which involves a further assessment of the Districts' governance, finances, facilities, existing contracts,

employees, state/federal government regulations and operations of the projects, as well as other categories or topics that may arise during the study.

If Phase Two again yields positive results, the next step would consist of developing additional details related to the creation of a consolidation plan. The culmination of such plan would likely be measured in years, not months, because of the complex nature of such a task.

Nevertheless, the managers of both Districts are optimistic and excited about the potential benefits of consolidation. "We've received quite a bit of positive feedback regarding this proposal," said Gwen Kautz, general manager of Dawson Public Power District. "It's reassuring that others outside of our organizations see what we see about the potential in the proposed consolidation."

"There are, of course, hurdles in front of us and we will remain transparent throughout the process. The directors of both boards will be faced with the challenge of protecting the interests of those whom they represent while weighing the potential positive impacts this would produce for both Districts and for central Nebraska."

"That won't be easy," Kautz continued, "but finding collaborative solutions on certain aspects of the proposal to achieve a greater good will be a critical part of the process."

The hallmark of public power has long been affordability, reliability and sustainability. And the word "public" in the name means just that: the utilities exist to serve the public.

"I believe we owe nothing less to the people we serve than to investigate how we can do so better," said



Brundage. “If there is an opportunity to improve energy costs and reliability while enhancing and sustaining the incredible benefits the project provides to stakeholders, be they surface water irrigators, those who benefit from groundwater recharge, recreational enthusiasts, or the wildlife that thrive in and around our project waters, our mission as public power utilities compels us to look closely at that opportunity.

Some 80 years ago, he said, these utilities stepped up to bring new possibilities and prosperity to the people of central Nebraska.



“The challenge before us is to look to the future and continue to step forward,” Brundage said. “We cannot provide exceptional value to our stakeholders by standing still.”

Mergers or consolidations of electric utilities in Nebraska are not without precedent. Recent examples include the consolidation in 1998 of the Wayne Public Power District and the Northeast Nebraska Rural Public Power District, producing the utility known today as Northeast Power. Also, the Seward County Public Power District was merged into Norris Public Power District in 2016.

In a markedly different consolidation, the Nebraska Public Power District (NPPD) was formed in 1970 from the merger of the Platte Valley Public Power and Irrigation District, Consumers Public Power District, and the Nebraska Public Power System (NPPS).

Each of these mergers resulted in stronger, more efficient utilities that benefitted the electric customers.

The proposed consolidation is intended to create the same type of benefits for customers and stakeholders. While the

two districts are functionally very different, they possess complementary strengths that can be amplified.

Central owns and operates hydro-plants currently generating power for wholesale. The emissions-free, renewable-fueled hydroplants on the Supply Canal could conceivably provide either base-load or peaking power to customers within the area. In addition, Central is a member of the Southwest Power Pool, a regional transmission organization that ensures reliable supplies of power, access to adequate transmission infrastructure and competitive wholesale electricity prices to a large part of the nation’s mid-section.

Central also owns and operates a system of reservoirs – including Lake McConaughy -- and canals to provide irrigation service and provides recreational opportunities and wildlife habitat benefits over a large stretch of the Platte River Valley.

Dawson’s assets include an electrical distribution system that serves a retail customer base of about 24,000 electric meters, rate-setting responsibilities, a stable electrical load and a strong, modern distribution system over an area that covers all or parts of seven counties in south-central Nebraska.

And finally, both Districts possess professional, dedicated and experienced employees who are good at what they do.

Together, they would form a vertically integrated entity that covers all levels of the supply chain -- generation, transmission and distribution -- that would allow for improved efficiencies and reduced costs. The proposed integration of the two organization has the potential to create unique opportunities to serve the public in new ways and to position the new entity to partner in economic development in the service territory and across the state.

“This discussion is exactly what those before us envisioned,” Brundage concluded. “These Districts were formed by people asking if there was a better way for the citizens of Nebraska to find innovative ways and organizations to develop and sustain our natural resources to power their future. We continue that mission today and into the future.”

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The Central Nebraska Public Power and Irrigation
District, Jeff has been with the Central Nebraska
Public Power and Irrigation District since 1990
and have been the government & public relations
manager since 2010.*



2021 LEGISLATIVE SESSION AND FINANCIAL INNOVATION ACT

BY KATIE ZULKOSKI AND MICHELLE WEBER

The Legislature wrapped up the work of the 2021 legislative session earlier than expected, while still addressing the priority issues, including setting the state's biennial budget. Covid changed many of the usual protocols and procedures of the Nebraska Legislature, but the work continued on as necessary.

SESSION OVERVIEW

The Legislature adjourned sine die on May 27, 2021, ending the scheduled 90-day session six legislative days early. Of the 684 bills introduced, 200 bills were passed (three by veto override).

The second session of 107th Legislature will convene on January 5, 2022. There are 60 scheduled legislative days in the second year of the biennial session.

The Nebraska Independent Community Bankers tracked 53 measures this session, taking a position on 15 bills. A great deal of time and effort was expended on consideration and improvement of Senator Mike Flood's LB649, the Financial Innovation Act.

FINANCIAL INNOVATION ACT SUMMARY

As originally introduced, LB649 was based on legislation passed in Wyoming and was touted as a potential economic development and innovative tool. NICB leaders opposed the bill as originally introduced but continued due diligence in examining the bill's implications for Nebraska and considering how to best protect consumers and ensure fairness in regulation of Nebraska's financial institutions. As a result of this work, a substantial rewrite to the bill was proposed and subsequently passed into law. The new legislation includes the provision listed below, and with these changes, both the Nebraska Independent Community Bankers and Nebraska Bankers Association agreed to remove their opposition to the bill. Provisions included in the amendment to the Financial Innovation Act:

- Allowed use of term "digital asset bank" for digital asset depository institutions chartered under the Act, rather than "bank" as originally drafted.

- Prohibition of digital asset depository institutions doing any deposit taking and lending activities of U.S. currency.
- Requirement of digital asset depository institutions to hold U.S. currency of customers at a Nebraska-based FDIC-insured financial institution.
- Authority for state-chartered banks (but not credit unions) to operate a digital asset depository.
- Enhanced Bank Secrecy Act compliance for the digital asset depository institutions.
- Enhanced consumer protection disclosures by the digital asset depository institutions.
 - A digital asset depository shall display and include in all advertising, in all marketing materials, and on any Internet web site it maintains, a notice conspicuously stating that digital asset deposits and digital asset accounts are not insured by the Federal Deposit Insurance Corporation, if applicable, and the following conspicuous statement:

"Holdings of digital assets may be speculative and may involve a substantial degree of risk, including the risk of complete loss. There is no assurance that any digital asset will be viable, liquid, or solvent. Nothing in this communication is intended to imply that any digital asset held in custody by a digital asset bank is risk-free. Digital assets held in custody are not guaranteed by a digital asset bank and are not FDIC insured."
- Strengthened Community Reinvestment provisions within the substantive provisions of the bill.
 - A digital asset depository shall help meet the digital financial needs of the communities in which it operates, consistent with safe and sound operations, and shall maintain and update a public file and on any Internet web site it maintains containing specific information about its efforts to meet community needs, including: (1) The collection and reporting of data; (2) Its policies

and procedures for accepting and responding to consumer complaints; and (3) Its efforts to assist with financial literacy or personal finance programs to increase knowledge and skills of Nebraska students in areas such as budgeting, credit, checking and savings accounts, loans, stocks, and insurance.

The main provisions of LB649 will become law on October 1, 2021.

Excerpt of Fiscal Note for LB649 (as amended):

LB649, as amended, would require the Nebraska Department of Banking and Finance to:

- Establish licensing standards, registration standards, renewal procedures, change of control and merger procedures, and related forms, and adopt rules and regulations.
- Issue and update standards and operational expectations of the issuance of digital assets.
- Issue and update standards relative to digital asset exchange, staking, lending, and borrowing.
- Develop review parameters relative to the character and fitness of control persons and executive officers of the entities, which will require background reviews and development of a process for change in management.
- Develop policy and related processes to design, educate, collect, and review periodic call reports reflective of financial, transaction, and in-house-digital asset performance, breach reporting and regulatory compliance.
- Develop examination procedures of compliance and operational safety and soundness. Conduct examinations of sufficient depth and frequency to measure adequacy of reserves, ability for the company to provide service, unwind, safety and soundness, transactional sampling for money service business, related federal anti-money laundering compliance, and compliance with mandated policies.
- Establish and maintain processes for pledged securities, capital, minimum net worth, methods of addressing depositor contributions to offset risk, various types of insurance and bonds, and addressing consumer complaints regarding creation, storage, and transfer of digital assets.
- Establish or participate with other states to establish digital asset discussions; formulate joint rules and regulations, policies, and interpretations; and develop common systems and procedures.
- Develop and implement reciprocity procedures with other states related to digital assets.
- Investigate unlicensed and unregistered activity; investigate violations of the Act by licensees and registrants; take administrative action, including cease and desist orders and orders of suspension or revocation, issue civil money penalties.
- Establish guidelines for state-chartered banks to invest in digital asset depository institutions and for bank holding companies to hold these institutions.
- Establish guidelines for state-chartered banks to charter digital asset depository departments.

The Department is unable to meet these requirements with existing resources. To accomplish these duties, the Department estimates the need for an additional four FTE: an Attorney III, Examiner Specialist, Administrative Assistant II, and a Senior Compliance Examiner.

A consultant who worked with another state in developing regulations and procedures for special purpose depository institutions briefed Senators, banking representatives, and the Department. Information from that briefing was used to estimate the additional \$300,000 in FY 2021-22 for program implementation.

The Department estimates it will receive 2 charter applications in FY 22-23. Section 15(4) of the bill provides a fee of \$50,000 per application for a charter. Section 12 of the bill requires that these institutions have minimum paid-in capital of \$10,000,000. Once an application for a digital asset depository institution is approved, a charter fee is required. Section 37 of the bill amends Section 8- 602(3) and provides that the charter fee is \$1.50 for each \$1,000 of capital. The Department estimates charter fee revenue as \$30,000 (\$15,000 x 2) for FY 22-23. Section 43 of the bill pursuant to 8-601 provides for an assessment in an amount that shall be sufficient to offset the cost of supervision and administration. However, it's anticipated that assessment will be not adequate to sustain supervision of this charter type until FY2023-24.

LB649 was amended by AM1018, which was first amended by AM1278. Under the amendment, \$712,489.00 is to be transferred from the Securities Act Cash Fund to the Financial Institution Assessment Fund on or before October 30, 2021, and \$397,089.00 00 is to be transferred from the Securities Act Cash Fund to the Financial Institution Assessment Fund on or before October 30, 2022. These transfers may reduce the amounts available to be transferred to the General Fund.

Update from the Nebraska Department of Banking and Finance on LB649 Implementation:

- The Department is not funded to begin

implementation until October 1, 2021, but has begun initial activities.

- Five staff attended digital asset examiner training session conducted by Promontory for the Wyoming Department of Banking in May (3 full days of training focused on how to consider custodial activity), which Director Lammers described as “very constructive.”
- Wyoming has promulgated Special Purpose Depository Institution rules that are now in force. The Department is examining those rules, along with South Dakota’s digital asset trust rules, and crafting “loose working papers” based on those rules.
- The Department is considering a Request for Proposals for assistance with crafting orders and/or rules. The RFP has yet to be defined but is likely to move forward after October 1.
- The additional four staff will occur shortly after October 1, and internal interest has been gauged.
- 10 staff have attended training with chain analysis, learning to look into a specific block chain in order to consider “Know Your Customer” compliance. An additional 10 staff are queued up to take training.
- Within 45-60 days, the Department anticipates having either a proposed order or rule available for public comment. The Director can move forward under an order or a rule, but will solicit public comment either way.
- Director Lammers emphasized that this all will require bankers. The technology cannot replace banking.

OTHER BILLS OF INTEREST

Below are the other key bills of interest to the NICB. A complete list of all bills of interest is available. Unless otherwise noted, new laws are effective August 27, 2021.

Bills That Passed

LB22 (Williams) Change provisions of the Nebraska Protection in Annuity Transactions Act

- Based on the National Association of Insurance Commissioners “Suitability in Annuity Transactions” model, the new law updates and makes changes to requirements for producers of insurance and annuities. Updates ethics guidance for producers, now called “care obligation requirements,” including conflict of interest provisions and required training courses for producers. Requires producers to act in the best interest of the consumer, among other requirements, when making recommendations of an annuity. Producers have until January 1, 2022, to comply.

LB58 (Pahls) Change requirements for service by publication for delinquent liens arising from city or village special assessments

- In the case of a lien for a special assessment imposed by any city or village, in lieu of sending a copy of published notice, the



city or village may instead send by U.S. mail to each and every party appearing to have a direct legal interest in such action or proceeding whose name and post office address are known to the city or village or its attorney, a notice containing the amount owed, the date due, and the date the board of equalization meets in case of an appeal.

LB66 (Williams) Change deposit, bond, custodial official, and pooled collateral provisions under the Public Funds Deposit Security Act (SUPPORT)

- Updates terms regarding deposit of public funds in a single bank pooled method. Changes references to custodial official. Clarifies that automatic perfection applies equally. Allows for out-of-state banks with trust powers to serve as qualified trustees.
- Became effective March 31, 2021.

LB94 (Government, Military and Veterans Affairs) Prohibit invalidation of certain online notarial acts performed under the Governor’s Executive Order (SUPPORT)

- Valid online notarial acts performed on or after April 2, 2020, and before July 1, 2020, pursuant to the Governor’s Executive Order, may not be invalidated because such act was performed prior to the operative date of the law allowing for online notaries. No deed, mortgage, trust deed, or other instrument in writing for the conveyance or encumbrance of real estate, or any interest therein, shall be invalidated because it involved the performance of an online notarial act on or after April 2, 2020, and before July 1, 2020, pursuant to the Governor’s Executive Order. Such deed, mortgage, trust deed, or other instrument in writing is declared to be legal and valid in all courts of law and equity in this state and elsewhere.

LB139 (Briese) Adopt the COVID-19 Liability Act and the Health Care Crisis Protocol Act (SUPPORT)

- Introduced at the request of the State Chamber to protect businesses from COVID-related lawsuits. As passed, LB139 provides a “safe harbor” from potential lawsuits alleging that a protected individual or organization — including health care providers, first responders, schools, and businesses — exposed an individual to COVID-19 infection. The new law prohibits civil actions as long as the protected individual or organization was acting in compliance with federal public health guidelines.
- The bill became effective on May 25, 2021.

LB177 (Lindstrom) Change provisions relating to liens on crops and livestock

- Increases the amount of time to file from 60 to 120 days for a lien against subsequent lien holders under 52-1101 (for furnishing any fertilizer, soil conditioner, or agricultural

chemical or machinery and equipment for the application of such products or to perform labor in the application of such products) after the last date upon which the product, machinery, or equipment was furnished or labor was performed under the contract.

LB248 (Pansing Brooks) Change provisions regarding exclusions from the Nebraska Uniform Directed Trust Act

- Expands exception to Nebraska Uniform Directed Trust Act to include a power over a trust if the terms of the trust provide the power is held in a nonfiduciary capacity and the power must not be held in a nonfiduciary capacity to correct a mistake of the scrivener to conform to the terms of the trust with the intention of the settlor.

LB297 (Lindstrom) Adopt the Nebraska Protection of Vulnerable Adults from Financial Exploitation Act

- Provides that if a qualified person, such as a broker-dealer or investment advisor ("IA"), reasonably believes that financial exploitation of a senior or vulnerable adult may have occurred, such person may notify the Adult Protective Services Division of DHHS, the Department of Banking and Finance, a third party previously designated by the senior or vulnerable adult, or any person allowed to receive notification under applicable law or customer agreement. Provides a broker-dealer or IA may delay a transaction or disbursement from a senior or vulnerable adult's account if the requested may delay a transaction from a senior or vulnerable adult's account if the requested transaction may result in financial exploitation. Requires, if a transaction is delayed, the broker-dealer or IA to provide written notification within two business days after the requested transaction to all parties authorized to transact business on the account who are not suspected of financial exploitation, to provide notification within two business days to either the Adult Protective Services Division of DHHS or Department of Banking and Finance, and to continue the internal review of the suspected exploitation and report review results to the mentioned agencies. Provides protection from liability for any qualified person who in good faith and exercising reasonable care notifies the Adult Protective Services Division of DHHS or the Department of Banking and Finance of possible financial exploitation or delays a transaction because of suspicion of financial exploitation.

LB363 (Williams) Change provisions relating to banking, finance, securities, consumer protection, dividends, and installment sales and loans (SUPPORT)

- LB363 is the 2021 wild card bill and as such, the bill updates federal citations. For dividends, changes the loss threshold from "undivided profits on hand" to "retained net income" as defined. Changes provisions in the Nebraska Trust Company Act for initial approval, to require a submission of the names of proposed board members, and for filling vacancies. Changes provisions of the Securities Act of Nebraska regarding the time of certain SEC filings. Excludes licensed collection agencies, credit services organizations, and debt management businesses from licensure under the Nebraska Money Transmitters Act. Clarifies that a money transmitters license is required even if the resident is not physically located in this state at the time of the transaction, and also that to receive such license the company must be organized as a US company and maintain an office in the US. Updates submissions required for a money transmitters license. Allows the department to investigate violations of the Money Transmitters Act. Clarifies the definition of sales finance company in the Nebraska Installment Sales Act, and increases the bond amount for additional branch locations. Changes the Nebraska Installment Loan Act to require a license for any person holding rights of ownership, servicing, or participation in a loan, that engages with a borrower.

- Became effective March 17, 2021.

LB373 (Pahls) Change the interest rate for minimum

nonforfeiture amounts as prescribed

- Changes the Standard Nonforfeiture Law for Individual Deferred Annuities to determine the interest rate for the minimum nonforfeiture amount from not less than 1% to not less than 15 basis points.

LB380 (Hilgers) Appropriate funds for the expenses of Nebraska State Government for the biennium ending June 30, 2023

- During the session the Legislature passed a \$9.7 billion biennial budget that funds priorities while controlling spending, with only 2.4% average annual growth; provided nearly \$1.7 billion in property tax relief for the next biennium; passed "historic" tax relief, including the lowering of corporate income taxes, a complete exemption of military retirement and partial exemption of social security benefits from income tax, and several sales tax exemptions and credits, amounting to \$1.8 billion in tax relief over the course of the next two years; and created new targeted economic development programs.
- Includes \$10 million to the Department of Economic Development for Business Innovation Act grants (\$5 million each year) with 20% of the grants going to small businesses, and \$10 million for the workforce training and infrastructure development revolving loan program in the ImagiNE Nebraska Act.
- The budget became effective July 1, 2021.

LB432 (Revenue Committee) Adopt the Firefighter Cancer Benefits Act, change restricted funds provisions, provide a tax credit and an income tax exemption, change the corporate income tax rate, extend the Beginning Farmer Tax Credit Act application period, and redefine a term relating to the Nebraska educational savings plan trust

- Beginning January 1, 2022, corporate income in excess of \$100,000 will be taxed at 7.5% (instead of the current 7.81%), which will decrease again to 7.25% beginning in 2023. Discussion will be had next session on the feasibility of further decreasing the rate to 6.84% after 2024.
- Included provisions of LB564 (McDonnell) Provides costs incurred on or after January 1, 2021, for participation in an apprenticeship program registered and certified with the U.S. Secretary of Labor are included in the definition of qualified higher education expenses within the Nebraska educational savings plan trust.

LB452 (McKinney) Adopt the Financial Literacy Act and provide graduation requirements and academic content standards (SUPPORT)

- Requires each school district to include financial literacy instruction in elementary and middle school and requires each high school student to take at least one five-credit course in personal finance or financial literacy and requires a report on financial literacy to the school board. Includes provisions of a similar bill, LB327, introduced by Senator Slama.

LB501 (Flood) Adopt the Uniform Foreign-Country Money Judgments Recognition Act, the Uniform Registration of Canadian Money Judgments Act, the Uniform Powers of Appointment Act, and the Uniform Easement Relocation Act and change provisions relating to succession to real property and claims against the estate of a medical assistance recipient

- The underlying bill modified the rule requiring mutual consent of owners for easement relocation, allowing the owner of the burdened lot to obtain permission to relocate the easement

from a court. The Act may not be used to relocate a public-utility easement, conservation easement, or negative easement or to encroach on such. Before being passed in to law the bill was amended to include the following additional provisions:

- LB348 (Morfeld) Changes provisions relating to succession to real property by affidavit, including requiring the will to be attached to the affidavit if claiming via will, and requiring the name and address of any other person who has a potential right to the interest of the decedent's estate in affidavits for small estates (while still requiring the signature of all parties who are claiming as successors).
- LB403 (Slama) Changes provisions relating to recovery of Medicaid debt from an estate.
- LB470 (DeBoer) Provides for the Uniform Powers of Appointment Act, which says that unless the terms of the instrument creating a power of appointment manifest a contrary intent, the creation, revocation, or amendment of the power is governed by the law of the donor's domicile at the relevant time, and the exercise of the power is governed by the law of the powerholder's domicile at the relevant time.
- LB593 (Slama) Provides for the Uniform Foreign-Country Money Judgments Recognition Act.
- AM671 (Flood) Excludes easements or right-of-way held by a public power and irrigation district, irrigation district, reclamation district, or canal company from using provisions of the Uniform Easement Relocation Act when relocating.

LB503 (Flood) Require payment of attorney's fees by an objecting party and change provisions relating to trustees' sales under the Nebraska Trust Deeds Act (SUPPORT)

- Provides that reasonable attorney's fees be paid by the objecting party or parties to the holder of a trust deed, mortgage, or any other lien holder in situations where a court has entered a judgment in their favor in an action that is the result of an objection to or uncertainty of the proposed payment of proceeds of the trustee's sale, and the objecting party or parties did not make such objection in good faith. Provides that payment of attorney's fees are to be deducted from the sale proceeds prior to the payment of junior trust deeds, mortgages, or lienholders or any other person legally entitled to the proceeds.

LB532 (Lowe) Change provisions relating to property under the Uniform Disposition of Unclaimed Property Act and the School Employees Retirement Act and change a security deposit provision under the Uniform Residential Landlord and Tenant Act (SUPPORT)

- Increases the value of reporting intangible property presumed abandoned from \$25 to \$50. Allows the State Treasurer to destroy property with insubstantial commercial value and provides immunity for the Treasurer and participating bank for such actions. Decreases the time safe deposit box contents are considered unclaimed from five to three years. Allows the State Treasurer to nominate a nonprofit organization to receive the claimant's property.

Bills Held Over

The following bills were not passed in the first session but remain alive for possible consideration in 2022.

LB95 (DeBoer) Change provisions relating to garnishment

- LB95 changes the number of days to respond to a garnishment summons when wages are involved from ten days to twenty days. The bill was not advanced out of the Judiciary Committee.

LB310 (Clements) Change inheritance tax rates and exemption amounts

- LB310 both increases the exemption amount and decreases the amount of inheritance taxes owed. LB310 was advanced to General File.

LB377 (DeBoer) Change inheritance tax provisions

- Senator DeBoer's bill expands the definition of relative and has already been advanced to General File for possible debate next session.

LB394 (Morfeld) Adopt the Public Health Emergency Housing Protection Act and change deadlines for trials in actions for possession and forcible entry and detainer (OPPOSE)

- LB394 included a moratorium on foreclosures, and as such was opposed by the NICB. The bill was not advanced out of the Judiciary Committee.

LB422 (Briese) Change the sales tax rate and impose sales tax on additional services

- Senator Briese's annual bill to subject services to a sales tax was not advanced from the Revenue Committee.

LB480 (McKinney) Change the minimum wage as prescribed (OPPOSE)

- LB480 remains held in the Business and Labor Committee.

LB510 (Lindstrom) Change provisions of the Nebraska Installment Loan Act

- LB510 was advanced to Select File, but was not taken up again for debate.

LB535 (Kolterman) Provide for notice to life insurance assignees of default and lapse and termination (SUPPORT)

- Senator Kolterman's bill, introduced on behalf of the NBA, has not been advanced out of the Banking, Commerce and Insurance Committee.

INTERIM:

Senators introduce legislative resolutions to study certain topics over the interim. The level of activity on interim studies varies widely. No action may be taken; Senators may convene formal hearings or less formal round-table discussions; or staff may do research and write a report. The condensed timeframe for this interim due to the special session on redistricting will impact the interim study process.

- LR131 (Hansen, M.) Interim study to examine the lack of affordable housing in Nebraska
- LR178 (Wishart) Interim study to solicit input from Nebraskans regarding funds from the federal American Rescue Plan Act of 2021
- LR179 (Cavanaugh, M.) Interim study to examine funding mechanisms in the American Rescue Plan Act of 2021

CREDIT UNION BANK PURCHASE ISSUE

- GreenState Credit Union, headquartered in North Liberty, Iowa, is an Iowa-chartered credit union that has submitted an application to acquire Premier Bank, a Nebraska state-chartered bank, located in Omaha, Nebraska.
- NICB has submitted written objection to the application.
- Because GreenState is an Iowa credit union, the NICB believes the Department does not have authority to approve GreenState's acquisition of Premier Bank.
- According to Nebraska state law, a financial

institution may only acquire a Nebraska financial institution upon approval of the Director and in compliance with Revised Statute 8-1510. But the term “financial institution” under the state statute is limited to those financial institutions “organized under the laws of this state [i.e. Nebraska] or organized under the laws of the United States.” In other words, the financial institution must be either a Nebraska-chartered financial institution or a federally chartered financial institution. GreenState is neither; it is an Iowa-chartered financial institution. Because GreenState does not meet this fundamental requirement under state law, the NICB fails to see how this acquisition could be approved by the Department.

- Furthermore, state statute also requires the Department to investigate the “stockholders and officers of the financial institution applying for such acquisition”. Because GreenState is a credit union, it has no stockholders; rather it only has members.
- Lastly, state law requires the Department to be satisfied, based on its investigation, that “the public necessity, convenience, and advantage will be promoted by permitting such acquisition.” Because of field of membership limitations, NICB does not believe converting a state bank to a credit union via the proposed acquisition is necessary to the public, convenient to the public or advantageous to the public. To the contrary, such conversion could be much less beneficial to the public.
- NICB will work to continue to distinguish the good work of independent community banks over credit unions, including bankers’ successes in implementing PPP and serving the community.
- NICB will continue to work with the NBA on what other states do in these situations and if a financial mechanism would be appropriate to ensure equity in these sales/mergers/acquisitions where an out-of-state state-chartered credit union acquires and flips a bank (e.g. continuation of deposit tax payment).
- NICB will engage in the regulatory actions by the Nebraska Department of Banking & Finance.
- NICB will watch for closures of branches and study any harm created by the credit union purchase of a Nebraska bank.

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THE FINANCIAL LITERACY MOVEMENT AND YOU

BY BANZAI

Life's obstacles often create opportunities. It just depends on whether we're willing to reframe our perspective. Consider this take:

"We must learn to put up with what we cannot avoid. The musician who loved only some [notes]—what would he be able to do? He has to know how to make use of them all.

We must do the same."

- Michel de Montaigne, *Of Experience*.

make use of the things life throws our way.

Good News and Bad News

It's clear that the current climate has created obstacles for bank account holders throughout the United States. As we adjust to a new normal, our routines are disrupted in just about every way imaginable, and many customers have significant, new challenges. Is there any good news to be found here?

Of course there is. You, the community banks, are the good news. Whatever community or service area you're in could use your help, and financial literacy is a direct, desperately needed form of help. That's why Banzai provides opportunities for banks to give resources for anyone planning or responding to financial change in their life. Banks via Banzai give schools award-winning, interactive courses that teach kids how to handle money wisely. They also provide Banzai's adult-centered resources directly to households, in a packaged suite called the Wellness Center. This includes several robust, flexible financial calculators,



When we hear that students and teachers—some of Banzai's primary users—are switching to distance learning, we don't panic. Instead, we support them by adapting our shipping methods, creating new resources, and keeping in close contact with the teachers using our curriculum. We

more than 80 timely articles, and a virtual financial mentor we call the Banzai Coach.

While it's true that schools are closing, it's also true that students need remote lessons— which are Banzai's specialty. While it's true that many people are staying home or left adrift among economic uncertainty, it's also true that they need tools to help them decide what to do with their savings—another Banzai specialty.

Schools

Most K–12 schools are closed or switching to remote learning. With that disruption comes additional obstacles for teachers, students, administrators, and parents alike. Community banks like yours stand in a position to alleviate and transform those obstacles into a growth opportunity for your organization.

Right now, we at Banzai are seeing more and more teachers eager for teaching tools they can easily use—tools that don't require technical skill or high internet bandwidth. That demand has skyrocketed resulting in sign-ups 3.5 times the weekly average where hundreds of banks throughout the United States have already sponsored for K–12 schools in their communities. It's a good look for an online-only curriculum like Banzai and those who support it.

Households

No demographic is going unscathed in the current landscape. Restaurant workers, hourly-wage earners, and contractors are among the millions of newly unemployed who are now dipping into their own savings. Wouldn't it

be great if their local bank specifically contacted them with resources on how to handle financial emergencies? Wouldn't it be a relief if your customers knew their bank had invested in resources that would help them succeed against the tide of uncertainty?

That's why Banzai creates, on behalf of banks, an entire suite of products geared toward adults going through all financial stages of life. With virtual financial mentors and flexibly designed calculators, banks now have better answers to questions from their customers: "How can I refinance my mortgage?" "What should I do with my economic stimulus check?" "What are my health insurance options now that I'm unemployed?"

Responding to economic adversity is what Banzai was born to do. Our platform came as a response to the 2008 recession, a time when many financial institutions would've been tempted to cut their financial literacy initiatives. Again with today's circumstances, financial remote learning has never been timelier.

We're confident that banks, via Banzai, are answering the call for teachers and individuals who need interactive, online platforms for financial education. Many of our bank partners are eagerly leaning in and expanding their online offerings with Banzai, all with the goal of helping communities remain resilient. Join us in that effort.

To request additional information or a demonstration, please visit www.ubbedu.com

About BANZAI

We at Banzai are passionate about financial education and we have partnered with UBB as their endorsed financial education platform. Banks are in a perfect position to help account holders right the ship of today's trying times - a bit of financial wisdom often makes all the difference between unnecessary hardship and resilience.



is an associate member of the NICB



76% of Ransomware attacks are directed at companies with fewer than 1,000 employees.

Ransomware has been in the news lately.

It's been in the news because large companies have had massive issues with it. It's been in the news because of significant ties to Russia and China. But the fact of the matter is that the vast majority of attacks are directed at much smaller companies. It doesn't make the news, but it does cause huge problems for those companies. In fact, average ransom payments have been falling for months now. Not because fewer companies are paying, and certainly not because there are fewer attacks. It's because more and more of the attacks are targeting smaller organizations.

Phishing is the leading attack vector.

The worst part of so many ransomware attacks is that they could have been prevented. Criminals aren't always gaining access to networks through sophisticated technical means. Most of the time, they're gaining access through phishing. Phishing is preventable. Employees can be trained to spot it, report it, and avoid it.

76% of ransomware attacks are directed at companies with fewer than 1,000 employees.

Is your organization protected?

**Protect your business.
Call ITPAC today.**

NICB's Endorsed Providers



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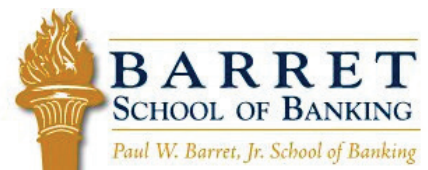
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NICB/CBAK Cooperative Liquidity Program



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PORTFOLIOS MORPH

Investment securities have undergone big changes this year.

BY JIM REBER

If there's a constant in the world of a community bank investment manager, it's disappointment. If you buy a bond today and yields go down tomorrow, you wish you'd have bought more; if yields go up, you wish you had bought none. If your overall portfolio has unrealized gains, you lament the poor yields that are available; if you are presented with attractive rates on new offerings, it means you've got losses on the balance sheet.

As we navigate the volatile rate environment of 2021, I'd like to convey some data that we've gathered about community bank portfolios. The motive is expressly not in the vein of misery loves company, but rather to share what your peers' portfolios, sector weightings and yields look like.

I'm also pleased that we've got two great reference points by which to measure performance: Dec. 31, 2020, and June 30, 2021. That six-month period saw a rise in interest rates and a steepening of the curve, and more than a 50 basis-point shock (0.50%) in the middle of the maturity range. The five-year treasury note started 2021 at 0.36% and six months later was 0.89%.

Crowd favorites

Our sample portfolio, which I've used often in this space over the years, is the Vining Sparks bond accounting client base. Vining Sparks, which is ICBA Securities' exclusive broker, provides this service for about 400 community banks with an average portfolio size of \$140 million, which is 46% larger than pre-pandemic levels.

These portfolios have more than half of their dollars in some type of mortgage security. Fixed-rate mortgage-backed securities (MBSs) comprise 31% of the total, fixed-rate collateralized mortgage obligations (CMOs) are 14% and floating rate MBS are 7%. Right around 29% of the investments are in municipals. The bulk of the remainder, 8%, is in government agency bonds.

Stretched out

While the sector weightings are essentially unchanged over the past year, there are two stark differences: duration and market values. On Dec. 31, 2020, the average portfolio had a duration of 3.2 years (Duration is a major yardstick for investment managers, as it affects cash flow and market risk. The higher the duration, the greater the risk). Six short months later, duration had risen to 4.3 years. So, portfolios, at least in theory, have 34% more risk than at year-end.

The duration growth was the result of two separate events. The first was the rise in longer-term rates. I think we've come to realize that higher rates move average durations out on the curve, as prepayments of amortizing securities tend to slow, and other callable securities don't get called. The second - and more salient - cause was the very deliberate extension of average maturities as portfolio managers have tried to sop up the excess liquidity residing on community bank balance sheets.



Something else that's changed as a result is the unrealized profit. Back in December 2020, the average portfolio was sitting on a 2.7% gain. By June, that number had shrunk to 1.0%. What this, in effect, means is that most banks

currently own some bonds at gains and some at losses, which can be seen as condition that affords maximum flexibility.

Plug the leak

Many portfolio managers are now focused on limiting further extension risk. That should not be terribly difficult to do, as most securities that have any seasoning to them have already been repriced to a longer expected maturity. Prepayment “speeds” have slowed from their peaks in the spring, and most models are predicting relatively consistent speeds for the near future.

Nonetheless, not all MBSs are created equally. Collateral with 10- to 20-year finals typically can continue to prepay with some consistency even if interest rates rise. Of course, the scheduled principal repayments will be much greater for shorter pools than for 30-year pools, independent of prepayments.



A variation on this theme is to buy “structure.” This usually means a CMO. Recently issued CMOs have low pass-through rates (“coupons”) relative to the borrowers’ rates on the underlying collateral. This allows investors to keep their book prices closer to par, which will preserve book yields if prepayments were to kick back into high gear.

So, there you have a revisiting of the portfolio changes during 2021. By being on top of the changing complexion of your community bank’s investments, you can minimize your disappointments. Avoiding the constant sorrow of portfolio management - with apologies to the Soggy Bottom Boys - can be your milestone accomplishment of the year.



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Bond account solution

ICBA Securities’ exclusive broker, Vining Sparks, provides state-of-the-art bond accounting services for nearly 400 community banks at competitive prices. For more information, contact your Vining Sparks sales rep.

Q4 economic update

ICBA Securities and Vining Sparks will produce their next Economic Outlook webinar on Oct. 14 at 10 a.m. Central.

Economists Craig Dismuke and Dudley Carter will discuss monetary policy, tapering and the economy’s emergence from the pandemic. Visit www.icbasecurities.com to register. One hour of CPE credit is offered.



EMBRACING DIGITAL STATEMENTS TO ENHANCE CUSTOMER ENGAGEMENT

Imagine accessing your monthly financial statement on a single responsive page. That page provides an intuitive view of your finances, segmented in a logical hierarchy. Perhaps an integrated video introduces the statement or walks you through the highlights, including spending categories and spikes.

Let's say you don't recall a transaction. So, you ask for clarification through your device's microphone or live chat. Once you master your statement, another piece of media catches your eye. It could be rewards, savings recommendations, investment opportunities or a service you didn't know about.

This may seem like a pipe dream, but so did other digital changes that have happened over the past years. Digital demands have transformed every corner of the financial services industry. Statements are following suit, adding significant value to consumers.

Institutions that seize current opportunities and plan for upcoming technologies can transform the mandated process of sending bank statements into an effective engagement touchpoint.

A Look at the Current Statement Landscape

Before glimpsing into the future of financial statements, consider the following trends. Of the respondents to CSI's recent survey, over one-third of financial institutions primarily (36%) or solely (2%) deliver paper statements. That's almost double the number of customers who prefer to manage finances digitally.

It's true that many customers still rely on paper statements, and there are advantages to providing both. Yet these numbers suggest an opportunity to shrink the gap between those who prefer digital and those who actually use digital statements. Market upheavals suggest that the time is ripe to advocate for conversion and showcase your digital services. Doing so cuts costs and meets digital expectations.

Strategies for Promoting Digital Statement Adoption

Interactive digital statements ensure cross-channel consistency and convenience. They update your statements' appearance to reflect your brand while simplifying marketing and eliminating the rigidity of paper statements.

Institutions have deployed a variety of strategies to encourage digital adoption. Some have taken a more direct approach by charging a fee for print or making e-statements the default option. While these methods to digital statement adoption can be effective, consider a subtler approach that showcases the benefits of adoption.

With the ever-increasing preferences of digital, many customers who once held fast to paper statements are persuadable. Continue to use every tool at your disposal to inform and reassure customers about digital statements. Highlight the benefits of digital statement adoption—including immediate delivery, enhanced security, automatic storage for convenient review, search functionality and positive environmental impact—to help eliminate skepticism from your customers.

What's the Next Big Thing in Digital Financial Statements?

Interactive digital statements are the critical first step toward a better user experience. But tech leaders see an opportunity to innovate further and transform statements into a unique customer resource.

Institutions can either expect minimal interaction or make that statement worth customers' time and attention. The following are some of the highlights for upcoming media-rich documents that customers won't overlook.

Two-Way Interactive Engagement Tools

Financial statements provide a quantifiable benefit to your institution and customers. But that value diminishes if they're only skimmed or lost in the shuffle of inboxes and stacks of mail. Even if a customer only refers to their statement for a few moments, make those moments count with:

- Live chat and voice features enable your customers to interact with you more directly. These elements of a holistic digital communication strategy ensure that customers understand their statements without needing outside sources.
- Graphic displays and more intuitive designs make the information more digestible. The brain processes visual data incredibly fast. So, spending breakdowns and graphs optimize the digital format and make it easier to understand financial statement highlights.

- Personal Financial Management (PFM) tools simplify making budgets, tracking expenses and monitoring financial health. While maintaining consistency with digital banking, users will be able to adjust PFM category assignments without leaving their statement.
- Embedded videos provide product overviews or showcase a relevant offer. Embedded, pre-made external videos are an easy win.
- Recommendations help customers make wiser financial decisions, investments and more. This is also an opportunity to expand your marketing ability and highlight reward systems or different products.

Actionable Digital Statement Data and Analytics

Effective digital transformation is impossible without a clear view of customer data. Consider what you learn from your current statements. Does it offer genuine insight and value?

For forward-thinking financial institutions, it's time to revise those expectations. Modernized digital statements will more widely process and collate data for useful reporting. Updated analytics dashboards better illustrate recipient engagement, tracking usage and delivery failures. With these tools, your institution can gain insight into when and how your customers use (or don't use) your documents. This data can supplement and draw from your CRM and other existing analytics tools.

Differentiate Your Institution Through Customer Experience

As the market drives consumer expectations, the right investments spur customer engagement. As such, digital statements will continue to evolve, empowering customers to better understand their finances. For a broader view of a unified customer experience and tips to get there today, refer to our Banking Priorities 2021 Executive Report.

Jimmie Paradee is product manager with CSI's Document Services Division. In his role, Jimmie is responsible for the product management for all CSI Document Services Azure cloud and web-based SaaS applications.



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Education

2021 Webinars

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NICB webinars are hosted in partnership with Financial Education and Development Inc. (FinEd). This partnership is noted with our Community Bankers Webinar logo. For more information and view all the topics available by subject, series and date go to NICB's webinar page at www.financialedinc.com/a/nicb.



Recently added webinars are in BOLD.

Jan 6	Providing Provisional Credit Under Reg E	Feb 23	Remote Workforce Series: Security Compliance for Work from Home Staff
Jan 7	Uniform Residential Loan Application (URLA): Deadline March 1, 2021	Feb 24	The Top 10 ACH Exception Handling Questions
Jan 12	Remote Workforce Series: Creating or Revising Work from Home Policies	Feb 25	The Board's Role in Cyber Security Risk
Jan 13	2020 HMDA Submission Due March 1, 2021: Challenges & Best Practices	Feb 26	FDCPA Changes Round 2: 12/18/2020 Final Rule on Fair Debt Collection Practices
Jan 14	IRA & HSA Update: Key Considerations for 2021	Mar 2	Advanced BSA Officer Training: In-Depth Risk Issues & Difficult Situations
Jan 20	Flood Series: Flood Insurance Rules, Best Practices & Liability	Mar 3	Determining Cash Flow from Personal Tax Returns Part 2: Schedules D, E & F
Jan 21	Call Report Update 2021	Mar 4	Flood Series: Flood Forms Line-by-Line
Jan 26	Remote Workforce Series: Work from Home Record Retention Rules	Mar 8	SBA Lending Update 2021: Rule Changes & PPP FAQs <i>Monday</i>
Jan 27	Calculating Cash Flow from Corporate Tax Returns	Mar 9	ACH Rules Update 2021
Jan 28	Beginning BSA Officer: What You Need to Know on Day 1	Mar 10	Safe Deposit Issues: Delinquency, Death & Abandonment
Jan 29	Series: Alphabet Soup for Lenders Reg B & ECOA; Reg C & HMDA, Reg V & FCRA, Reg X & RESPA, Reg Z & TILA - Non-Real Estate; Reg Z & TILA - Real Estate	Mar 11	Remote Workforce Series: Making Work from Home Effective
Feb 2	Red Flags in Residential Appraisal Compliance	Mar 15	The Top 10 Reasons Consumers Leave Their Bank <i>Monday</i>
Feb 3	Flood Series: Flood Compliance Beyond the Basics	Mar 16	E-SIGN Series: Virtual Loan Document Delivery & E-SIGN Compliance
Feb 4	Calculating Cash Flow from S-Corporation & Partnership Tax Returns	Mar 17	Federal Requirements for Tech-Based Marketing: Websites, Social Media, Robo Calls & More
Feb 9	Remote Workforce Series: Work from Home Risks: How Compliance Can Limit Liability	Mar 18	Flood Series: Commercial Flood Insurance Regulations & Compliance
Feb 10	Overdraft Hotspots Including Regulations, Lawsuits & Guidance <i>Morning</i>	Mar 23	Business Accounts: Who is Authorized to Open, Close, Transact?
Feb 11	E-SIGN Series: "No-Contact" Account Opening: Compliance (60 Minutes)	Mar 24	Deposit Operations Update 2021 <i>Morning</i>
Feb 12	New ATR & QM Rule Changes Effective July 1, 2021	Mar 25	Legal Issues for Right of Setoff on Deposit Accounts & Loans
Feb 17	New Security Officer Training: Your Bank Protection Act Responsibilities	Mar 29	New Anti-Money Laundering Act: Key Provisions & BSA Implications
Feb 18	Determining Cash Flow from Personal Tax Returns Part 1 Form 1040, Schedules B & C		

Apr 6	E-SIGN Series: The E-SIGN, BSA & CIP Compliance Trifecta (60 Minutes)	& Levies
Apr 7	Board Reporting: Requirements, Timing, Delivery Options, Risks & Concerns	Jun 3 Treasury Management: How to “Power Up” Deposits & Fee Income
Apr 8	Remote Workforce Series: Moving to the Cloud: Remote Management of Risks to Customer Data	Jun 8 Collection Series: Troubled Debt Restructuring in the COVID
Apr 13	Reg CC Compliance & Review: Check Holds, Remote Deposit Capture & Reg D Changes	Jun 10 Supporting Documentation for the ALLL
Apr 14	Advanced C&I Underwriting: A/R & Inventory Financing	Jun 15 Credit Analyst Series: Advanced Financial Statement Analysis
Apr 15	Collection Series: Regulatory Alphabet for Collections Compliance	Jun 15 FinCEN SAR Advisory Update & Handling Increasing Fraud <i>Morning</i>
Apr 19 <i>Monday</i>	New Time Limits for ACH Warranty Claims Effect June 30, 2021 (60 Min.)	Jun 16 UDAAP & Consumer Protection: Heightened Scrutiny Under a New Administration
Apr 20	Commercial Loan: Workouts, Restructuring & Loss Mitigation	Jun 17 Wire Transfer Compliance: Domestic & International
Apr 21	Debit Cards 101	Jun 22 Call Report Preparation: Schedule RC-R, Regulatory Capital
Apr 22	Global Cash Flow Analysis for Underwriters & Credit Analysts	Jun 24 Collection Series: Managing Mortgage Delinquency
Apr 26	2021 Cannabis Update: Legalization, Banking Issues & More	Jun 29 e-Everything: Compliance in an Online Environment
Apr 27	E-SIGN Series: E-SIGN Security & Fraud Detection (60 Minutes)	Jul 7 Business Writing Boot Camp, Including Critique of Your Own Writing Sample
Apr 28	Call Report Basic Lending Schedules: Coding, Classifications & Loan Loss Allowance	Jul 8 Avoiding the Top 10 HELOC Compliance Mistakes
Apr 29	Hot IRA Issues: Divorce, IRS Levies, Creditor Claims & Misunderstood Rules	Jul 13 Navigating Compliance Issues for Promotions, Bonuses, Contests & Sweepstakes
May 4	Advanced Commercial Loan Documentation	Jul 14 Legal Issues of Checks
May 5	Current Trends in Cyber Crime & Payments Fraud	Jul 15 Capital Adequacy & Risk: Regulator Expectations for the Board
May 6	Credit Analyst Series: Loan Stress Testing for the Credit Analyst	Jul 16 Fair Credit Reporting Compliance
May 11	5 Steps to Simplify Reg E Claims (60 Minutes)	Jul 20 Regulation E Compliance with ACH Payments
May 12	Collection Series: Your Borrower Is Threatening Bankruptcy, Now What?	Jul 21 Job-Specific BSA Series: Job-Specific BSA Training for Operations Staff
May 13	HR Dos & Don'ts in a Virtual World	Jul 22 Collection Series: Chapter 7 & 13 Consumer Bankruptcies: Special Rules, Cramdowns & Risks
May 18	Surviving a TRID Compliance Exam	Jul 27 IRA Beneficiary Designations, Death Distributions & Required Minimum Distributions
May 19	Developments in Bank Mergers & Acquisitions	Jul 28 Credit Analyst Series: Credit Fundamentals for the New Credit Analyst
May 20 <i>Morning</i>	Residential Appraisal Reviews from Start to Finish	Aug 4 New Accounts Series: Regulatory Alphabet for Deposit Accounts
May 20	Residential Construction-Only & Construction-to-Permanent Lending: Compliance & FAQs	Aug 4 The TRID Dirty Dozen: Navigating the Landmines
May 25	Marketing in 2021: Virtual Relationships & the New Customer	Aug 5 Comparing Regulation E with Visa & Mastercard Rules
May 26	Collection Series: The Virtual World of Collections	Aug 6 Construction Loans: Cost Overruns, Delays & Occasional Disasters (60 min.)
May 27 <i>Morning</i>	Handling W-9s, W-8BENs & IRS Mismatches	Aug 9 New ACH Meaningful Modernization Rules Effective September 17, 2021
May 27	Protecting the SBA Guaranty Start to Finish	Aug 10 Credit Analyst Series: Debt Service Coverage Calculations in Underwriting
Jun 2	Handling Subpoenas, Summonses, Garnishments	Aug 11 Handling POAs & Living Trust Documents on Deposit Accounts & Loans

Aug 12	Record Retention: What to Keep and Why!	Oct 13	Notary Compliance, Including Virtual Notarization
Aug 17	Maximizing Cyber Security Soundness & Minimizing Incidents	Oct 14	Denied Loan Requirements A to Z
Aug 18	Critical CIP & CDD Issues: Compliance, Beneficial Ownership & FAQs	Oct 15	Required Compliance for Commercial Loans Secured by Real Estate
Aug 19	Improving Call Report Efficiency: Documentation, Accuracy & Common Errors	Oct 19	Job-Specific BSA Series: Job-Specific BSA Training for Senior Management & Directors
Aug 23	Credit Risk Management First Aid Kit	Oct 20	Top 10 IRA Rollover Mistakes
Aug 24	Job-Specific BSA Series: Job-Specific BSA Training for the Frontline	Oct 21	Reg E Investigation & Requirements for Debit Card Error Resolution
Aug 25	Dealing with Difficult Customers: 5 Foolproof Techniques	Oct 26	New Accounts Series: Adverse Action at Account Opening: Reporting & Documentation
Aug 26	Survey Says! The Top 10 Reasons Businesses Move Their Accounts	Oct 27	HMDA Reporting Part 2: Collecting Demographic Information
Aug 31	Loan Underwriting 101: Interviewing, Credit Reports, Debt Ratios & Regulation B	Nov 2	Mastercard Debit Card Chargebacks
Sep 8	New Accounts Series: 20 Legal Types of Accounts: Ownership, Documentation & CIP	Nov 3	Board Secretary Training: Documenting Minutes, Corrections & Disagreements
Sep 8	ACH Payment Reclamations & Garnishments	Nov 4	Robbery Prevention, Response & Resilience
Sep 9	Dormant Accounts, Unclaimed Property & Escheatment	Nov 8	The FFIEC's 13 Exam Objectives for Business Continuity & Resilience
Sep 14	Completing the CTR Line-by-Line	Nov 9	HMDA Reporting Part 3: Commercial Lending Issues
Sep 15	Fiduciary Responsibilities of New & Experienced Directors	Nov 10	New Accounts Series: Opening Accounts for Nonresident Aliens
Sep 16	Job-Specific BSA Series: Job-Specific BSA Training for Lenders	Nov 16	Regulator Issues & Update for the Credit Analyst
Sep 17	Effective Management of Credit Report Disputes: ACDVs, AUDs & Joint Credit	Nov 17	1099 Reporting: Foreclosures, Repossessions & Debt Settlements
Sep 20	Foreclosure & Repossession Compliance & Limitations	Nov 18	Completing the SAR Line-by-Line
Sep 21	Hot Topics in Social Media Engagement for Community Banks	Nov 30	IRA Overview: Traditional, Roth & SEP Plans
Sep 22	Bankruptcy for Lenders: Chapter 11 & Subchapter V, The Small Business Reorganization Act	Dec 1	Your Depositor Has Died: Actions to Take, Mistakes to Avoid
Sep 23	New Accounts Series: Business Account Documentation	Dec 2	The Legal Side of Remote Deposit Capture: Risks & Liability
Sep 27	HMDA Reporting Part 1: Application Basics	Dec 7	Security Officer Reports to the Board: Timing, Contents & Requirements
Sep 28	Conducting In-House Evaluations: Guidance, Rules & Technological Tools	Dec 9	Visa Debit Card Chargebacks
Sep 29	Strategic Planning for Community Banks	Dec 14	Commercial Loan Annual Credit Review
Sep 30	Understanding TRID Tolerance Cures		
Oct 5	New Accounts Series: Opening Accounts for Nonprofit Organizations		
Oct 6	SAR Decision-Making		

A complete description including speaker bios are available on the NICB dedicated web page.

Search by category, series or by date.

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Most webinars are scheduled from 2:00-3:30 PM Central Time unless otherwise indicated.

Please check the online brochure copy to confirm the time.

Go to our webinar page to request webinars specific to your interests.

Yostie's Random Acts of Kindness Golf Outing



*It's a party in remembrance of
Kurt T. Yost*

October 4, 2021

**Firethorn Golf Club
Lincoln, Nebraska**



The Nebraska Independent Community Bankers are hosting the **2nd Annual RAK Fundraiser Golf Outing** in Kurt's honor on **Monday, October 4th** at Firethorn Golf Club in Lincoln. Sign up individually or put a group together. If you can't make it for golf, but would like to be part of the celebration of "Yostie" with a beverage, a visit with friends, an exchange of story's and the opportunity to bid on the great silent auction items, join us anytime from 11am to 5:30. *If you would like to donate an item for the auction, please contact Marcia at myost@windstream.net*

11:00- 11:45 Registration sign in
12:00 Shot gun Scramble format
5:00ish 19th Hole Party
5:30 Close of silent auction
5:30 Announcement of winners

\$150 Per person incl. golf, practice range, **box lunch**, beverages, and prizes

\$600 Team foursome

All Proceeds will go to Yostie's Random Acts of Kindness (RAK) fund. If you want to send a donation to the RAK Fund, please make check payable to Marcia Yost for KTY RAK Fund, 2944 O'Reilly Drive, Lincoln, NE 68502

Send Registration and check payable to: **Nebraska Independent Community Bankers
1001 S 70 ST STE 101
Lincoln, NE 68510**

REGISTRATION FORM - YOSTIE'S RAK Golf Outing

Monday, October 4, 2021

Firethorn Golf Club - Lincoln, Nebraska

11:00 Registration 12:00 pm Shotgun Start 5-5:30 Party, final bids on auction, announcement of winners
Team \$600 or individual \$150.00 18 holes golf, **box lunch** and beverages at 19th hole party

Purchase-ahead Optional items: Putting Contest \$5; Mulligans \$10 each (2 limit). *You may purchase now or at sign in.*

Name	e-mail	Company or address	Putting \$5 <i>Optional</i>	Mulligans @\$10 (limit 2) <i>Optional</i>	Registration Fee \$150 or \$600 team
TOTALS					

Contact Name/E-mail: _____

Submit by September 29th

Send Registration and Fees to: **NICB
1001 S 70 ST STE 101
Lincoln, NE 68510**

Total Amount Due: \$ _____

check payable to: **Nebraska Independent Community Bankers**



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