FEBRUARY 2015

OFFICIAL PUBLICATION OF THE COMMUNITY BANKERS OF IOWA

the COMMUNITY BANKER UPDATE

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View a complete calendar and register for CBI-sponsored webinars and events at www.cbiaonline.org or Call Us at 515.453.1495 for more information.

FEBRUARY 2015 WEBINAR LINE-UP

February 3	Revisiting Your RESPA & TILA Policies to Include the New Integrated Disclosure Requirements
February 4	Understanding Appraisals & Appraisal Review Concepts for Lenders
February 5	BSA Compliance Series: New BSA Officer Training
February 10	FASB/GAAP Update, Including Proposed Modifications to ALLL Calculations
February 11	Qualifying Borrowers Using Personal Tax Returns Part 1: Basics, Itemized Deductions, Interest & Dividend Income, Sole Proprietorships & Capital Gains
February 12	New Accounts Series: Account Opening Due Diligence
February 18	FinCEN Guidance on Banking Marijuana Businesses
February 19	Regulator Issues & Update for the Credit Analyst
February 24	Advanced ACH Specialist Series: Setting & Monitoring Effective ACH Exposure Limits
February 25	FFIEC Assessments & Recent Developments in Cyber Security Risk Management
February 26	Top 10 Compliance Mistakes in Advertising

In This Issue

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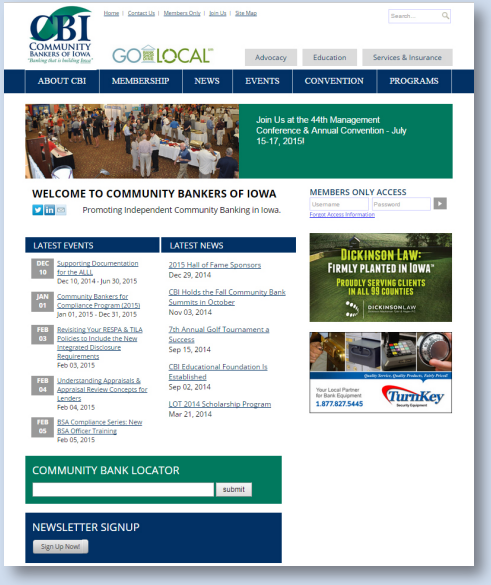
NEW AND IMPROVED



As some of you have already noticed, when you visit us at www.cbiaonline.org you'll discover a completely redesigned and renovated web site. Among the improvements you'll notice are the enhanced graphics and a new layout.

But the changes are more than cosmetic. Along with being more attractive, you will find our site easier to navigate and spend less time locating the news and information you want. Click the main banner on the Home page to jump right to special news and features. Hit the "About Us" button on the main navigation ribbon to read about CBI's mission and history, the Educational Foundation, our Advocacy efforts, or how to Contact Us. Scroll down the home page and click "Sign Up Now!" ato subscribe to our popular free weekly e-newsletter *CommonCENTS* (if you aren't getting it already), and read back issues in the *CommonCENTS* archive. Here you can also find an archive for this monthly newsletter, the *Community Banker Update*, and our other publications. CBI's latest News and Events can be seen from the home page too.

Find information on the Leaders of Tomorrow group or CBI's many educational opportunities via the "Programs" section. There are several ways to check out CBI's Endorsed/Associate/Affiliate Services: click the "Services & Insurance" button at the top right of the home page, or find them under the "Membership" menu. See what we're up to next by checking out the "Events" section, and find out how to participate in the Money Smart Week Poster Contest or what's going on during Community Banking Month in April. Our important premier event, the Management Conference and Annual Convention, has its very own section too.

We're excited about our brand new service, the IowaBook Online Bank Directory, where you can download the FREE PDFs filled with financial information on Iowa banks and branches! Find that in the "Media Room" under the "News" section. And coming soon, many of you will have access to the new Members-Only section. Log in to sign up for specialized newsletters, change your address or other contact information, or take a survey. You can even see which events you've registered for, or read messages meant especially for you, our valued CBI Members. Details and instructions will follow in the coming weeks--when even more exciting new enhancements we have planned will launch.

And if you get lost? Use the Site Map at the top, or the Custom Search tool in the upper right corner of the site for help in finding just what you need.

CBI's leadership and staff strives to anticipate our members' needs before you do, but we'd still love your feedback. Drop us a note at cbia@cbiaonline.org and tell us how we can make the website--or CBI events and services--even better! In the meantime, you can look forward to valuable online content, including interactive features that you won't find anywhere else.

So, keep visiting www.cbiaonline.org and watch us grow.

Coming This Spring...

LOT's 12th Annual Leadership Development Conference

March 26-27, 2015

The Leaders of Tomorrow Development Group will hold their 12th Annual Leadership Development Conference on **March 26th & 27th**, at the Marriott Hotel in downtown Des Moines.

After a group lunch to kick-off the Conference's activities. attendees will meet with **Jim Schipper**, Superintendent of Iowa Division of Banking. Following that afternoon are a trio of Breakout Sessions, featuring:

- **Steve Johnson,** Farm Management Specialist with the ISU Extension Office, discussing Ag topics;
- **Kim Stock** and **Kristie Anker** from SHAZAM and **Tom King** from Quad City Bank & Trust, to educate on general banking and debit card Compliance issues, and;
- **Ryan Elmer** with McGladrey, speaking with conference attendees on Cyber Security measures.

A networking dinner will also be held Thursday night at Raccoon River Brewing Company, to give attendees the opportunity to network with other up-and-coming community banking leaders.

The Conference continues on Friday and will feature a special video presentation from ICBA President and CEO Cam Fine. Next, conference participants can attend a Presidents' Panel including **Suku Radia** from Bankers Trust in Des Moines, **Steve Lane** from Security Savings Bank in Gowrie and **Josh Guttau** from TS Bank in Treynor. To close the 12th Annual Conference events, keynote speaker **Alan Feirer** from Group Dynamic Leadership Training will give his presentation "Teamwork and Its 5 Dysfunctions".

To register, visit our website at www.cbiaonline.org. Registration fees are $245 for LOT members, $330 for non-members. ***Register by March 1 and pay only $195! (Discount for LOT members; $245 for non-members.)***

Accommodations are available at a discounted rate of $149 at the Des Moines Marriott-Downtown hotel. **Book by March 5, 2015 to receive the reduced rate.** Call Marriott's general hotel reservation desk at 1-800-514-4681 and ask for the Community Bankers room block.

Call CBI at 515-453-1495 or e-mail cbia@cbiaonline.org for more information. Don't let the future leaders in your bank miss a golden opportunity to learn from the best in community banking!

THANK YOU
2015 Leadership Development Conference Sponsors!

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Speaker Sponsor: MIB — One Source. One Call.

Roundtable Breakfast Sponsor: SHAZAM

Conference Dinner Sponsors:
Quad City Bank & Trust
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Washington State Bank - Washington
Security Savings Bank - Gowrie

MILLENNIAL MANIA

The first step in attracting the next generation is simply aiming to do so.

Written By: Chris Lorence - Executive Vice President & Chief Marketing Officer, ICBA

First, let's acknowledge what many would agree is true: We've been inundated with information about millennials. What they eat, what they don't, what they like, what they don't, how they work, when they work best—and where they like to do all of the above.

The largest generation in mankind has been poked, prodded and surveyed in an attempt to learn how to engage them on their own terms. Millennial marketing mania, however, may be more about being relatable and a whole lot less about special treatment.

Your community bank, like many others, may be struggling with several questions when it comes to marketing and millennials; most importantly, **do we need to do something differently to get their attention?**

The simple answer to this first question is: Yes, market to them. If you have billboards, print ads, flyers, statement stuffers, in-branch promotional materials, be sure to include images of people who are between 20 and 35. By simply demonstrating they are included in your efforts to secure new business, they will respond positively. Don't forget that your website and bank personnel should reflect the same diversity.

Does your community bank need to be engaged in social media in order to attract millennials? Nope. There are certainly people of all generations, including millennials, who don't care if your bank has a Twitter account or if it maintains a Facebook page. However, there is a larger segment of the population engaged in social media that loves to share information and details about their customer service experiences. Why miss out on the free positive publicity? Is it worth the risk of being perceived as out of touch and disengaged?

Why do I need to specifically attract millennials to my community bank? You may be quite happy with your existing customer base and feel no immediate need to seek new customers, but that would be extremely shortsighted. While much generalization has been applied to millennials, the fact that they are the largest generation on the planet makes them important today and into the foreseeable future. Their sheer volume of spending and financial activity is monumental. This generation will not only generate its own wealth but will predictably be the recipient of the largest wealth transfer in history. Can you afford not to engage them?

Is advanced technology a requirement to attract millennials? Yes, and it's also a requirement to attract and retain other generations as well. People don't expect cutting-edge, but they do want easy, convenient ways to manage their money. This means in addition to friendly people to interact with when they have a question or need a transaction that a mobile-friendly app can't answer or handle. The reality is that your bank is now expected to provide not only traditional superior service but also transactional service in multiple channels outside of brick-and-mortars to all generations, not just millennials.

So the next time you read an article aimed at creating yet another label for millennials, remember they are simply customers who want to feel their community bank understands their needs and can relate to them. What generation doesn't want that?

MORE ON MILLENNIALS

Discover the results of an in-depth national survey of millennial consumers that ICBA recently commissioned, titled "American Millennials and Banking," online at www.icba.org/millennialstudy.

THE MILLENNIAL DISRUPTION INDEX

Identifies the industries most likely to be transformed by Millennials, the largest generation in American history.

3 years
•
15 categories
•
200+ interviews
•
10,000+ respondents

Methodology:

The data represented illuminates key findings from the Millennial Disruption Index (MDI), a three-year study of industry disruption at the hands of teens to thirtysomethings. Millennials, a generation born 1981–2000 and more than 84 million strong in the U.S. alone, use technology, collaboration and entrepreneurship to create, transform and reconstruct entire industries. As consumers, their expectations are radically different than any generation before them.

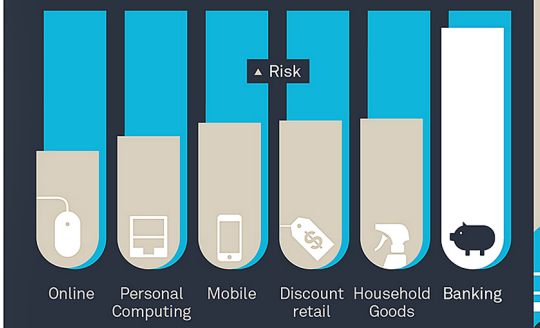
For the MDI, Scratch surveyed over 10,000 Millennials about 73 companies spanning 15 industries. The results paint a clear picture of which brands are loved, which are meeting consumer needs, and which are poised on the brink of disruption. The Index also sheds light on the topline features of companies that Millennials rely on and identify with.

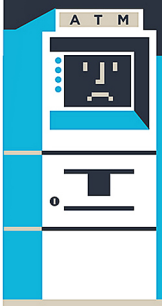
A business category with a low MDI score is less vulnerable to disruption. For categories with a high MDI, Scratch forecasts disruption is imminent.

Scratch is a creative and strategic SWAT team that channels the power of Viacom's portfolio in new ways. For more information and the complete study, contact us at scratch@viacom.com.

scratch
VIACOM MEDIA NETWORKS

Banking is at the **highest risk** of disruption.





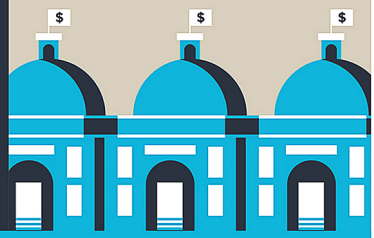
All 4 of the leading Banks are among the ten **least loved** brands by Millennials.

53% don't think their bank offers anything different than other banks.

71% would rather go to the dentist than listen to what banks are saying.

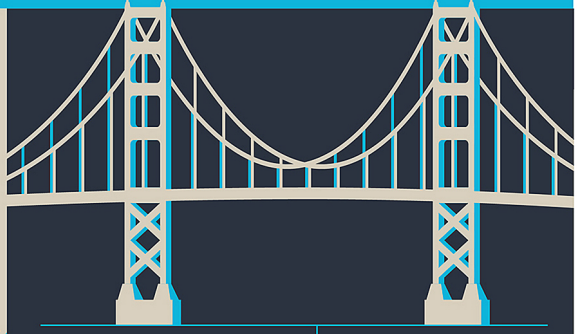
1 in 3 are open to switching banks in the next 90 days.

"I don't see the **difference** between my bank and all the others."



68% in 5 years, the way we access our money will be totally different.

70% in 5 years, the way we pay for things will be totally different.



The change will be **seismic.**

33% believe they won't need a bank at all.

Nearly half are counting on tech start-ups to overhaul the way banks work.

They believe innovation will come from **outside the industry.**

73% would be more excited about a new offering in financial services from **GOOGLE, AMAZON, APPLE, PAYPAL, OR SQUARE** than from their own nationwide bank.

In Community Banks

Reprinted from: Risk Management Association Blog

In its latest Semiannual Risk Perspective,[1] issued in December 2014, the Office of the Comptroller of the Currency (OCC) warned that the prolonged low interest rate environment continues to lay the foundation for future vulnerability. Banks that extend asset maturities to pick up yield could face significant earnings pressure and potential capital erosion depending on the severity and timing of interest rate moves. The OCC notes that the complexity of interest rate risk (IRR) management has been compounded by sustained, post-crisis bank deposit inflows and shifts in deposit mix resulting in a considerable amount of funding at historically low rates. The OCC believes understanding the future behavior of these depositors is a key component of the IRR modeling process, considering the risk of atypical rate sensitivity in these deposits. The OCC urges banks with significant concentrations in longer-term assets to assess their vulnerability to a sudden rise in interest rates.

Banks also need to assess how non-maturity deposits (NMD) react to rising rates and consider the uncertainty of depositor behavior in their model assumptions and resulting risk exposure. The OCC states that the retention rate and pricing of post-crisis deposits remain key behavioral factors in IRR models. The surge in deposits associated with the flight to quality that began during the financial crisis has continued. This trend is supported by the near-zero rate environment and the fact that low interest rates make it inexpensive for depositors to remain liquid. The OCC fears that segments of a bank's core depositors may react differently when interest rates increase than they have in the immediate post-crisis environment. The OCC states that it expects banks to model alternative deposit assumptions to understand the range of potential outcomes given the uncertainty of the stability of surge deposits or the deposit mix where surge inflows were less evident.

In upcoming examinations, regulators will expect all banks to have an effective asset-liability risk management framework that identifies and monitors the bank's IRR position and its potential impact on earnings and capital. This framework should be incorporated in overall risk management efforts and be commensurate with the bank's complexity, activities, and condition.

Supervisory expectations related to IRR management are contained primarily in two documents – the 1996 Joint Agency Policy Statement on Interest Rate Risk and the 2010Interagency Advisory on Interest Rate Risk Management. These documents make clear that the backbone of an effective IRR management process is an informed board of directors, capable management, and appropriate internal resources. The board and senior management should have asset-liability management policies that detail responsibilities, risk limits, and strategies related to the management of IRR.

Examiners will focus on IRR measurement processes to ensure that management properly assesses a bank's vulnerability to changes in interest rates and, as appropriate, implements measurement tools to monitor and control this risk. The use of unsupported or stale assumptions is one of the most common

(***Interest Rate Risk*** *continued on next page)*

(***Interest Rate Risk*** *continued from previous page)*

IRR issues identified by examiners. Examiners will expect bankers to be prepared to discuss the results of the bank's IRR measurement system and potential risks, as well as key strategies to mitigate these potential risks.

Banks are also expected to regularly review the effectiveness of the IRR management system, either as part of the internal audit process or by means of an independent review. Regulators emphasize that there is no requirement to use a third party to complete the independent reviews; knowledgeable and capable bank employees sufficiently removed from the primary IRR function can perform this work. Many community banks find it more practical and economical to complete this function internally.

Managing IRR is a central aspect of prudent banking, and regulators recently have been re-emphasizing the importance of effective policies, strong internal monitoring and control procedures, and appropriate risk mitigation strategies to appropriately manage rate sensitivity. Evidence of growing regulatory concern regarding this risk area is the FDIC's Winter 2014 edition of Supervisory Insights,[2] which contains four articles devoted to IRR management that provide valuable information for community bankers. As the FDIC observes, good planning now can help minimize the potential for negative impacts.

1. Semiannual Risk Perspective is available at http://www.occ.treas.gov/publications/publications-by-type/other-publications-reports/semiannual-risk-perspective/semiannual-risk-perspective-fall-2014.pdf

2. The Winter 2014 issue of Supervisory Insights is available at https://www.fdic.gov/regulations/examinations/supervisory/insights/siwin14/SIwinter2014.pdf

Defining Main Street

Written By: John H. Buhrmaster, Chairman of ICBA

From the TOP

When you think of Main Street, you think of community banks, right?

As community bankers, we know this to be true, but I can't help but think what a world this would be if every American also knew this to be a fact. While there's no question that community bankers themselves and ICBA have elevated community banks to superstar Main Street status in the minds of many, there is still more we can do to shine a light on our connection to Main Street. And let me tell you, your team at ICBA will be there every step of the way to help you spread the positive story of community banks.

After all, that is ICBA's one and only mission—to create an environment where community banks can flourish. And flourish we will.

The time is ripe, and it's time for our community banks, our customers, our communities and Main Street to shine. After all, we're all in this together. We all depend on one another. It's all part of this powerful symbiotic relationship that has been forged over decades and in many communities for over a century. Community banks and Main Street have thrived together for years, and that won't stop anytime soon. In fact, I think this symbiotic relationship will only get stronger over time.

Why? Because we know who we are, what we stand for and who we stand for.

The Wall Street financial crisis forced community bankers to more aggressively define themselves. We are a humble bunch, but that didn't mean that we were going to stand back and let our banks be scooped up and counted with Wall Street. It was through this determination to differentiate ourselves throughout the crisis that we found ourselves once again. We may have known it before, but the financial crisis was a catalyst for us to realize even more fully that we aren't like the others; community banks are something special and unique. That's something to be proud of.

As I've traveled across the country as your ICBA chairman over the past year, talking and meeting with many of you, I couldn't help but feel this incredible sense of vigor and excitement for the community bank industry. Sometimes it takes a crisis to fully see what you have in front of you and why it's important. It forces you to see things through a different lens, and many times, a clearer one. While none of us ever want to relive the Great Recession, we can all take away some important lessons from it—one being that the community banking industry needs to stick together and always define itself and its connection to Main Street. We refused to be pushed over and lumped in with the Wall Street crowd, and by doing so we more fully defined who we are and, just as importantly, who we aren't.

"...community banks are something special and unique. That's something to be proud of."

So as you move forward with your marketing and public relations plans over the next year, please don't forget one important basic—never forget to define your community bank and its connection to Main Street. You and your bank stand for something more powerful than any Wall Street megabank could dream of—you directly help your community thrive one loan at a time.

John H. Buhrmaster is Chairman of the ICBA and President and CEO of 1st National Bank of Scotia, in Scotia, New York.

Securing Payments Security

Written By: Camden Fine, President and CEO of ICBA

FINE POINTS

Safeguarding customers' financial information is central to maintaining essential public trust in the financial and payments systems. Nobody understands this more intrinsically than the nation's community banks. Security, along with trusted financial products and expertise, is a foundation of every community bank's franchise value. As dedicated financial guardians, you stand the watch for your customers every single day.

Today, community banks must defend against a staggering barrage of relentless, highly sophisticated cyberthreats. As card issuers and account providers, you know firsthand that the most successful attacks have occurred against the largest retailers. Those data breaches have resulted in record card reissue costs and other losses for community banks. The Target and Home Depot card data breaches alone have cost community banks at least $130 million to reissue customer credit and debit cards, in addition to direct fraud losses.

"As dedicated financial guardians, you stand the watch for your customers every single day."

For years ICBA has been working to put consistently strong security standards, regulations and procedures in place across the entire payments system. In 2014, in response to massive retail breaches, ICBA released a set of core data security principles to help guide policymakers, the payment card networks, the largest banks, merchants and technology service providers through the next steps to modernize and strengthen, as well as equitably sustain, how data is protected throughout the payments system.

Three of those core principles stand out as particularly important in light of today's cybersecurity risks and challenges.

1. **Costs of data breaches should be borne by the breached party.** Any breached party should bear responsibility for the fraud and mitigation costs it causes—to itself and to others. Aligning incentives to maximize data security by all parties that process or store consumer data will make the payments system stronger over time. However, payment card network rules governing fraud and card reissuance and the interchange model, designed before today's wide-scale data breaches, amount to reimbursement of pennies on the dollar and don't begin to fairly compensate community banks for their expenses.

2. **All payments system participants must uphold similarly strong data security standards.** Since 1999, all financial institutions have been subject to rigorous data protection standards under the Gramm-Leach-Bliley Act while merchants and other payments parties have not. Every system is only as strong as its weakest link, and the weakest link must be subject to the same or similar federal data security standards. Sensitive bank data should not become vulnerable to cybercriminals because other entities involved in the payments system don't maintain the same strong data security standards as banks.

3. **Technology will never provide infallible protection.** Community banks, other financial institutions and, increasingly, merchants are adopting smart-chip technology, tokenization and end-to-end encryption to construct a layered approach to security. However, because cybercriminals search for the weakest links in every system chain, the payments marketplace must retain the regulatory flexibility to continually innovate to maintain strong security.

Ultimately, data protection is a shared responsibility of all those involved in the payments system. There's a lot of work to do by everyone. Guided by these principles and others, ICBA will continue to be the voice for the nation's community banks toward building a flexible but comprehensive payments system that continues to protect Americans today, tomorrow and for years to come.

Following Mr. Fine

More than 1,000 people are following Camden Fine's tweets **@Cam_Fine**— are you? Visit **www.twitter.com/cam_fine**.

The Leaders of Tomorrow's to Spend a Day at the Capitol

LOT's Quarterly Meeting Is Feb. 19

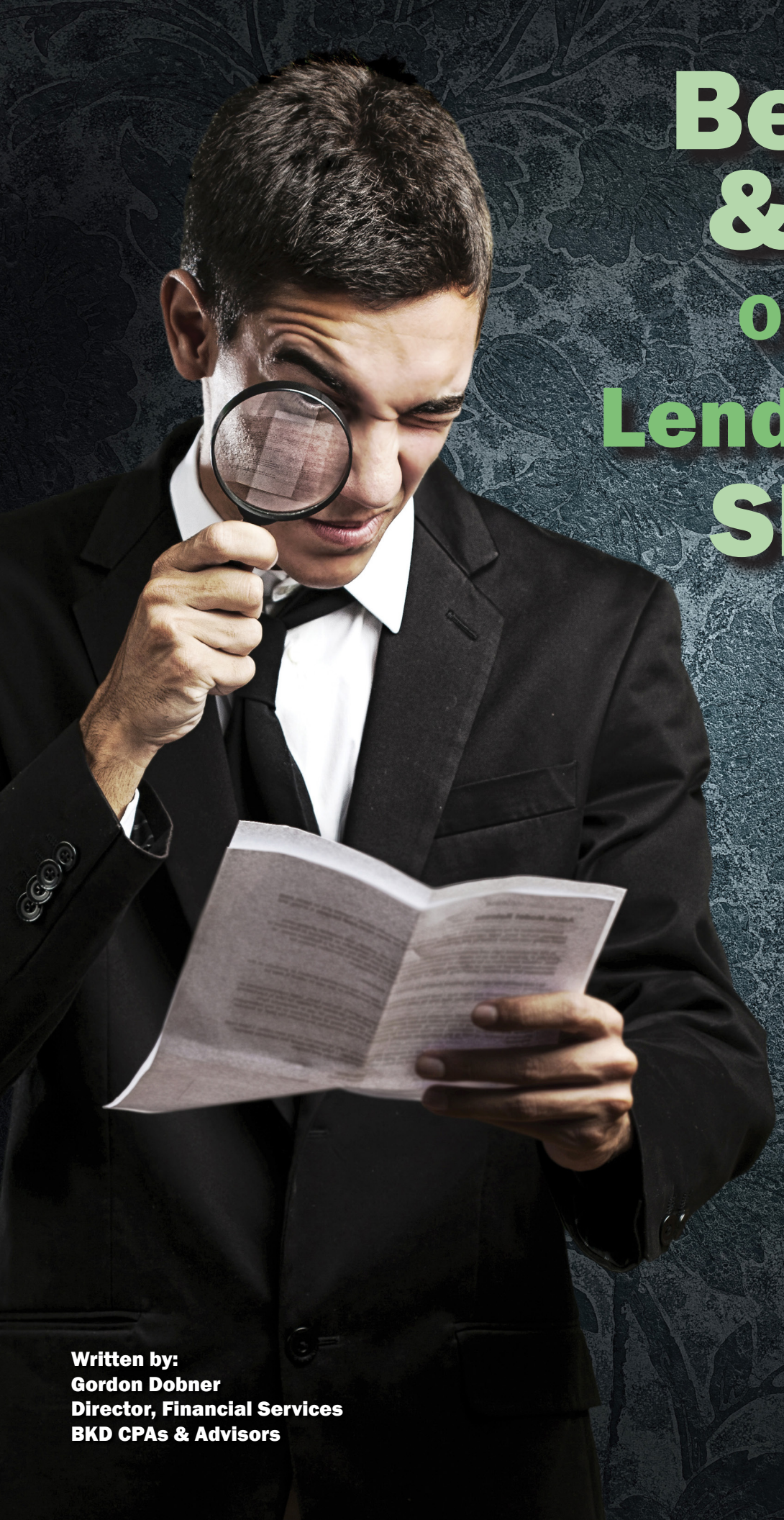
The Community Bankers of Iowa's Leaders of Tomorrow (LOT) group is headed to the Capitol for their next Quarterly Meeting, being held Thursday, February 19. Send the up-and-coming leaders in your bank to this educational, networking event!

Attendees will begin the day with Governor Branstad as he signs a proclamation declaring April 2015 as Community Banking Month. They will also learn about the current political climate in Iowa and CBI's advocacy efforts for the 2015 session during a presentation by CBI lobbyist Jeff Boeyink. To close the meeting, LOT members will sit in on an Iowa Legislature session.

For more information or to register, contact Pretty Patel at 515.453.1495 or via email at ppatel@cbiaonline.org.

The Leaders of Tomorrow is a program created by CBI to enhance the growth, leadership, and networking skills of future banking leaders. LOT establishes a network of leaders who serve and strengthen their communities and advocate for the community banking industry. If you are interested in becoming a member of the Leaders of Tomorrow, contact us at 515.453.1495, via email at cbia@cbiaonline.org, or visit our website at www.cbiaonline.org.

Benefits & Risks of Being a Lender in the SBA 7(a) Loan Program



Over the past several years, the number of financial institutions becoming U.S. Small Business Administration (SBA) 7(a) lenders or expanding their lending in this program has increased. The benefits can be significant, but so can the risks if a lender doesn't understand the program requirements or have experience liquidating SBA 7(a) loans. Accounting standards regarding the sale of the guaranteed portion of an SBA 7(a) loan are a significant—often unseen—operational and financial pitfall. This article offers a high-level look at the benefits, risks and accounting considerations for lenders in the SBA 7(a) Loan Program.

Written by:
Gordon Dobner
Director, Financial Services
BKD CPAs & Advisors

BKD LLP CPAs & Advisors

Benefits

SBA's guaranteed loan program benefits small businesses by helping fund long- or short-term loans. By participating with SBA, the lender can loan small businesses the capital required to begin or expand their operations on terms consistent with their cash needs. The guarantee program facilitates the leveraging of SBA's appropriated funds with private-sector capital, increasing the pool of funds available to small businesses. SBA hopes this greater accessibility to capital will promote a healthy, vibrant and productive economy.

The lender can benefit from participating in SBA's guaranteed loan program in a number of ways, including:

- **Lending in excess of legal lending limit** – The SBA-guaranteed portion of a loan generally isn't included when calculating the legal lending limit, subject to state banking laws, to individual or affiliated borrowers, thereby permitting larger loans than would otherwise be allowed.
- **Assistance developing new accounts** – By offering loans consistent with the useful lives of the assets being financed and the ability of the customer to repay, a lender can attract customers unable to find longer-term loans from other lenders.
- **Creating liquidity** – This benefit applies to all lenders, since the SBA-guaranteed portion of a long-term loan is saleable and a source of liquidity.
- **Help meeting Community Reinvestment Act provisions** – Participating in SBA's guaranteed loan program will improve the local economy by fostering growth of businesses financed and jobs created.
- **Increase profits** – An active secondary market often exists for SBA-backed loans; taking part in it can generate noninterest income.

Primary Risks

The primary risks involved in SBA 7(a) lending occur in the closing, servicing and liquidation stages. While repairs—lowering of the guaranteed amount—and denials of guarantees usually come in the liquidation stage of the credit, the cause is often failure to appropriately obtain, verify or document at or before the funding and closing of the loan. The leading causes of repairs and denials of SBA guarantees are:

1. Lien and collateral deficiencies
2. Unauthorized use of proceeds
3. Liquidation deficiencies
4. Undocumented servicing actions
5. Early defaults (denial if determined to be reason for business failure)
6. SBA loan eligibility (denial)

Accounting Considerations when Selling Guaranteed Portion of SBA 7(a) Loan

Although most significant risks lie on the credit side of SBA 7(a) lending, many financial institutions don't adequately prepare their personnel and loan or accounting systems for the complexity of accounting related to selling of the guaranteed portion of an SBA 7(a) loan or pool of loans. Accounting for the guaranteed portion of SBA loan sales is covered under Accounting Standards Codification (ASC) 860, Transfers and Servicing. Here are some of the common issues related to meeting the sales accounting requirements under ASC 860, assumptions and loan system issues when recording the sale and impairment of servicing rights:

Meeting the participating interest definition under ASC 860 – Since only the guaranteed amount is being sold, the sale must meet the normal sale requirements under ASC 860 and the definition of a participating interest. To meet the definition of a participating interest, the transfer of the guaranteed portion of the loan must meet the following requirements:

- The transfer represents a pro rata ownership in an entire financial asset.
- Cash flows are proportionate with ownership.
- All participants have equal rights with no subordination and no recourse to the transferor or other participants.
- No party can pledge or exchange the entire financial asset without the agreement of all participating interest holders.

However, if the transferred guaranteed portion of an SBA loan doesn't meet the definition of a participating interest, the transfer of the guaranteed portion must be accounted for as a secured borrowing, rather than a sale.

Loan systems & assumptions – Once a lender determines the sale of the guaranteed portion of an SBA 7(a) loan meets all sale and participating interest requirements of ASC 860, it must account for the loan as follows:

1. Allocate the previous carrying amount of the entire financial asset between the participating interest sold and the participating interest that continues to be held on the basis of their relative fair values.
2. Derecognize the participating interest sold.
3. Recognize the measurement of the servicing asset obtained.
4. Recognize any gain or loss on the sale in the earnings.
5. Report any participating interest that continues to be held at a difference between the previous carrying amount and the derecognized amount.

Financial institutions not selling SBA 7(a) loans may lack the systems or programs to account for the sale at the relative fair value using the steps above. Therefore, they might need to enlist a third-party system provider or develop a system and process to determine the accounting entries for the sale. The process a lender chooses should be based on the experience of personnel as well as volume. In addition, a lender will need to ensure it has a system in place to record ongoing entries for any accretion of discount related to the fair value and portion of loan retained as well as the servicing right asset going forward. A lender planning to sell a significant number of SBA 7(a) loans may consider using a third-party software to reduce time demands and potential errors associated with trying to track and record these items using spreadsheets.

Although several assumptions and inputs are required to account for an SBA 7(a) loan sale, the most judgmental and subjective assumptions relate to fair value of the servicing right asset. When valuing the servicing right asset for SBA 7(a) loan sales, the present value of future cash flows typically is used, as there isn't an active market for these service rights. To calculate this value, a lender usually needs to include the servicing fee, a discount rate, cost of servicing, default rate and prepayment rate. ASC 860 requires servicing assets to be subsequently valued using the fair value or amortization method at each reporting date.

While the benefits of being an SBA 7(a) lender can be great, without the appropriate experience, due diligence and planning, this program can lead to potential credit issues and operational headaches.

News from CBI Services & Insurance Members

NEW HIRES: Vantage Point Solutions

Natalie Sundvold, Banking Division Manager, VPS.

Kevin Edward, Risk and Regulatory Compliance Manager, VPS.

Two new assets have been added to the team at CBI Affiliate Member Vantage Point Solutions (VPS), to manage a rapidly growing and advancing Banking Division: Natalie Sundvold, VPS' new Banking Division Manager, and Kevin Edward, Risk and Regulatory Compliance Manager.

Natalie will handle the day-to-day operations of the Banking Division, focusing on development sales and the delivery of bank products and services for the company. Sundvold's experience was at a local financial institution where she was a Senior Vice President and the Corporate Security Officer.

Chad Glanzer, VPS President, said, "We are pleased to announce the addition of Natalie to our team. We feel her experiences will be an asset to our company and to this department. Not only will she bring a concentrated focus to product development, Natalie will be a great resource for the banking division."

Kevin's experience as a former Associate General Counsel and Corporate Secretary for a local financial institution, he has worked in the areas of corporate governance, reputation and branding matters, internal policy drafting and implementation, litigation support, dispute resolution and contract negotiation.

"He brings a valuable perspective to the team with his legal expertise in addition to a high level of experience in regulatory compliance and risk management. Kevin will be an asset to financial institutions in this complex and continuously changing environment," said Natalie Sundvold, Banking Division Manager at VPS.

Vantage Point Solutions, Inc. (VPS) is a customer-focused, technology-driven engineering and consulting firm serving the telecommunications and financial industries. VPS has more than 400 clients in 45 states and 8 foreign countries. Combining professional engineering, technical expertise and extensive regulatory knowledge, VPS designs technically advanced and economically viable solutions, customized for their clients.

For more information about Vantage Point Solutions, visit their website at www.vantagepnt.com.

Former CBI Staffer Joins SHAZAM

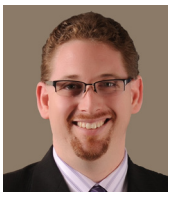
Megan Hollinger, SHAZAM's new Senior Account Executive.

CBI Endorsed Member The SHAZAM Network announced the addition of Megan Hollinger to the company's relationship development team. Hired as a Senior Account Executive, Hollinger brings nearly 15 years of business development, sales and account management experience to the member-owned EFT network.

Prior to joining SHAZAM, Hollinger was a membership development director for the Community Bankers of Iowa. Within this role, she advised financial institution management on regulations, lobbying efforts and educational opportunities *(editor's note: ...and Megan is sorely missed!).* Hollinger has also held sales management positions with Paychex, ADP and DES Staffing Services, Inc.

The SHAZAM Network (www.shazam.net) is one of the last remaining member-owned and -controlled electronic funds transfer (EFT) networks and processors in the industry. SHAZAM provides choice and flexibility to community financial institutions throughout the U.S. SHAZAM is a single-source provider of the following services: debit card, core, fraud, ATM, merchant, marketing, platform, risk and automated clearing house (ACH).

Whitfield & Eddy Attorney Certified As Creditors' Rights Law Specialist



Jonathan Kramer, attorney with Whitfield & Eddy PLC.

W&E attorney Jonathan E. Kramer has been certified by the American Board of Certification (ABC) as a Creditors' Rights Law Specialist. Kramer complied with all applicable requirements for certification in creditors' rights law and met all standards as set forth in the ABC program. To be certified, Jonathan passed an extensive, day-long written examination covering creditors' rights issues, went through a peer review process, and devoted a minimum of 400 hours to the practice of creditors' rights law during each of the last three years.

Jonathan represents creditors in state, federal or bankruptcy court litigation (including hearings, trials and appeals) relating to debt collection. He speaks regularly on issues relating to collecting judgments, obtaining judgments, debt collection practice and good financial decision-making in the judgment collection process.

Learn more about CBI Affiliate Member Whitfield & Eddy at www.whitfieldlaw.com.

MIB Celebrates 30th Anniversary, Names New President

MIB
One Source. One Call.

New MIB President Matt Sinnett.

As Midwest Independent Bank (MIB) celebrates its rich 30-year history, the company also looks to its future and the future of its respondents. "MIB is positioned very well to go into the next 30 years of its life," CEO Mike Wasson said of the company's current strength.

Established in January 1985, MIB began business in Missouri as Missouri Independent Bank, the ninth bankers' bank in the United States. Midwest Independent Bancshares, Inc., the parent company of the bank, began operation with 72 shareholder banks at its inception. The company, based in Jefferson City, Mo., now has 356 shareholders and serves community banks throughout the states of Missouri, Iowa, Nebraska and Illinois. To better represent its regional impact, MIB changed its name from Missouri Independent Bank to Midwest Independent Bank in 1994.

For its nearly 550 banking customers, many of which have been customers for decades, the company truly lives up to its "One Source. One Call." mantra. MIB offers a variety of services in house, making it a one-stop shop for community banks. It specializes in lending, bank operations and audit/consulting services – all while promising not to compete with its respondents.

"At the end of the day, what we do is help community banks prosper and grow," Wasson said.

MIB also welcomes a new President to the helm. Current President/CEO Mike Wasson has moved into a more prominent role as President/CEO with MIB's investment firm, First Bankers' Banc Securities, Inc. Wasson will also continue in his current role as President/CEO of Midwest Independent Bancshares, Inc. Longtime MIB employee Matt Sinnett, currently the Senior Executive Vice President, will take on the new role as President of the bank. Sinnett has held many positions throughout his 23-year tenure at MIB, giving him the experience needed to move the company forward.

"In the past 30 years we've developed such strong relationships with our community bank customers. I'm looking forward to building on those relationships and continuing to expand within our service region," explains Sinnett. "We have had a solid foundation to work upon and I look forward to continuing to assist community banks in our marketplace thrive."

Discover CBI Associate Member MIB at www.mibanc.com.

Not Just a Transaction

ICBA Securities Benefits from Its State Partners

Jim Reber, President and CEO - ICBA Securities
800-422-6442 or jreber@icbasecurities.com

It has now been more than 25 years since the ICBA has been in the broker/dealer business. Way back in 1988, the national trade association for community banks created ICBA Securities, and it's not hyperbole to say that the endeavor has surpassed all expectations.

There are many components in this unique business model. ICBA Securities is the only institutional broker/dealer owned by a trade association in the country, so that's a tangible difference. It has benefitted immeasurably by its lifelong relationship with Vining Sparks, a full-service broker/dealer and one of the 15 largest underwriters of government agency debt in the world. But another vital element in this delivery system is the endorsement that ICBA Securities receives from 35 state and regional partners.

Leap of Faith. ICBA actually acted upon a suggestion by an OCC executive to get into the bond business. The regulators in the late 1980s had seen repeated examples of dodgy brokers taking advantage of their community bank customers, and thought that a broker/dealer owned by the industry could better police itself, and ultimately deliver products and services in line with the industry's needs.

Vining Sparks was one of 30-plus institutions invited to audition for the ICBA Securities derby. Back in 1988 it would have been considered a dark horse, at best. Vining Sparks at the time was only seven years old, and had less than $5 million in capital. In spite of the lack of size or track record, Vining Sparks was chosen to lead the new broker by virtue of founder and president Jim Vining's reputation, expertise in the new concept of asset/liability management, and the firm's toehold with community banks nationwide.

Values Added. By 1991, ICBA Securities had booked enough income to begin sharing with the industry. The ICBA leadership established a policy that called for 30 percent of operating income to be shared with the state association partners which endorsed the securities sub. Also, the unique relationship with Vining Sparks ensured that ICBA Securities would never operate at a loss, so there would always be profits to share. This royalty arrangement continues today.

Another nicety that attaches to the ICBA Securities brand is a board of directors made up of well-respected community bankers. To date, six ICBA chairman have also been on the Securities board.

Yet another distinction of ICBA Securities is its markup policy. This stance, first mandated by the ICBA Securities board in 1988, limits the amount of commission that Vining Sparks can charge on a given trade. This unilateral policy is more restrictive than Vining Sparks' chief regulator, FINRA, allows.

Spreading the Love. Back to the revenue-sharing. Vining Sparks pays a fee to ICBA Securities on every transaction it completes with a community bank. That fee is the basis for ICBA Securities' operating income, 30 percent of which is split with the various state affiliates. We keep track of our geographic footprint, so we can distribute the royalties back to the state partners in proportion to where we earned it.

Through 2014, ICBA Securities had distributed nearly $14 million to its state and regional partners from this program, including over $1 million per year from 2009 through 2012. In addition to this, ICBA Securities has paid over $9 million in dividends to its parent, the ICBA Services Network, and about $17 million in royalties to the ICBA. In total, over $40 million has been reinvested in the community banking industry.

It is fair to say that every community bank in the country has benefitted from ICBA Securities and its policy of returning its profits to the members. The close affiliation which ICBA Securities enjoys with its state and regional partners has been instrumental in our success. Your association has earned our respect, and appreciation.

2015 Lending Outlook

Industry insiders are bullish on lending growth but say banks need to make significant customer experience investments to compete with alternative lenders.

Written by: Anne Rawland Gabriel - Bank Systems & Technology

With economic indicators rising at the end of 2014, industry insiders expect an upward trend for lending in 2015. But, for banks to capitalize on burgeoning demand, it will require playing catchup in some key technology areas. To get a sense of what's at stake and what's needed to compete, we polled three banking veterans. Here's what they had to say.

How to Address Competition From Alternative Lenders

Jerry Silva, Research Director, Global Retail Banking, IDC Financial Insights

Lending activity and technology infrastructure: While IDC Financial Insights absolutely expects a rise in lending activity, particularly in the SMB segment, banks face stiff competition from alternative lenders. Such lenders are now leveraging years of automation investments to aggressively enter the traditional commercial lending market.

For banks to compete, they must let go of the manila folder, embrace streamlining, and speed lending decisions. This doesn't mean an entire complex lending process needs to be completed in seconds or even hours, just that a decision can be reached and communicated quickly.

Customer experience: Banks should pursue a multi-faceted approach in this area. It starts with mobility. At the enterprise level, banks should provide lenders full-capability lending tablets and send them into the field. Also, banks need to enable pre-populating forms with data they already have. Beyond speeding lending decisions, this reduces customer frustration with providing the same information numerous times. And adding transparency is critical. Everyone's visibility expectations are heightened due to the "FedEx Effect."

Regulatory landscape: Although there are no imminent new major regulations, banks need to design systems to respond to any type of future regulatory guidance. When developed with the proper vision, such systems can also be leveraged for marketing or segmenting purposes, enabling banks to drive business value from their regulatory investments.

Technology investments to enable competitive lending strategies: Customer engagement technologies are critical to ongoing trust rebuilding post-GFC. Customer engagement goes deeper than customer experience by adding value to lending products. It means integrating systems and processes to enable effective cross-selling after onboarding a customer. Essential technologies include big data and analytics as well as various forms of cloud computing.

Close the Customer Experience Gap

Terry Renoux, Group President Lending Solutions, ProfitStars, a division of Jack Henry & Associates

Lending activity and technology infrastructure: While bankers in all US geographies are expecting lending growth, they're also realizing they need to compete with alternative lenders -- which are experiencing 100 percent asset growth rates. For banks, this means traditional paper-based processes just won't work anymore.

Customer experience: The banking industry has expected commercial borrowers to tolerate a lesser customer experience

(***Lending Outlook*** *continued on next page)*

(***Lending Outlook*** *continued from previous page)*

due to loan complexity. For example, our recent research suggests over 85 percent of banks up to $10 billion in assets have no online application option, no automated approval process, and no automated pricing.

Alternative lenders have used this gap to market and originate small-business loans in extraordinary volumes over the past three to four years. SMB borrowers are now gravitating to alternative lenders, even if the loans are more expensive, because they believe calling a bank will take too long. Clearly, banks need to close this customer experience gap.

Regulatory landscape: Although there's little dramatically new, the most recent Office of the Comptroller of the Currency guidance states banks need to look toward automation and technology to improve risk management. So, regulators clearly expect banks to have robust systems for compiling and tracking data accurately -- it's not optional any more.

Technology investments to enable competitive lending strategies: This is precisely the area bankers are asking about. We advise banks to make borrowing easy and provide a competitive customer experience. We also advise against the shotgun approach, as the investments required for each market segment can be quite different. For profitability, banks must pick the segments they want to target. Then, they must adopt the niche technologies that permit attracting borrowers, safely originating loans, and properly managing risk within those segments.

Improve Visibility, Embrace Mobile
Darren Lowe, VP Information Technology, Stearns Bank

Lending activity and technology infrastructure: Although we're already busy, we're considering a focus shift toward Small Business Administration lending. We're seeing increasing opportunities for SBA loans as well as for lending in general.

With respect to technology, we're attacking it on multiple fronts to streamline systems and get off of spreadsheets. Instead of entering information on a new prospect a half-dozen times, we're adopting banking systems and automated workflows to reduce entry to one. And, where there were no software systems, we're putting technology solutions in place.

Customer experience: Improving visibility into our lending process is very important to us, particularly with respect to providing customer insight into the status of supporting documentation. We're working with our technology partners on a portal to address this need.

More generally, banks should be continually assessing the latest mobile and online technologies to make the loan processes as simple and transparent as possible. This is especially important with younger generations becoming business leaders -- they won't tolerate banks that don't keep up in this regard.

Regulatory landscape: Our examiners have shown particular interest in stress testing. To address regulator concerns, we're moving toward a portfolio analysis solution.

Technology investments to enable competitive lending strategies: We've talked to many peers who are still paper-based. This is increasingly unacceptable from a compliance standpoint as well as for profitability.

Instead, we're undergoing a complete transformation to flexible, customizable technology solutions, with automated workflows that integrate well with each other and with our core systems. We're also investing in end-user training to ensure our staff can take full advantage of these new solutions. And, going forward, we expect to constantly evaluate advancements in loan origination and customer engagement technologies.

Main Street Economic Survey


Ernie Goss

Rural Mainstreet Index Remains Weak for January:
Cash Farmland Rents Expected to Fall by 16 Percent in 2015

January Survey Results at a Glance:

- The Rural Mainstreet Index advanced slightly for January, indicating tepid growth in the regional economy.
- Farmland prices sank for the 14th straight month.
- Bankers expect 2015 cash rents to decline to $214 from last year's $254.
- Approximately 71 percent of bankers reported that lower oil prices have not affected ethanol production in their area.
- One half of bank CEOS reported that rising regulatory costs represent the biggest threat to their banks in 2015.

OMAHA, Neb. – The Creighton University Rural Mainstreet Index for January rose slightly from December's weak reading according to the monthly survey of bank CEOs in rural areas of a 10-state region dependent on agriculture and/or energy.

Overall: The Rural Mainstreet Index (RMI), which ranges between 0 and 100, was 50.9 in January, up from December's 50.0.

"Lower energy and grain prices along with weaker exports, continue to restrain growth in the rural economy," said Ernie Goss, Ph.D., Jack A. MacAllister Chair in Regional Economics at Creighton University's Heider College of Business.

According to Pete Haddeland, CEO of the First National Bank in Mahnomen, Minn., "Lower gas prices are having a positive effect."

Lower corn and fuel prices have yet to impact ethanol producers according to bank CEOs. More than 71 percent reported no change in production for ethanol firms in their area. Only 14.4 percent indicated reduced ethanol production while 14 percent indicated ethanol production was higher for local ethanol firms.

Farming and Ranching: The farmland and ranchland-price index for January advanced to a weak 39.4 from December's 38.6. "Much weaker crop prices continue to take air out of the bubble in agricultural land prices. This is the 14th straight month the index has moved below growth neutral," said Goss.

On average, bank CEOs expect 2015 cash rents for farmland to decline to $214 per acre, down significantly from last year's $254.

James Brown, CEO of Hardin County Savings Bank in Eldora, Iowa, said, "Cash rents are down $25 to $50 per acre in some cases, but many are closer to what they were last year. If commodity prices stay in this range there will be more significant decreases next year."

The January farm-equipment sales index expanded to 29.5 from 23.7 in December. The index has been below growth neutral for 18 straight months. "Farmers have become very cautious regarding equipment purchases even though they have not changed their spending on seed and chemicals," said Goss.

On the other hand, Jim Ashworth, president of Carlinville National Bank in Carlinville, Ill said, "As usual, following a successful growing season, many grain producers have made year-end equipment purchases as a tax management strategy."

Banking: The January loan-volume index declined to 62.1 from December's 76.7. The checking-deposit index expanded to 64.8 from December's 62.1, while the index for certificates of deposit and other savings instruments fell to a very weak 42.6 from last month's 44.0.

This month bank executives were asked to name their biggest economic challenge for 2015. "Half of the bankers identified rising regulatory costs as the greatest economic challenge for the year. Approximately, 22.2 percent, 16.7 percent, and 3.7 percent indicated that growing competition, low loan demand and rising loan default, respectively, represented the biggest risk or challenge for 2015," said Goss.

Hiring: Despite weaker crop prices and pullbacks from businesses with close ties to agriculture and energy, rural Mainstreet businesses continue to add workers to their payrolls. The January hiring index slipped to 52.8 from December's 55.2. "Businesses on Rural Mainstreet continue to add jobs at a positive pace even with the weaker agriculture conditions and lower energy prices. Year-over-year job growth for the region is now approximately 1.4 percent, which is down from 1.8 percent recorded last month, but still well above the historic average," said Goss.

Confidence: The confidence index, which reflects expectations for the economy six months out, advanced slightly to 43.6 from

(***Rural Mainstreet*** *continued on next page)*

(***Rural Mainstreet*** *continued from previous page)*

42.5 in December. "Much weaker crop prices and declines in energy prices have negatively affected the outlook of bank CEOs in energy and agriculture dependent portions of the region," reported Goss.

Home and Retail Sales: The January home-sales index sank to 45.3 from December's 51.7. The January retail-sales index slumped to 43.6 from 55.3 in December.

Each month, community bank presidents and CEOs in nonurban, agriculturally and energy-dependent portions of a 10-state area are surveyed regarding current economic conditions in their communities and their projected economic outlooks six months down the road. Bankers from Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota and Wyoming are included. The survey is supported by a grant from Security State Bank in Ansley, Neb.

This survey represents an early snapshot of the economy of rural, agriculturally and energy-dependent portions of the nation.

The Rural Mainstreet Index (RMI) is a unique index covering 10 regional states, focusing on approximately 200 rural communities with an average population of 1,300. It gives the most current real-time analysis of the rural economy. Goss and Bill McQuillan, former chairman of the Independent Community Banks of America, created the monthly economic survey in 2005.

Colorado: Colorado's Rural Mainstreet Index (RMI) remained above the 50.0 threshold for the 11th straight month, though the index declined to 50.9 from December's 52.5. The farmland and ranchland-price index rose to 50.1 from December's 48.6. Colorado's hiring index for January declined to a healthy 60.8 from 62.3 in January. Colorado Rural Mainstreet job growth for the past 12 months was 1.4 percent.

Illinois: The RMI for Illinois expanded to 50.5 from December's 49.4. The Illinois farmland-price index expanded to 38.2 from 36.9 in December. The new-hiring index fell to 51.3 from 52.9 in December. Illinois Rural Mainstreet job growth for the past 12 months was 1.0 percent.

(***Rural Mainstreet*** *continued on next page)*

Tables 1 and 2 summarize survey findings

Next month's survey results will be released on the third Thursday of the month, Feb. 19.

Table 1: Rural Mainstreet Economy Last Two Months and One Year Ago: (index > 50 indicates expansion)

	January 2014	December 2014	January 2015
Area economic index	50.8	50.0	50.9
Loan volume	57.8	76.7	62.1
Checking deposits	68.2	62.1	64.8
Certificates of deposit and savings instruments	41.6	44.0	42.6
Farmland prices	43.8	38.6	39.4
Farm equipment sales	41.0	23.7	29.5
Home sales	49.3	51.7	45.3
Hiring	53.8	55.2	52.8
Retail business	46.2	55.3	48.1
Confidence index (area economy six months out)	49.2	42.5	43.6

Table 2: The Rural Mainstreet Economy, January 2015

	Percentage of bankers reporting				
	$500 - $600	$300 - $499	$200 - $299	$100 - $199	Below $100
What is your estimate of the average per acre cash rent for non-irrigated cropland (not pasture) in your area for 2015?	2.0%	12.0%	46.0%	24.0%	16%
	Rising regulatory costs	Competition from Credit unions & Farm Credit	Low loan demand	Rising loan defaults	Other
What do you expect to be the biggest economic challenge for community banks for 2015?	50.0%	22.2%	16.7%	3.7%	7.4%
	Increased production	No change in production	A reduction in production	Production stoppage or closure	
For ethanol producers in your area, what has been the reaction to lower energy and agriculture commodity prices (responses from only bankers with ethanol plants in area)?	14.0%	71.6%	14.4%	0.0%	

(***Rural Mainstreet*** *continued from previous page)*

Iowa: The January RMI for Iowa climbed to 51.6 from December's 48.6. The state's farmland-price index for January expanded to 38.7 from 35.1 in December. Iowa's new-hiring index for January rose slightly to 51.7 from December's 51.5. Iowa Rural Mainstreet job growth for the past 12 months was 2.1 percent.

Kansas: The Kansas RMI for January slipped to 49.6 from December's 50.6. The state's farmland-price index sank to 38.9 from December's 40.6. The new-hiring index for Kansas declined to 51.9 from 55.9 in December. Kansas Rural Mainstreet job growth for the past 12 months was 0.1 percent.

Minnesota: The January RMI for Minnesota was unchanged from December's 51.0. Minnesota's farmland-price index grew to 42.1 from 41.6 in December. The new-hiring index for the state declined to 54.4 from December's 56.7. Minnesota Rural Mainstreet job growth for the past 12 months was 1.5 percent.

Missouri: The January RMI for Missouri declined to 54.1 from 54.3 in December. The farmland-price index expanded to 63.7 from December's 63.3. Missouri's new-hiring index decreased to 71.7 from 74.1 in December. Missouri Rural Mainstreet job growth for the past 12 months was 4.6 percent.

Nebraska: The Nebraska RMI for January advanced to 49.0 from 48.8 in December. The state's farmland-price index expanded to 34.0 from 32.9 in December. Nebraska's new-hiring index sank to 47.9 from December's 49.7. Larry Rogers, executive vice-president of First Bank of Utica in Utica, Neb., said "It is hard to understand how farmland prices are staying so strong, but around here they are. We are in the heart of seed corn raising territory." Nebraska Rural Mainstreet job growth for the past 12 months was 0.1 percent.

North Dakota: The North Dakota RMI for January rose to 56.8 from December's 56.7. The farmland-price index climbed to 73.0 from 71.7 in December. North Dakota's new-hiring index dipped to 79.1 from December's 80.8. North Dakota Rural Mainstreet job growth for the past 12 months was 7.3 percent.

South Dakota: The January RMI for South Dakota dipped to 49.4 from December's 49.6. The farmland-price index for January declined to 36.2 from last month's 37.6. South Dakota's new-hiring index slumped to 49.7 from 53.5 in December. South Dakota Rural Mainstreet job growth for the past 12 months was -0.1 percent.

Wyoming: The January RMI for Wyoming grew to 50.8 from December's 50.5. The January farmland and ranchland-price index slipped to 41.6 from December's 42.8. Wyoming's new-hiring index sank to 54.0 from December's 57.7. Wyoming Rural Mainstreet job growth for the past 12 months was 1.3 percent.

A name you've known and trusted for over 20 years.

Solutions that ICBA Securities can provide to your bank:

- **Bank Advisory -** Capital raises, mergers/acquisitions, strategic planning, valuations, ESOPs, stock options & more (offered through ICBA Securities' affiliate, Vining Sparks Community Bank Advisory Group)
- **Asset / Liability -** More than typical data analysis, reports & reviews, ALCO meetings (your partner all the way through review, strategy & execution)
- **Investment Portfolio -** Strategies, analysis, Fixed Income sales/support & investment subsidiary asset management support (offered through ICBA Securities' affiliate, Vining Sparks Asset Management, LLC)
- **Loan Trading -** Market makers in all loan types for community banks (SBA, USDA, Ag, Residential & Commercial, Performing & Non-Performing, etc), profit maximization, origination support, etc
- **Wholesale Funding -** Full-service wholesale funding support (issuing Brokered CDs, Repos/Reverse Repos, FHLB Advances Analysis, etc)
- **Interest Rate Products -** Increasing spread and income in the loan portfolio through interest rate swaps & support of all types (offered through ICBA Securities' affiliate, Vining Sparks Interest Rate Products, LLC)
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- **Software & Support -** Online Portfolio Management, Asset/Liability Reporting, Bond Accounting, Safe Keeping, Total Return Modeling
- **Education & Research -** Ongoing education, industry leading research, proprietary analytics

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