

# Update

## Nebraska Banking Professionals Receive Diplomas from Graduate School of Banking at Colorado



Graduates from left to right. Front Row: Taylor Kendle, First State Bank of Nebraska, Lincoln; Leah D. Smejkal, Security State Bank, Omaha; Greg L. Sander, First National Bank of Omaha, Columbus; Michelle L. Lindner, Nebraska Department of Banking & Finance, Lincoln; Julie A. Schmale, Cass County Bank, Plattsmouth. Back Row: Justin Ott, Henderson State Bank, Henderson; Grant V. Pille, Pinnacle Bank, Gretna; Jarryd J. Isreal, Mutual of Omaha Bank, Omaha; Taylor J. Jeppesen, First State Bank & Trust Co., Fremont; Michael Plate, Banner Capital Bank, Alma.

The Graduate School of Banking at Colorado (GSBC) is pleased to announce the graduation of 10 Nebraska banking professionals as a part of the class of 2019.

GSBC awarded 156 total graduates from across the nation with a diploma in banking during a ceremony Thursday, July 25, at University of Colorado in Boulder, Colorado.

Each GSBC student has been recognized by his or her bank CEO, president and supervisor as a rising star within their organization. During the 25-month program, which meets two weeks each July for three consecutive years, students are required to complete six intersession research projects, on-campus coursework, exams and a bank management simulation.

GSBC is one of America's Premier Community Banking Schools which prepares bank-industry professionals to take on senior management roles within their organizations.

## NBA Still Seeking Internship Hosts

Would your bank be interested in sponsoring an ag banking intern next summer? Students in the Agricultural Banking & Finance Program at the University of Nebraska-Lincoln are required to complete an internship with a financial institution following their junior year of college and host banks are needed!

The NBA assists in identifying member banks that are interested in sponsoring a summer intern. Interviews and arrangements for the internships will be conducted throughout the fall. In addition, the NBA – through the association's University Foundation Allocation Committee – awards scholarships to students who are enrolled in this program.

If this program is something your bank may be interested in for the summer of 2020, please contact Sarah Sasse-Kildow at 402-474-1555 or [sarah.sassekildow@nebankers.org](mailto:sarah.sassekildow@nebankers.org).



# News Briefs from Washington

## Fed to Offer Its Own Faster Payments Service

In a long-awaited decision, the Federal Reserve (Fed) Monday announced it would develop FedNow, its own real-time settlement service to compete with the bank-built, private-sector RTP network. The Fed's service will conduct real-time, payment-by-payment, final settlement of interbank obligations through debits and credits to banks' balances in accounts at the Federal Reserve banks, Fed Governor Lael Brainard said in a speech announcing the decision in Kansas City, Missouri.

The Fed said it does not expect FedNow to be available until at least 2023 or 2024. "The ABA has been a strong advocate for real-time payments in the U.S., and we believe every bank in the country and their customers will benefit from a seamless and ubiquitous system," commented ABA President and CEO Rob Nichols. Nichols said he hoped the Fed's decision will help "speed" the nation's transition to real-time payments, while adding that "the reality is that any Fed-built system will still take some time to build, so in the meantime the ABA will continue to encourage all banks to embrace the future and consider whether to connect to the existing Real-Time Payments network offered by the Clearing House."

While the Fed said that interoperability with other real-time payments networks – namely the RTP network – would be "a desirable outcome," it did not commit in its notice to make FedNow interoperable with other networks, which is a capability that the ABA has said would be critical to the success of real-time payments in the U.S. "We believe any Fed system must be fully interoperable with the RTP network, remain accessible only to chartered financial institutions, and be available through all core processing companies and without volume discounts that disadvantage smaller banks," said Nichols.

As the Fed moves ahead with FedNow, Nichols also called for the creation of the liquidity management tool the agency proposed last fall, which he noted would "help financial institutions manage fund balances used to settle faster payment transactions regardless of whether they travel on existing faster payment rails or on any news solution." He also urged the Fed to use its role as a market regulator to prod core processing companies to help banks quickly connect with real-time payments providers. Comments on the Fed's notice – which also seeks feedback on expanded hours for the Fedwire Funds Service and the National Settlement service – are due 90 days after it is published in the Federal Register. [Read the Fed's proposal.](#) [Read ABA's full statement.](#)

## CFPB Issues FAQs on Providing Loan Estimates

The Consumer Financial Protection Bureau (CFPB) Thursday issued frequently asked questions on TILA-RESPA Integrated Disclosures regarding providing loan estimates to consumers. The FAQs address corrected closing disclosures and the three business-day waiting period, model forms, construction loans, and providing loan estimates to consumers. [Read the FAQs.](#)

## CFPB Announces 2020 Reg Z Dollar Thresholds

The CFPB announced 2020 changes to the dollar thresholds for several Regulation Z provisions governed by the CARD Act, the Home Ownership and Equity Protection Act (HOEPA), and the Dodd-Frank Act. The thresholds are based on changes in the Consumer Price Index and take effect Jan. 1, 2020.

For credit cards, the penalty fees safe harbor will increase by \$1 to \$29 for a first late payment. The subsequent late payment safe harbor fee will also grow by \$1 to \$40. The minimum interest charge disclosure threshold will remain unchanged for 2020 at \$1. The loan amount at which HOEPA's points-and-fees test comes into effect will increase to \$21,980, and the HOEPA points-and-fees trigger will rise to \$1,099.

For Qualified Mortgages, points and fees cannot exceed: 3% of loans of \$109,898 or more; \$3,297 for loans between \$65,939 and \$109,898; 5% for loans between \$21,980 and \$65,939; \$1,099 for loans between \$13,737 and \$21,980; and 8% of loans of less than \$13,737. [Read the Federal Register Notice.](#)

*News Source: American Bankers Association*

# USDA Implements New Income Limits to Increase Homeownership Opportunities for Rural Individuals and Families



Committed to the future of rural communities.

Rural Development State Director for Nebraska Karl Elmshaeuser Monday announced that the U.S Department of Agriculture Rural Development (USDA) is encouraging applications for the Single-Family Housing Guaranteed and Direct Home Loan programs to assist individuals and families with purchasing affordable housing in rural communities.

USDA Rural Development loan programs are available to assist low- and moderate-income households to become homeowners when conventional financing is not available. Barriers to obtaining affordable housing may include lack of cash reserves for down payment and/or the availability of suitable financing. USDA Rural Development loan programs offer affordable fixed rates and with no down payment. **Effective August 1, 2019**, the interest rate for the Direct Home Loan program will decrease from 3.50% to 3.125%. Depending on household incomes, mortgage payments may be further subsidized to as low as a 1% interest rate. Interest rates for the Guaranteed Home Loan program are negotiated with an approved lender.

[Read Stakeholder Announcement.](#)

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## Talent Search: Upcoming Career Fairs & Events

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**UNK Student Employment Fair (Kearney) - August 28, 11:00 a.m. - 2:00 p.m.**

UNK students seeking part-time and work-study employment in the Kearney area.

**UNO 2019 Part-Time Job & Volunteer Fair (Omaha) - August 28, 1:00 p.m. - 3:30 p.m.**

UNO students seeking part-time job, volunteer and internship opportunities from all colleges, including:

- Arts and Sciences
- Business Administration
- Communication, Fine Arts & Media
- Education
- Information Science & Technology
- Public Affairs and Community Service
- Engineering

**UNO 2019 College of Information Science and Technology Career & Internship Fair (Omaha)**

**September 16, 9:00 a.m. - 4:00 p.m.**

**UNO Fall 2019 CBA Career & Internship Fair (Omaha) - September 18, 11:00 a.m. - 2:00 p.m.**

UNO College of Business students seeking internship and career opportunities.

**2019 Fall University Career Fairs (Pinnacle Bank Arena, Lincoln)**

**September 24, 1:00 p.m. - 5:00 p.m.**

- Business
- Social & Human Services
- Agricultural Sciences & Natural Resources
- Government & Non-Profit

**September 25, 1:00 p.m. - 5:00 p.m.**

- Science
- Technology
- Engineering
- Mathematics

Approximately 250 employers have already registered for the event. [View pre-fair details.](#)

**Creighton University Liberal Arts, Science, and Business Fall Career Fair (Omaha)**

**October 4, 11:00 a.m. - 3:00 p.m.**

The Career Fair is open to all Creighton students and alumni.

For more information or to register for an event, visit <https://www.joinhandshake.com>.



## Compliance Alliance Q&A



A Nebraska Bankers Association Company

**Q:** If a consumer is disputing a POS transaction and it is not fraud (i.e. merchandise never received, service canceled, and company debited account or any other reason than a fraud transaction), are we required under Reg. E to give provisional credit while we complete our investigation?

**A:** As the customer has asserted that an error took place, you are required to conduct an investigation. Subject to certain limitations, if the investigation takes more than 10 days, you have to issue a provisional credit to the customer's account. If your investigation reveals that the customer authorized the transaction in the amount transferred, then it would not be a Reg. E error. At that point, you need to provide a written explanation of the results of your investigation and debit any provisional credit.

The term "error" means:

- (i) An unauthorized electronic fund transfer;
- (ii) An incorrect electronic fund transfer to or from the consumer's account;
- (iii) The omission of an electronic fund transfer from a periodic statement;
- (iv) A computational or bookkeeping error made by the financial institution relating to an electronic fund transfer;
- (v) The consumer's receipt of an incorrect amount of money from an electronic terminal;
- (vi) An electronic fund transfer not identified in accordance with § 1005.9 or § 1005.10(a); or
- (vii) The consumer's request for documentation required by § 1005.9 or § 1005.10(a) or for additional information or clarification concerning an electronic fund transfer, including a request the consumer makes to determine whether an error exists under paragraphs (a)(1)(i) through (vi) of this section.

§ 1005.11(a): <https://www.consumerfinance.gov/policy-compliance/rulemaking/regulations/1005/11/#a>

In addition to following the procedures specified in paragraph (c) of this section, the financial institution shall follow the procedures set forth in this paragraph (d) if it determines that no error occurred or that an error occurred in a manner or amount different from that described by the consumer:

- (1) Written explanation. The institution's report of the results of its investigation shall include a written explanation of the institution's findings and shall note the consumer's right to request the documents that the institution relied on in making its determination. Upon request, the institution shall promptly provide copies of the documents.
- (2) Debiting provisional credit. Upon debiting a provisionally credited amount, the financial institution shall:
  - (i) Notify the consumer of the date and amount of the debiting;
  - (ii) Notify the consumer that the institution will honor checks, drafts, or similar instruments payable to third parties and preauthorized transfers from the consumer's account (without charge to the consumer as a result of an overdraft) for five business days after the notification. The institution shall honor items as specified in the notice but need honor only items that it would have paid if the provisionally credited funds had not been debited.

§ 1005.11(d): <https://www.consumerfinance.gov/policy-compliance/rulemaking/regulations/1005/11/#d>

### Not a Compliance Alliance Member?

Learn more about membership with Compliance Alliance by attending one of our live demos:

- [Tuesday, August 13 @ 10 a.m. CT](#)
- [Thursday, August 15 @ 1 p.m. CT](#)

*Compliance Alliance offers a comprehensive suite of compliance management solutions. To learn how to put them to work for your bank, call (888) 353-3933 or email [info@compliancealliance.com](mailto:info@compliancealliance.com).*

# Banks & Bankers

(July 31- August 6, 2019)

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## Bankers in the News

**Teri Biermann** and **Krista Ott**, Citizens State Bank (Wisner), attended story-hour July 24, at Wisner Public Library and read stories to 12 children who attended. (pictured right)



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## Banks in the News

**First Bank and Trust Co.** (Minden) recently sponsored three free will donation showings of the film "Ocean of Grass" at the Rosebowl Theatre in Franklin to benefit the Franklin, Axtell and Wilcox-Hildreth FFA programs, and the Minden Tech Club.

**Sandhills State Bank** (Wauneta) made two separate donations to Chase County Community Hospital and the Imperial Community Foundation Fund. (pictured right)



**Wells Fargo Bank, N.A.** (Lincoln) helped fund the Neighborhood Food Program for the Center for People in Need (CFPIN). The CFPIN distributes food at five locations in Lincoln to people whose income is no higher than 180% of the Federal Poverty Level. To date, their Food Program has impacted 6,802 individuals this year in the Lincoln area.

**West Gate Bank** (Lincoln) is partnering with the Better Business Bureau (BBB) to host a Free Shred Day, Sunday, Oct. 19, from 9 a.m. to noon at the West Gate Bank 6003 Old Cheney Rd. branch. The bank and BBB are encouraging attendees to also bring non-perishable food or monetary donations to benefit the Food Bank of Lincoln.

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## Promotions & Appointments

OMAHA: Sean Blocher, business banker II, Mutual of Omaha Bank.



*Blocher*

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## Deaths

Wayne R. McKinney, age 94, passed away July 30, 2019. Wayne served Platte Valley State Bank (Kearney), now First National Bank (Kearney) for 63 years.



*McKinney*

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## Share your news with the Nebraska Bankers Association!

Whenever your financial institution has a newsworthy event, we want to hear from you. Email your news, press releases, newspaper clippings and/or photos to [news@nebankers.org](mailto:news@nebankers.org) to be published in an upcoming Banks & Bankers and/or featured on social media.

Facebook: [@NebraskaBankersAssociation](https://www.facebook.com/NebraskaBankersAssociation) // Twitter: [@nebankers](https://twitter.com/nebankers)