

Update

NBA Board Meets with Full Agenda

The NBA Board of Directors held a meeting Dec. 6, at the NBA office with a full slate of legislative topics and membership initiatives on the agenda.

The 2020 Nebraska legislative session begins Jan. 8. The NBA team will look to introduce legislation in several areas which include elder financial abuse, direct borrowing by political subdivisions, and the Uniform Power of Attorney Act, in addition to a host of other banking related-topics.

NBA President and CEO, Richard Baier provided an update to the board on single bank pooled collateral, permitted by the passage of LB 622 during the 2019 legislative session, introduced on behalf of the NBA by Senator Matt Williams (Gothenburg). The Nebraska Department of Banking and Finance (NDBF) issued a Request for Information regarding the designation of a program administrator to which the NBA was the sole respondent. An official Request for Proposal will be issued by the NDBF in the coming weeks in selecting a program administrator. The NBA will continue to update the membership on the single bank pooled collateral program as member banks holding public funds may benefit from participation.

Other topics discussed by the board included updates on the NBA BankTech Task Force, bank core provider renewals and resources, the awarding of the NBA 401(k) Plan third party administrator contract, NBA office facility updates and upcoming NBA events.



Think NBA First for Education in 2020

Employees rate their employer's support of continued education and career learning as one of the most important aspects of employment. The NBA is committed to providing bankers at all levels the opportunity to keep abreast of industry changes and trends through our various educational programs. Your association has a full calendar of education offerings in 2020 and delivery channels to accommodate busy schedules.

Find out how you can take advantage of NBA educational events this coming year at

<https://www.nebankers.org/education.html>.



News Briefs from Washington

Regulators Discuss Trends in BSA/AML Compliance Risks

Regulatory officials flagged deficiencies in risk assessments, a need for more maturity in compliance systems and processes and data integrity issues, particularly as a result of mergers, as areas of concern from recent BSA/AML examinations during a panel discussion at the American Bankers Association, American Bar Association Financial Crimes Enforcement Conference in Washington, D.C., Tuesday.

According to the OCC's Spencer Doak, examiners are seeing "risk assessments that are too narrowly focused [or] outdated," which may lead to "inadequate or incorrect customer risk identification or ratings." He added that in some cases, "banks have outgrown their monitoring systems," and urged institutions to "pause every once and awhile" and assess how their risk profiles, customer bases and product offerings have changed, and adjust their compliance program as necessary.

Regulators noted that they are working to update the Federal Financial Institutions Examination Council's examination manual, signaling that they would take a "phased approach" to issuing updates. The first phase will involve an assessment of the BSA compliance program, said the FDIC's Debra Novak, who added that "we're trying to release something close to the end of the year" or soon after.

FinCEN Analysis Notes Uptick in Elder Financial Abuse

A recent analysis by the Financial Crimes Enforcement Network on Suspicious Activity Reports (SARs) filed between October 2013 and August 2019 found that depository institutions filed between 3,000 and 4,000 SARs related to elder financial exploitation each month in 2019, compared with 1,000 to 2,000 a month in 2013 and 2014. Suspicious activities reported in the SARs amounted to more than \$5 billion in 2019 alone and \$21.8 billion over the entire survey period.

Of the different types of suspicious activity, scams and thefts – most often perpetrated by family members or other individuals with a relationship to the victim – were the two most common types of exploitation seniors face. The analysis found that these incidents can be financially devastating for older Americans: The median reported loss from scam-related SARs was \$6,105; For theft, the median loss was \$15,964.



With elder financial exploitation on the rise, the American Bankers Association Foundation recently released its second [Older Americans Benchmarking Report](#), which provides information about the strategies banks are employing to prevent elder fraud and educate older customers and their financial caregivers. The Foundation also offers resources through its [Safe Banking for Seniors program](#).

H.R. 5050 Removed from House Financial Services Committee Schedule

Last week, the House Financial Services Committee released the schedule for bills to be considered before the Committee. The [H.R. 5050](#), Veterans and Consumers Fair Credit Act, a far-reaching usury cap bill, was not listed on the schedule. This is a big win for the industry and marks the second consecutive month the committee has removed the bill from the schedule.

H.R. 5050 imposes restrictions on small dollar lending. The proposed legislation would amend the Truth in Lending Act (TILA) to extend the Military Lending Act's 36% APR cap to all consumers, covering payday, car-title and other types of loans to borrowers with difficult credit histories.

News Source: American Bankers Association

NBA BankPAC Campaign Update

Let's Finish STRONG!

The NBA BankPAC Committee is excited to report the strength in the number of banks and individuals that have contributed to the 2019 campaign.

The committee set an aggressive state and federal BankPAC goal to raise \$155,000 for this year's campaign. While the number of participants has been encouraging, total year-to-date receipts of \$123,153 are shy of this year's annual goal.

If you've already made your contribution to NBA BankPAC, please encourage bankers who haven't given to this industry-wide effort to do so today. Now is the time to join your peers from around the state and help make a difference for your industry.

Contact Jennifer Heaton at the NBA for details at 402-474-1555 or jennifer.heaton@nebankers.org.



\$123,153 = year-to-date State and Federal BankPAC receipts

427 = number of individuals contributing to NBA Federal BankPAC

414 = number of individuals contributing to NBA State BankPAC

62 = number of state-chartered institutions contributing to NBA State BankPAC

\$155,000

2019 State and Federal BankPAC Goal

NBA Preferred Vendor:



BankMarketingCenter.com's (BMC) web-based platform puts you in complete control of the marketing production process for your bank. As a registered user, banks will have access to:



Thousands of professionally designed marketing materials.



Customize products with your bank's logos, colors, and copy.



Send camera-ready artwork directly to your local publications and printers.

Need more information? Contact BMC President Neal Reynolds, at (678) 528-6688 or email nreynolds@bankmarketingcenter.com. Or, [sign up for a no-obligation demo!](#)

Compliance Alliance Q&A

Q: Is an "assumed" loan HMDA reportable? There was only one borrower when the loan was originated (not this year) and the loan was reported in that year. The bank has now allowed another borrower to assume the note from the original borrower.

A: Yes, it would be when the bank enters into a written agreement accepting a new borrower in place of an existing borrower, even if the bank does not create a new obligation.

i. Assumptions. For purposes of Regulation C, an assumption is a transaction in which an institution enters into a written agreement accepting a new borrower in place of an existing borrower as the obligor on an existing debt obligation. For purposes of Regulation C, assumptions include successor-in-interest transactions, in which an individual succeeds the prior owner as the property owner and then assumes the existing debt secured by the property. Under § 1003.2(d), assumptions are extensions of credit even if the new borrower merely assumes the existing debt obligation and no new debt obligation is created. See also comment 2(j)-5.

Comment 2 to §1003.2(d)(2)(i):

<https://www.consumerfinance.gov/policy-compliance/rulemaking/regulations/1003/Interp-2/#2-d-Interp-2-i>

First, the HMDA Rule maintains Regulation C's coverage of loan assumptions, even if no new debt obligation is created. A loan assumption is a transaction in which a Financial Institution enters into a written agreement accepting a new borrower in place of an existing borrower as the obligor on an existing debt obligation. The HMDA Rule clarifies that, under Regulation C, assumptions include successor-in-interest transactions in which an individual succeeds the prior owner as the property owner and then assumes the existing debt secured by the property. Assumptions are extensions of credit under the HMDA Rule even if the new borrower merely assumes the existing debt obligation and no new debt obligation is created. Comment 2(d)-2.i.

HMDA Small Entity Compliance Guide, p. 32:

https://files.consumerfinance.gov/f/documents/cfbp_2018-hmda_small-entity-compliance-guide_stickered.pdf

Not a Compliance Alliance Member?

Learn more about membership with Compliance Alliance by attending our live demo:

- [Tuesday, December 17 @ 10 a.m. CST](#)
- [Thursday, December 19 @ 1 p.m. CST](#)

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.



NBA SCENES of NEBRASKA CALENDAR

Attention photographers!

Get your cameras out and get ready to submit photos for the 2021 Scenes of Nebraska calendar!

Applications will be posted on the NBA website and included in the Dec. 18 Update.

(December 4 – December 10, 2019)

Banks in the News

Bank of Lewellen (Lewellen), **Nebraska State Bank** (Oshkosh) and **Points West Community Bank** (Lisco), are hosting Angel Trees at each bank for the Garden County Ministerial. Angels are placed on Christmas trees in the banks with the child's age and items they would like to receive for Christmas. The Garden County Ministerial will pick up all gifts at the banks Dec. 13.

Bank of the West (Omaha) partnered with I Be Black Girl (IBBG) to invest \$8,000 in two separate African American woman, and girl-owned businesses. IBBG's Business Pitch event allowed contestants to have a five minute pitch, followed by five minutes of questions from the judges. The youth winners were "OhhMyCreations," led by Jennile Payton and Ania Bailey, and the adult winner was "Creative Counseling Studio," owned by Yasmin Tucker.

First National Bank (Grand Island) and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) hosted a financial literacy event Dec. 2. Area students and their parents were offered a night of financial education to learn more about budgeting and prepare for the future.

First Northeast Bank of Nebraska (Lyons) has a "Mitten Tree" on display at their location intended to brighten the holidays for Lyons-Decatur children. The mittens on the tree contain information and requests from local children. The bank will also be accepting cash donations to fulfill any mittens that may not be satisfied. *(pictured right)*

First State Bank (Scottsbluff) held their annual food drive where bank employees collected food from Scottsbluff and Gering schools for the Truck of Love Saturday, Dec. 14. *(pictured right)*

Heritage Bank (Neligh) has partnered with Neligh-Oakdale Family, Career, and



Banks & Bankers

(December 4 – December 10, 2019)

Community Leaders of America, and the Department of Health and Human Services to have a ribbon tree placed at their branch. Red ribbons signify wish lists for children and green ribbons signify wish lists for residents of The Willows or Arbor Care nursing home.

State Nebraska Bank & Trust (Wayne) held their 4th annual employee Soup Cook Off the first week of December to raise money for the Wayne Food Pantry. Employees contributed various soups for lunch each day and then voted on the best tasting dishes. The event raised a total of \$416 in donations for the pantry. (pictured below)



West Gate Bank (Lincoln) is collaborating with Doane University and Nebraska Transition College to allow student progression and expansion of class offerings. Nebraska Transition College works to empower individuals with autism and other disabilities to learn, work and live within our communities. The collaboration will allow the organization to expand into any community where a need for the program exists.

Promotions & Appointments



LINCOLN: Matt Clare,
assistant vice president
of commercial lending,
Union Bank & Trust Co.



LINCOLN: Tyler Hunt,
assistant vice president
of private banking,
Union Bank & Trust Co.

(December 4 – December 10, 2019)

Retirements

Nancy Hoeck, Bruning Bank (Holdrege) is retiring at the end of 2019. A celebration in honor of her retirement will be held during Bruning Bank's Holdrege location Business After Hours event, Dec. 12.



Hoeck

Craig Pope, Bruning Bank (Hebron) is closing in on 28 years with the bank and is retiring at the end of 2019. Pope will be honored Dec. 12, during the Hebron branch Holiday Open House.



Pope

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 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)