

Update

Bankers Provide Input on LB 649

On Tuesday, Nebraska bankers shared concerns with the Nebraska Legislature's Banking, Commerce and Insurance Committee regarding LB 649. NBA Chairman and President and CEO of Nebraska Bank of Commerce Chris Hove, President and CEO of West Gate Bank Carl Sjulín, President and CEO of Bank of Bennington Leslie Andersen and NBA General Counsel Bob Hallstrom all testified in opposition to the bill.

Introduced by Senator Mike Flood (Norfolk), LB 649 would authorize a new type of financial institution known as a digital asset depository institution (DADI). A DADI charter would allow cryptocurrency businesses to take uninsured U.S. dollar deposits from consumers, convert them to digital assets, conduct payments, connect them to lending and investment platforms, and provide custody services for digital assets.

The bill is aimed at bringing the headquarters of Telcoin to Nebraska. Telcoin is a cryptocurrency based on the Ethereum blockchain and a financial technology platform used to facilitate international remittances.

In his testimony, Hove noted a new charter is unnecessary because banks can already serve as custodians for digital assets.

He also discussed the significant number of regulations banks must comply with and questioned how a DADI would do the same. He also noted the potential reputational risk from a non-bank institution like a DADI calling themselves a bank. Sjulín expanded on this topic, asking why these institutions should have the privileges of a bank without being a bank. Andersen noted her bank and others are already investing in financial technology and are interested in expanded opportunities for technological innovation. She also referenced an article from the Bank Policy Institute, [Beware the Kraken](#), which detailed potential issues with a similar charter passed in Wyoming.

Former Director of the Nebraska Department of Banking and Finance Mark Quandahl, a representative from the Nebraska Tech Collaborative, the Norfolk Area Chamber of Commerce, Growing Together Northeast Nebraska and three Nebraska technology entrepreneurs testified in support of the bill.

Senator Flood closed the hearing by stating he looks forward to working with representatives of the banking industry to amend the bill in order to find an acceptable compromise.

[LB 649 as Introduced](#) (Significant amendments are pending)



NBA Chairman Chris Hove shares the banking industry's perspective with the committee.

Paycheck Protection Program Updates

Fortenberry, Kind Introduce PPP Fix for Ag Producers

Representatives Jeff Fortenberry (R-NE) and Ron Kind (D-WI) introduced legislation to expand Paycheck Protection Program (PPP) eligibility for farmers and ranchers. The bill would ensure partnerships and limited liability companies are eligible for PPP loans.

[Read the Bill](#)

Program Changes

The White House announced several Paycheck Protection Program (PPP) changes aimed at small businesses. Among the changes:

- Provide an exclusive 14-day window when only businesses with fewer than 20 employees are eligible to apply.
- Set aside \$1 billion for PPP loans for sole proprietors, independent contractors and self-employed individuals in low-to-moderate-income areas and revise the loan calculation formula for these applicants.
- Eliminate a rule restricting businesses at least 20% owned by an individual who was arrested for or convicted of a felony related to financial assistance fraud in the previous five years or any other felony within the previous year; the restriction will only apply to businesses with applicants or owners who are incarcerated from receiving PPP loans.
- Eliminate a rule restricting businesses at least 20% owned by an individual who is delinquent on student debt from receiving PPP loans.
- Clarify that non-citizens may apply using individual taxpayer identification numbers.

[Read More](#)

Funding

About \$150 billion in PPP funds remain available. As of Feb. 21, 33,962 PPP loans for a total of \$1.2 billion have been approved in Nebraska.

[Learn More](#)

Proposed Call Report Changes

The Federal Financial Institutions Examination Council proposed several temporary changes to the Call Report to provide relief to banks with under \$10 billion in assets. The changes apply to FFIEC 031, FFIEC 041 and FFIEC 051 Call Reports and will allow banks to use the lesser of the total consolidated assets reported in its Call Report as of Dec. 31, 2019, or June 30, 2020, when determining whether the institution has crossed certain total asset thresholds to report additional data items in its Call Reports for report dates in calendar year 2021.

These thresholds include the \$5 billion threshold for limiting eligibility to use the FFIEC 051 version of the Call Report, and the \$100 million, \$300 million, \$1 billion, and \$10 billion thresholds for reporting certain additional data items in the Call Reports. This relief will be allowed only for calendar year 2021.

The agencies will also permit banks that temporarily exceed the \$10 billion total asset threshold to use the community bank leverage ratio framework in Call Report Schedule RC-R from Dec. 31, 2020, through Dec. 31, 2021, provided they meet the other qualifying criteria for this framework. Comments on the Call Report changes will be accepted for 60 days.

[Read the Notice](#)

Qualified Mortgage Compliance Deadlines

As the Consumer Financial Protection Bureau (CFPB) considers whether to revisit its recent final rules regarding the definition of Qualified Mortgage and the establishment of a “seasoned QM” category of loans, it issued a statement addressing the compliance deadlines associated with these rules. The statement also addresses the temporary “GSE patch” that was set to expire on the compliance date of the General QM final rule. In addition, the CFPB also updated its small entity compliance guide and other compliance aids on the QM rule.

[Read the Notice](#)

[Access the Compliance Materials](#)

Economic Inclusion and Mobility for all Nebraska Families

The NBA, the Federal Deposit Insurance Corporation, Nebraska Independent Community Bankers and Nebraska Council on Economic Education will host a webinar on the importance of low-cost transaction and savings accounts. Experts will outline successful outreach from banks and community-based organizations working in partnership to increase the financial capability of Nebraska families by opening transaction and savings accounts to promote a saving habit and establish emergency savings. The webinar is April 14, 1:30 to 3:00 p.m. CDT.

[Register](#)

National Agriculture Day and Week: March 21-27

Because of the Nebraska banking industry’s strong commitment to agriculture, National Ag Week and Ag Day are an opportunity to educate Nebraskan about the business side of agriculture and to thank your ag customers for their business. To assist in your promotional efforts, the NBA has developed a National Ag Week [resource page](#). On the page, you will find promotion ideas, Nebraska ag photos and an order form for Nebraska Ag Fact Cards. The Nebraska Department of Agriculture has not received all the information necessary to complete the cards but hopes to have the cards completed by early March.

[Resource Page](#)



Government Relations Virtual Updates

Hearings and floor debates are continuing in the Unicameral and Senators will soon designate their priority bill. Stay informed by attending the next state legislative update on Wednesday, Mar. 3, at 9:00 a.m. CT.

[Register](#)

Later that day, hear from Senator Deb Fischer on the federal policy outlook.

Nebraska Congressional delegation briefing schedule

- March 3, 11:00 a.m. CT - Senator Deb Fischer
- March 17, 11:00 a.m. CT - Senator Ben Sasse
- March 24, 11:00 a.m. CT - Congressman Adrian Smith (**Note the date change**)
- March 31, 11:00 a.m. CT - Congressman Don Bacon



Senator Deb Fischer

Advance registration is required.

[Register](#)

Training Opportunities

Supervisor Bootcamp - Mar. 2, 4, 16, 18

This four-session supervisor training will help elevate supervisors' expertise to a new level as they learn how to collaborate and coach employees to excel on the job.

[Details and Registration](#)

Principles of Banking Seminar - Mar. 9-10

This interactive workshop introduces participants to each functional area of community banking, with informative exchanges with other attendees and the instructor's actual work experience.

[Details and Registration](#)

Tri-State Marketing & Human Resources Conference - Mar. 18-19

Sponsored by the Kansas, Missouri and Nebraska Bankers Associations, this two-day virtual conference will give bank marketers and human resources professionals new tools to be able to better serve their bank.

[Details and Registration](#)

Spring Agri-business Conference - April 6-7

This virtual conference will help you be a resource for your agriculture customers by keeping you up to date on the latest agricultural policy changes and the outlook for agriculture in 2021.

[Details and Registration](#)