



“Community Bankers Raising The Bar”

CBA TODAY

August 10, 2007

Issue 16

A STATEWIDE PUBLICATION FOR MEMBERS OF THE COMMUNITY BANKERS ASSOCIATION OF GEORGIA

Fall Group Meetings

CBA’s 2007 Fall Group Meetings are just two months away, and you, your board members, officers, staff, spouses and guests are invited to participate in this great networking event. CBA will host five, strategically-located Fall Group Meetings throughout the state, allowing you to choose the location nearest you. For those who enjoy golf, the group meetings will begin at 11:00 a.m. with registration, a light lunch and optional golf tournament. After golf, we will gather for a great networking opportunity during a casual cocktail reception and dinner.

Join community bankers, legislators and other industry professionals to discuss the important federal and state issues affecting community banks in a fun, informative and casual environment. This is a great opportunity to meet new people, renew old friendships and gain a better understanding of CBA and all it offers. We look forward to seeing you at this year’s meetings!

Dates and Locations

- October 16th (Divisions 2 & 3) Stonebridge Golf & Country Club, Albany
- October 18th (Divisions 1 & 8) Okefenokee Country Club, Waycross
- October 23rd (Divisions 9 & 10) The Georgia Club, Statham
- October 25th (Divisions 5 & 7) Coosa Country Club, Rome
- October 30th (Divisions 4 & 6) Eagle’s Landing Country Club, Stockbridge

Don’t Miss the 2nd Annual Compliance School!

CBA is pleased to present the 2nd Annual CBA Compliance School to be held October 15-18, 2007 at the beautiful King & Prince Beach & Golf Resort, St. Simons Island, GA. Once again, we are pleased to partner with Professional Bank Services (PBS), Louisville, KY, to present this one-of-a-kind compliance school.

The school was developed in close conjunction with PBS, who is also the compliance provider for the popular CBA Compliance Membership Program. PBS speakers are nationally recognized and they provide compliance expertise to financial institutions throughout the country.

The compliance school curriculum includes federal regulations covered in on-site compliance examinations by federal regulatory agencies.

For more information or to register, please visit the CBA website at www.cbaofga.com or contact the Education Department at 770-541-4490.

Send Your Community Banking Stories to Mary Covington!

CBA’s 2007-2008 Chairwoman would love to hear your community banking stories! Please send them to her at: mcovington@fnbga.com.

Website Ad Space Available for CBA Members!

Are you looking for a way to effectively reach community bankers across the state? Well, look no further! On average, CBA’s website receives between 22,000 - 27,000 hits per month. The size of these ads are 145 pixels x 250 pixels in jpg format. If you would like to really get the word out there, purchase a basic ad package that includes one website ad and three newsletter ads. There are only a few 2007 spaces left! Contact Lauren Dismuke at Lauren@cbaofga.com today to reserve your space!



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Visit us at: www.cbaofga.com

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PLEASE ROUTE TO:

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Member Mentions

Gary McClung, President/CEO, **Century Security Bank, Johns Creek**, announces that **Terri Karr** has joined the bank as Senior Vice President for Small Business Administration.

Mark Tipton, CEO, **Georgia Commerce Bank, Atlanta**, announces **W. David Suttles** has joined the bank as Senior Vice President/Senior Commercial Lender.

Larry Peterson, President/CEO, **Creek-Side Bank, Woodstock**, announces the following promotions: **Paul Wilson** to Executive Vice President and Chief Financial Officer, **Kharis Bramlett** to Senior Vice President/Senior Operations Officer, and **Lori Mauldin** promoted to Vice President/Operations.

Mark Stevens, President/CEO, **Atlantic Southern Bank, Macon**, announces **Finn Howell** has joined as VP/Senior Lending Officer in Savannah.

Michael Knowles, President/CEO, **NorthWest Bank and Trust, Acworth**, announces **Steve Tumlin, Jr.** has joined the bank as a member of the Board of Directors.

Marvin Cosgray, President/CEO, **The Buckhead Community Bank, Atlanta**, announces that **Cheryl Alperin Beer** is joining the Small Business Administration at the Buckhead Community Bank.

Brian Foster, Chairman, **First Chatham Bank (FCB)**, and **Arnold Tenenbaum**, Chairman, **FCB Financial Corp.**, announce that **Mike Viers** has been elected President and also has been elected to the board of directors of FCB.

C. Mickle Moye, President/CEO, **American Southern Bank, Roswell**, announces the following new additions: **Lorraine Clark**, Vice President, Mortgage and Construction Lending; **Jason Sleeman**, Assistant Vice President, Business Development; and **Jeremy Jameson**, Commercial Loan Officer.

Henry J. Pope, Jr., President/CEO, **Exchange Bank, Milledgeville**, is pleased to announce the addition of **Lisa Beall** as a Loan Officer. He also announces the promotions of **Neil Hewitt** to Loan Officer-Commercial Lender and **Jonathan Pope** to Loan Officer.

The Board of Directors of **Century Bank of Georgia, Cartersville**, are pleased to announce the election of **Tamara Knight** as Operations Officer, **Donna Faye Power** as Branch Manager/Banking Officer, and **Corey Ellis** as Director of Information Systems.



Success Through Knowledge

Don't Miss These New Programs!

Information Technology Workshop....From Risk Assessment.... To Audit....To the Exam

Tuesday, August 28, 2007, Atlanta, JHTC at CBA Headquarters

OR

Wednesday, August 29, 2007, Macon, Ramada Plaza

Information Technology (IT) Exams cover every nook and cranny of the bank and include areas such as administrative issues, IT assessments, audit coverage, business continuity, and much, much more. This "must attend" new workshop will provide you with the necessary tools to assess your bank's IT program and to determine your areas of risk.

CBA understands the importance of your bank having a safe and sound IT program and we are pleased to present this new seminar with one of our more popular instructors, Ann Brode, Brode Consulting, Inc.

Surviving A Risk Management Exam

Thursday, August 30, 2007, Macon, Ramada Plaza

Risk Management exams are not a "walk-in-the-park." The best defense for a Risk Management Exam....is a strong offense! Meaning – every bank should proactively conduct a risk self-assessment to enable management to identify any possible weaknesses that could be identified during a risk exam. This session will focus on just that....how to conduct a risk self-assessment.

Register today and come join Ann Brode as she discusses the nine risk categories that are covered during the exam process and how to proactively address each risk.

For more information on these seminars, please visit our website at www.cbaofga.com or contact the CBA Education Department.

CBA NEWS

What Exactly is an Endorsed Member Company?

The Association is very proud and honored to have over 270 Associate Member companies in our membership. However, 26 of these members are endorsed by CBA. What exactly does that mean?

Each endorsed vendor provides superior products and customer service at significant discounts to each member bank. Every Endorsed Member Company is placed through a rigorous due diligence process by the CBA Member Services Committee which consists of 15 executive management level bankers. The process involves a thorough review of financial stability, representation, references and proposed member discounts. Each company is put head-to-head with their competitors in a detailed review process. After receiving a recommendation from the Member Services Committee, the CBA Board reviews the proposal for final approval. This process ensures each endorsed company will provide quality products and services in their category. Be on the lookout for an updated brochure on all of CBA's Endorsed providers in the next 2 weeks!

For more information on CBA's Endorsed Member Companies, please email Jason Pruitt of CBA at jason@cbaofga.com.

Protecting Your Bank's Assets and Your Customers' Accounts

It's no secret that the growth of debit as a preferred consumer payment method has increased dramatically, but debit's popularity also has attracted the attention of another audience: criminals. Merchant security breaches have caused many card-issuing institutions to have to take actions such as reissuing cards.

Recently, PULSE EFT Association teamed with Dove Consulting to conduct a nationwide survey of debit card issuers. Based on participants' responses, Dove Consulting projected that financial institutions nationwide lost an estimated \$662 million to debit card fraud in 2005 – a 21 percent increase over 2004.

The study also found that merchant breaches were responsible for 23 percent of PIN-based fraud (trailing only “friendly fraud,” which accounted for 30 percent) and 24 percent of non-PIN fraud. While these breaches must be addressed, issuers' responses may have been disproportionate. Ninety percent of the issuers surveyed were notified in the last few years that some of their cards may have been compromised, and of these, 87 percent selectively or automatically reissued cards. On average, however, only 8 percent of their cards were potentially compromised, and only 5 percent actually experienced fraud.

According to the study, issuers have implemented a variety of techniques to combat fraud. Daily purchase and ATM withdrawal limits and screening of new accounts are the most popular. CVV/CVC validation was judged the most effective, followed closely by selective blocking of international transactions and expanded use of neural networks.

Because many institutions introduced CVV/CVC checking during the study period, its benefits are not fully reflected in the 2005 fraud loss data. The PCI Data Security Standards are also expected to make a difference, as are network projects like PULSE's planned implementation of a neural network-based fraud detection system.

The payments industry must work collectively to combat increasingly sophisticated fraud techniques, and together, our efforts can have a major impact.

Article Submitted by: Rich Green, Vice President, PULSE EFT Association, CBA Associate Member

FHA Lending

HUD has issued a proposal for public comment to establish legitimate sources of down payment assistance for mortgages insured by FHA. This is to set specific standards governing the mortgagor's investment in the property. It would permit gifts by family members and certain organizations, but would prohibit down payment assistance from funds of the seller, any person or organization that financially benefits from the transaction, or any third party or organization that is reimbursed directly or indirectly by any of the parties involved. HUD is concerned about scenarios in which there is some quid pro quo between the homebuyer's purchase of the property and the seller's “contribution” or payment to the charitable organization. These situations often result in a sales price increase to ensure that the seller's net proceeds are not diminished, to the detriment of the borrower and the FHA.

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Distressed or Underserved List

The Office of the Comptroller of the Currency, along with the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision, recently announced the availability of the 2007 list of distressed or underserved nonmetropolitan middle-income geographies in which bank revitalization or stabilization activities will receive Community Reinvestment Act (CRA) consideration as “community development.” The 2007 list incorporates a one-year lag period for geographies that were designated as distressed or underserved in 2006, but were not designated as such in the 2007 release. Geographies subject to the one-year lag period are eligible to receive consideration for community development activities for 12 months following publication of the 2007 list.

Both the 2007 and the 2006 lists are on the Web site of the Federal Financial Institutions Examination Council (FFIEC), along with the data source information used to generate the list of distressed or underserved geographies.

“Distressed nonmetropolitan middle-income geographies” and “underserved nonmetropolitan middle-income geographies” are defined in CRA regulations. The criteria used to designate these areas also are available on the FFIEC website at www.ffiec.gov/cra/pdf/sourcelist2007.pdf.

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AIG Insurance Program



As part of American International Group (AIG), AIG Employee Benefit Solutions can provide CBA member with banks flexible, cost-effective plan options for Life/AD&D, Long Term Disability and Short Term Disability coverage for your employees. Combine this with a state-of-the-art service and administration platform, and you will be dealing with an A+ rated company that provides you with a single-source solution for your benefit needs. Contact Tim Weeden at (770) 671-2039 or at tim.weeden@aig.com for more information.

UPCOMING 2007 EVENTS

*Space is Available to
Promote Your Business
to
Community Bankers &
Businesses in 2007!*

*E-mail Lauren@cbaofga.com
for information on placing
your Ad HERE!!*

**Consumer Credit Reports: How
to Read & How to Report**

September 27, Telephone/Webcast

**Beyond Authentication & the
FFIEC Guidance: Security
Solutions for Escalating Payments
Fraud in Community Banks**

October 3, Telephone/Webcast

**Compliance Officer BPA
Training**

October 4, Telephone/Webcast

Mortgage Lending School

October 8-12, Marietta

Reg CC & Check Holds

October 10, Telephone/Wecast

Bank Officer Call Training

October 11, Atlanta

**Documenting for Real Estate
Compliance**

October 11, Telephone/Webcast

Compliance School

October 15 - 18, St. Simons Island

New
Date

**Bank Directors' College:
Session III**

October 15 - 16, Young Harris

Business Development I

October 16, Macon

**Financial Managers' Forum
Dinner Series**

October 16, Atlanta

Training the Credit Analyst

October 16 & 17, Macon

Spring Convention

Grove Park Inn

April 17 - 20, 2008

Asheville, North Carolina

**30th Annual Leadership Division
Convention & Mini-Trade Show**

June 25 - 29, 2008

The Grand Floridian,

Walt Disney World

Orlando, Florida

**40th Annual Convention
& Trade Show**

September 17 - 21, 2008

The Four Seasons Resort Aviara

Carlsbad (North San Diego),

California



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