



Community Bankers Association
"Doing our Part...and More."

CBA TODAY

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Issue 26

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

2006 Bank Directors' College

The popular Bank Directors' College (BDC) is offered twice a year in three 1 1/2 day sessions in four convenient cities: St. Simons Island, Atlanta, Braselton and Young Harris. The BDC was developed in close conjunction with both state and federal regulators and is designed to teach individuals how to become a more effective, capable and supportive member of a bank's board of directors. We sincerely invite you to consider the only bank directors' college in Georgia designed specifically for community bank directors. The 2006 Winter/Spring BDC schedule is:

- Session I:** Friday & Saturday, February 17-18, King & Prince Beach Resort, St. Simons Island
- Session II:** Thursday & Friday, April 27-28, JHTC at CBA Headquarters, Atlanta
- Session III:** Friday & Saturday, May 19-20, Brasstown Valley Resort, Young Harris

Register today for Session I. The deadline to receive the CBA hotel room rate at the King & Prince Beach Resort is January 16, 2006. To register and/or to obtain more information regarding the BDC, please contact Jodi Swilley, Vice President/ Education & Professional Development at jodi@cbaofga.com. Participation in the BDC qualifies for CPE credits. Last year, close to 100 directors/CEO's graduated from the BDC and many CPAs and attorneys took advantage of the CPE credits.

1st Annual De Novo Bank Conference

Tuesday & Wednesday, February 27 - 28, 2006, The Ritz Carlton, Amelia Island, Florida

CBA is pleased to respond to your request to develop a De Novo Bank Conference! Similar to the Bank Director's College, this one-of-a-kind conference was designed with industry experts and in close conjunction with state and federal regulators. The primary purpose of the conference is to provide a forum for bank directors and executive management to come together to learn best practices and hot topic information that will assist the board of directors and executive management in meeting their primary goal of enhancing shareholder value! CBA invites all banks, especially those 8 years old or less, to join us at this exciting educational and networking event. Don't miss this opportunity to learn from some of the industry experts and to participate in several roundtable discussions on emerging issues effecting young community banks in Georgia. To register for the De Novo Bank Conference, please contact Jodi Swilley at jodi@cbaofga.com. The deadline to receive the CBA discounted room rate is January 26, 2006.

The 2006 Spring Convention Is Just Around the Corner!

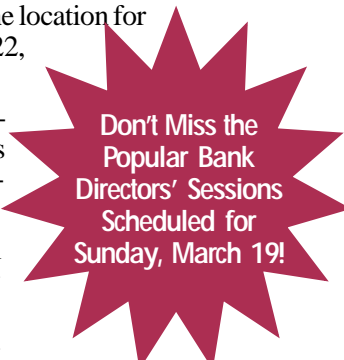


The elegant Ritz-Carlton Lodge at Reynolds Plantation is the location for CBA's 2006 Spring Convention to be held March 19 - 22, 2006.

CEOs, senior management, directors and associate members are invited to attend this convention to exchange ideas with colleagues and hear prominent speakers address current and emerging issues.

CBA understands that continuing education for community directors and senior management is crucial in today's competitive marketplace so all attendees will have the opportunity to hear an impressive array of speakers at the Convention and Directors' Seminar.

CBA's Spring Convention is the place to discover solutions to critical business issues, so make sure your directors and senior management team attend! Be on the lookout for the brochure, and call CBA if you have any further questions or to register!



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Visit us at: www.cbaofga.com

PLEASE ROUTE TO:

Community Bankers Association of Georgia

"Doing our Part...and More."

Member Mentions

Patrick G. Blanchard, CEO/President, **Georgia-Carolina Bancshares, Inc.**, and **Remer Y. Brinson III**, CEO/President, **First Bank of Georgia, Augusta**, jointly announce the promotion of **Michelle Piper**, Assistant Vice President to Office Manager of Fury's Ferry Office and **Phyllis Salazar**, Assistant Vice President to Office Manager of the West Town Office. Also, **Cheryl Dawson** was promoted to Operations Officer.

John Trammell, CEO/President, **Community Bank of Pickens County, Jasper**, announces the retirement of **Frank Eubanks**, EVP/CFO, at year end. Also, **Debbie Dobbs** has joined the staff as CFO and **Mark Mitton** as IT Officer/Lending Officer.

Congratulations to the following banks for being named in the top 150 of *American Banker's* Community Banks with Largest Credit Card Portfolios: **Appalachian Community Bank, Ellijay; Community Bank and Trust, Cornelia; and Bank of Upson, Thomaston.**

Congratulations to **National Bank Corp., Commerce**, who was named in the top 150 of *American Banker's* Bank Holding Companies with Highest Concentration in First Mortgage Loans.

Congratulations to **Bob Voyles**, who announced his retirement from **BankSouth, Greensboro**, after 38 years, effective December 31, 2005.

2006 Day at the Capitol Tuesday, February 7, 2006

Register yourself and others from your bank for the 2006 Day at the Capitol! This event is a great opportunity to find out first-hand what is happening in the legislative session that will affect community banking, and it is also a great opportunity to let your legislators know your opinions on legislation. Join CBA on Tuesday, February 7 at the Georgia Railroad Depot to show your elected officials the importance of community banking in the state of Georgia!



Success Through Knowledge UPCOMING CLASSES AND INFORMATION

CBA's January 2006 Seminars for Lenders -- Register Today!

CBA understands that community banks must have a well-trained group of lenders. Please join us at one or all of the programs below, and make sure that you are trained on the most up-to-date information for the start of the 2006 busy lending season!!

- w **Mortgage Lending School** – 1/9-1/13, Marietta
- w **Small Business Lending** – 1/10, Macon
- w **Analyzing Personal Financial Statements & Tax Returns** – 1/11, Macon
- w **When A Loan Customer Dies** – 1/12, Telephone/Webcast
- w **Analyzing Corporate Financial Statements & Tax Returns** – 1/12, Macon
- w **Home Mortgage Disclosure Act (HMDA)**- 1/12, Macon
- w **Certified Community Lender (CCL) Exam** – 1/13, Atlanta
- w **Loan Review** – 1/19, Macon
- w **Specialized Lending** – 1/20, Macon
- w **Construction Lending** -1/24, Macon
- w **Consumer Loan Documentation** – 1/25, Macon
- w **Commercial Loan Documentation** – 1/26, Macon
- w **Writing an Effective Credit Memo** – 1/27, Macon

CBA NEWS

New Prey for Phishers: Smaller Banks

Gone are the days when phishing attacks would only affect big banks. Instead, community banks are being targeted more and more; the bait being used is a sophisticated combination of phishing and hacking.

One of the primary reasons for the severe increase in phishing activity among smaller financial institutions is because phishers mistakenly believe smaller institutions do not have the resources, knowledge and personnel to protect or react to these phishing attempts. A great number of larger banks have already been targeted and; therefore, have implemented counter-measures.

"Smaller banks should be aware that phishers/hackers can mount a phishing site without even compromising a server to host the phishing site," says Jon Ramsey, chief technology officer at SecureWorks, a CBA endorsed managed security service provider. SecureWorks has taken down 11 phishing scams in the past three months alone.

For more information on these attacks, call SecureWorks at 1-888-277-9355.

SecureWorks Press Release 12/05

Fed Amends Regulation CC

The Federal Reserve Board voted to amend Regulation CC so that liability for unauthorized remotely created checks will shift to the institution where the items are first deposited. In place of a signature, a remotely created check generally bears a statement that the customer authorized the check or bears the customer's printed or typed name. Remotely created checks can be created over the telephone and are useful payment devices, but are vulnerable to fraud. The Federal Reserve said its changes to Reg. CC should reduce the potential for fraud by requiring the bank that transfers or presents a remotely created check to warrant that the check is authorized by the person on whose account it is drawn. The warranties would apply only to banks and would ultimately shift liability for losses to the depository bank. The amendment goes into effect on July 1, 2006. Read more at <http://www.federalreserve.gov/boarddocs/press/bcreg/2005/20051121/attachment.pdf>. Join us at these upcoming seminars to learn more about Regulation CC.

Basic Compliance School: Deposit Regulations - January 10, 2006
Reg CC, BSA, BPA & Privacy - February 8, 2006

Report on Financial Crimes Report to the Public

This report outlines several areas of crime and includes detailed sections on mortgage fraud, identity theft, and asset forfeiture/money laundering. The report contains valuable information and can be viewed at http://www.fbi.gov/publications/financial/fcs_report052005/fcs_report052005.htm.

Reduce Your Tax Liability

2005 – Another Great Year for Georgia Community Banks!!!!

Now is the time to capture all the tax credits available to your bank for 2005!

Did you know there are 31 Georgia tax credits and 26 major Federal programs? These tax credits are provided by both state and federal government departments to encourage economic development of both banks and other for-profit companies. It is really a WIN-WIN for banks and the government!! As banks grow, expand and participate in these tax credit programs, the tax base for the state and federal governments grow. As a result, tax credits are provided back to the bank. These credits are dollar for dollar against your bank's tax liability, or, as many banks put it...pure profit!!

The most widely used tax credit for banks is the Georgia Retraining tax credit, which enables banks to recover up to one-half of their training costs (including wages) back in tax credits for qualified programs. However, this is only one of the many state and federal programs available to banks. Several banks in Georgia have received almost \$1,000,000 as a result of several state and federal programs. Here is a sample listing of these tax credit programs:

Georgia Programs

- Retraining Tax Credit
- New Jobs Tax Credit
- Child Care Credit
- Basic Skills Credit

Federal Programs

- * WOTC
- * Welfare to Work
- * Historic Credit
- * Renewal Community Credit
- * Enterprise Community Credit
- * Empowerment Zone Credit
- * Low Income Housing Credit
- * Disabled Access Credit

Be sure to pursue all the tax credit programs that your bank is entitled to receive!!

Submitted by Terry McMillian, President, McMillian & Associates, a CBA Endorsed Member Company

SEC Panel to Propose Section 404 Audit Relief

The Independent Community Bankers of America (ICBA) applauded a government advisory panel's recommendation to exempt smaller companies from the internal control attestation requirements of the Sarbanes-Oxley Act (SOX) Section 404 which will help community banks better serve local communities.

"Reducing the SOX burden enables community banks — which supply about a third of small business lending by banks nationwide — to further support small business development in their local communities," said Chris Cole, ICBA regulatory counsel and a former banker.

The Internal Controls Subcommittee of the Securities and Exchange Commission Advisory Committee on Smaller Public Companies recommended exempting companies with market capital of less than \$125 million and revenues no greater than \$125 million completely from SOX Section 404. In addition, the panel recommended exempting smaller public companies with market capital of between \$125 million to \$750 million and revenues no greater than \$250 million from the internal control attestation requirements of Section 404.

The panel concluded that the Section 404 compliance burden on smaller public companies has a negative affect on their competitiveness and capital formation ability which in turn hurts the national economy, Cole noted. The panel also found that internal controls over financial reporting are not as effective as other techniques to detect and prevent fraud by senior management.

The advisory panel's conclusions that smaller companies bear a disproportionate share of the costs of SOX Section 404 are correct. ICBA's recent survey of Section 404 costs for community banks reveals that the average community bank will spend more than \$200,000 and devote over 2,000 internal staff hours to comply with the Section 404 – taking away resources that they could use to better serve their customers and their communities.

"Smaller companies are already subject to certain corporate governance standards and subjecting them to internal control audits by outside auditors raises the bar far too high for many," said Cole. "We urge the SEC Advisory Committee and the SEC to adopt the subcommittee's recommendations."

ICBA Press Release 12/05



IMPACT Financial Services



IMPACT is a bank profitability consulting company that specializes in NSF fee income enhancement via the IMPACT Overdraft Privilege program. IMPACT provides clients with a turnkey on-site implementation process including: Strategy Meeting, Employee Training, Policy and Compliance Documentation, Comprehensive Marketing Guide and Campaigns, Proven Overdraft Manager & Risk Management Software, plus ongoing consultation and support. Contact Paul Moore at (404) 667-3570.

UPCOMING EVENTS 2006

*Promote
Your Business to
Community Bankers in
2006!*

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

**Your Bank Could
Be the
2006 Community
Bank of the Year!**

E-mail Lindsi@cbaofga.com
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Service Award application.
Applications due May 1, 2006.



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Mortgage Lending School January 9 - 13 - Marietta

Small Business Lending
January 10 - Macon

**Basic Compliance School:
Deposit Regulations**
January 10 - Macon

Lending Regulations
January 11 - Macon

**Business Continuity Planning/Disaster
Recovery**
 January 10 - Telephone/Webcast

**Analyzing Personal Financial Statements
& Tax Returns**
January 11 - Macon

**Analyzing Corporate Financial Statements
& Tax Returns**
January 12 - Macon

When a Loan Customer Dies
 January 12 - Telephone/Webcast

HMDA
January 12 - Macon

CCL Exam
January 13 - Atlanta

Martin Luther King Holiday
January 16

How to Pass a SAR Exam
 January 17 - Telephone/Webcast

**CAMELS Ratings: What the Examiners
Are Looking For**
 January 18 - Telephone/Webcast

Auditing in Action: Workshop II
January 19 - Macon

Loan Review
January 19 - Macon

Specialized Lending
January 20 - Macon

Interviewing & Selection Skills
January 24 - Macon

IRA Essentials
January 24 - Macon
January 26 - Atlanta

Safe Deposit Compliance & Legal Issues
January 24 - Telephone/Webcast

Construction Lending
January 24 - Macon

FMF Dinner Series
January 24 - Atlanta

Branch Managers' Series: Workshop I
January 25 - Macon

Consumer Loan Documentation
January 25 - Macon

IRA Rollovers, RMDs, Roths
January 25 - Macon

Spring Convention
The Ritz Carlton Lodge at Reynolds
Plantation, Greensboro, GA
March 19 - 22, 2006

**28th Annual Leadership Division
Convention & Mini-Trade Show**
Westin Resort, Hilton Head Island, SC
June 21 - 25, 2006

38th Annual Convention & Trade Show
Fairmont Orchid, Hawaii
July 19 - 23, 2006

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