Community Bankers Association of Georgia Offers Members Unique Opportunity with CFPB Deputy Director

On February 27, 2014, the Community Bankers Association of Georgia (CBA) offered representatives from Georgia’s banking community the opportunity to meet with Deputy Director Steve Antonakes and other staff members of the Consumer Financial Protection Bureau (CFPB). CFPB officials traveled from Washington, D.C. to Atlanta in order to address direct questions from ten CBA member banks as well as executives from ten Georgia Bankers Association member institutions.

The 90-minute roundtable was held at the Federal Reserve Bank of Atlanta Conference Center before Thursday’s 2014 Banking Outlook Conference. The discussion covered a wide-range of topics, including the effects of new regulation regarding debt collection practices, balloon mortgage loans and qualified mortgage changes. Antonakes also addressed banker’s concerns about traditional borrowers not fitting the CFPB’s ability-to-repay and qualified mortgage rules and also touched on the future of overdraft policies.

Bankers attending on behalf of Community Bankers Association of Georgia included: David Caswell, Century Bank of Georgia, Cartersville; Charlie Curry, First State Bank of Randolph County, Cuthbert, 2013-2014 CBA Chairman; Jimmy Dubberly, South Georgia Bank, Glennville; Bob Johnson, Georgia Banking Company, Atlanta; Rhodes McLanahan, First American Bank & Trust, Athens; Dan Oliver, Vininga Bank, Smyrna; Brad Serff, Providence Bank, Alpharetta; Heather Stanford, State Bank & Trust Company, Macon; and Scott Tomlinson, & Frank Griffin, Flint Community Bank, Albany.

“We the meeting offered banks from across the state an opportunity to express concerns regarding not being able to meet our customers’ needs due to the current regulations,” explained CBA board member Scott Tomlinson, President & CEO of Flint Community Bank in Albany, GA. “It was encouraging when the CFPB pledged to return to Washington with our concerns, begin building historical data and encourage legislators to modify based on their findings.”

“We are very appreciative of Deputy Director Antonakes for coming to Atlanta to meet with a contingent of our bankers,” stated CBA President & CEO Rob Braswell. “It’s always helpful for policymakers to hear first-hand the impact of their decisions on community banks and their customers. Likewise, it was very beneficial to hear the CFPB’s intent, focus of emphasis and philosophy directly from them. Although we may not always agree, both parties came away from the meeting with a better understanding of the other’s perspective.”

Community Banking LIVE National Convention Underway

The 2014 ICBA national convention—Community Banking LIVE—is underway in Honolulu, HI. More than 3,000 community bankers and supporters from across the nation were in attendance, including Rob Braswell, President & CEO, CBA of Georgia; Charlie Curry, President, First State Bank of Randolph County, Cuthbert; 2013-2014 CBA Chairman, as well as several CBA endorsed and
The annual community banking event brings together like-minded bankers and individuals to hear from regulators, industry experts and innovators on relevant industry and legislative issues and education focused on banks' profitability. ICBA announced its top legislative and regulatory priorities for 2014 which include relieving community banks from excessive regulatory burden, reforming new mortgage rules, advancing housing-finance reform and more.

The speaker lineup includes FDIC Chairman Martin Gruenberg, Comptroller of the Currency Thomas Curry, former White House deputy chief of staff Karl Rove, NFL Hall of Famer Jerry Rice and legendary broadcaster Lesley Stahl. Click here to learn more.

Regulators Asked to Broaden Volcker Rule Exemptions for Community Banks

Federal regulators were asked to broaden Volcker Rule accommodations for community bank holdings of collateralized debt obligations backed by trust-preferred securities. In a comment letter, ICBA wrote that the agencies’ interim final rule should exempt all TruPS CDOs and collateralized loan obligations.

Prior to the release of the interim final rule, the Volcker Rule would have required, in certain instances, that banks divest their holdings of TruPS CDOs and write down these investments under “other than temporary impairment” accounting standards. The interim final rule permits banks to retain TruPS CDOs they owned as of December 10, 2013, if the CDOs were issued before May 19, 2010, and are backed primarily by TruPS or subordinated debt of bank holding companies that had less than $15 billion in assets when the securities were issued or of mutual holding companies.

ICBA noted that a recent ICBA survey found that despite the interim final rule, 6 percent of affected community banks would still have to divest all of their TruPS CDOs and another 16 percent could only partially retain their holdings.

CFPB Urged to Avoid New Debt-Collection Rules for Community Banks

Community banks have not participated in aggressive and harmful debt-collection practices and should not be subject to “one-size-fits-all” debt-collection regulations. ICBA wrote in a comment letter. Responding to a proposed the Consumer Financial Protection Bureau rulemaking, ICBA wrote that community banks that collect their own debt or sell debts to third-party debt collectors should not be subject to new restrictions.

The association encouraged the CFPB to reach out to community banks to better understand their operations and technical issues before imposing any new regulatory requirements. In its advanced notice of proposed rulemaking on debt collection, the CFPB said it is concerned about the transfer of information from original creditors to third-party debt-collection firms and debt buyers and to other debt collectors and credit bureaus.

FDIC-Insured Institutions Earned $40.3 Billion in the Fourth Quarter of 2013

Commercial banks and savings institutions insured by the Federal Deposit Insurance Corporation (FDIC) reported aggregate net income of $40.3 billion in the fourth quarter of 2013, a $5.8 billion (16.9 percent) increase from the $34.4
billion in earnings that the industry reported a year earlier. This is the 17th time in the last 18 quarters — since the third quarter of 2009 — that earnings have registered a year-over-year increase. The improvement in earnings was mainly attributable to an $8.1 billion decline in loan-loss provisions. Lower income stemming from reduced mortgage activity and a drop in trading revenue contributed to a year-over-year decline in net operating revenue (the sum of net interest income and total noninterest income). More than half of the 6,812 insured institutions reporting (53 percent) had year-over-year growth in quarterly earnings. The proportion of banks that were unprofitable fell to 12.2 percent, from 15 percent in the fourth quarter of 2012. Click here to read full press release.

**Fraud / Security Alert - Metter, GA**

Information on this occurrence was shared by Steven Rigdon, Vice President, Pineland State Bank in Metter late last week. Steven stated he received an email from a customer, using his work email, asking to create a wire transfer for [a small amount]. The email stated the customer was in a meeting, could not talk immediately and may possibly be tied up until 9 p.m. but needed the bank to send the wire.

According to Steven, “The customer sent the wiring instructions and said that he was giving me permission to send it.” Thankfully, Pineland State Bank’s policy is to confirm all such requests by a follow-up phone call to the customer regardless of the supposed permission to send the wire. Our bank still phoned the customer to confirm. He immediately said that something was wrong because he did not ask for a wire.”

Steven suspected fraud immediately and reported it to the FBI, who plans to contact the bank and obtain copies of the emails. Steven explained his bank is filing a SAR and created a Red Flag for tracking.

Rigdon wanted to share this story and explained, “All banks need to have clear policies and procedures to follow. Since we always follow up with a call, we stopped it from happening...” This is a good reminder to review your bank’s plan and be on alert for similar wire requests you may receive from your customers.

**Get Your Bats Ready for CBA’s Annual Leadership Division Convention!**

Gather your gear and head to Amelia Island for Community Bankers Association of Georgia’s (CBA) 36th Annual Leadership Division Convention & Mini-Trade Show being held Thursday – Sunday, June 26-29, 2014! This year’s convention theme, “Hitting a Home Run,” offers professional yet entertaining training for a successful future for you, your bank and your community.

Both community bankers and financial services providers will benefit greatly from attending. Topics range from Banker/Regulator Point-Counterpoint; Generating Revenue with Mortgage Lending; Emerging Trends in Technology / E-payments; Leveraging Social Media to Grow Customer Relationships; and, a keynote address, Hitting a Home Run in Leadership: A Success Story from the Baseball Diamond to the Board Room.

In addition to great speakers and a fabulous location, attendees will hear from colleagues about the CBA Leadership Division (LD) initiatives, such as Children’s Healthcare fundraising, PAC/PR fundraising, and the drive to improve Economic Education through community outreach. Plus, you don't want to miss all the NEW activities added to this year's convention. Be on the lookout for more details. Register today!

**Sporting Clay Event Less Than Three Weeks Away**

The time is quickly approaching for the CBA Leadership Division's Inaugural Sporting Clay Event being held on Tuesday, March 25, 2014, at the Wynfield Plantation in Albany, GA. Register today for a fun day of shooting clays and networking with colleagues.
CBA thanks all the sponsors for the event! Contact Lindsay Greene at 770-541-0376 for other sponsorship opportunities. Click here for more information on the event, or contact Peake Wilson at (770) 541-0379.

Special Thanks to Our Sponsors!

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Save the Date for the 2014 ICBA Washington Policy Summit

Join your fellow community bankers from across the nation on Tuesday, April 29th – Friday, May 2nd for the 2014 ICBA Washington Policy Summit. This action packed opportunity to carry your voice to the U.S. Capitol is for any community banker, at any level, who wants to make a difference. Visit www.icba.org/wps14 to review the most recent schedule of events and to register.

CBA to Host Consumer Lending School - May 5-9, 2014

This comprehensive, week-long study of consumer lending will take the student through the process of consumer lending to develop and advance the skills necessary to administer quality consumer loans. The school is the only consumer lending school in Georgia specifically designed for community bankers. This school is designed for entry to junior level consumer lenders with at least one year of lending-related experience. This includes the following positions: New Loan Officers, Loan Administrators, Loan Documentation Clerks, Credit Card Administrators & Lending Assistants. Click here to register today for the highly acclaimed Community Bankers Association of Georgia’s Consumer Lending School.
Community Bank Gives Back
State Bank & Trust Company, Macon, presents a check for $20,000 to the United Way of Central Georgia.

Pictured L to R: Spencer Strickland, Middle Georgia Regional President; Christy West, Branch Manager, Zebulon Road; George McCanless, President & CEO, United Way of Central Georgia; Mel Jamison, Bibb County Market President; Dan Forrester, Director of Community and Government Relations

Lien Stripping and Consumer Bankruptcy: Take it Off, Take it All Off
Many people believe that the bankruptcy Code is uniformly applied throughout the United States. At least, that is the ideal. However, creditors often find that local practices in bankruptcy courts and legal interpretations vary from court to court. This is true regarding consensual lien stripping.

Lien stripping allows for a consumer borrower in bankruptcy to entirely remove a lien from real property when the property has no value to which the lien can attach. For example, if a debtor owns real estate valued at $200,000.00 which secures a first mortgage with a balance of $210,000.00, then the junior lien securing a home equity line would be stripped off in bankruptcy. However, this depends on the chapter of the bankruptcy case and where the bankruptcy case is filed. Click here to read full article.

Submitted by CBA Associate Member, Wayne Lazarus, Stokes Lazarus & Carmichael LLP, Atlanta

STOKES LAZARUS & CARMICHAEL LLP
ATTORNEYS AT LAW

Attention Bankers - Help Us Spread the Word About CBA's 2014 Memorial Scholarships!
The Julian & Jan Hester Memorial Scholarship is a tremendous opportunity for your bank to help a deserving high school student in your area. This scholarship is offered to Georgia high school seniors planning on entering a Georgia college or university in the fall semester 2014.

The J. Steven Walraven Scholarship is designed for full-time community bank employees continuing their education at a Georgia college or university.
Please spread the word and encourage students to apply today! The deadline for submitting applications to a CBA member community bank is April 4, 2014, and banks should submit all applications to CBA no later than April 11, 2014.

Attend Free "Card@Once" Webinar Today for a Chance to Win Hawks Tickets!
Join Harland Clarke's panelists as they present how Card@Once® enables your staff to issue new debit, credit and ATM cards to your customers from inside your branch - instantly.

All participants will have a chance to win four FREE Atlanta Hawks tickets and a parking pass to the Atlanta Hawks game being held on Thursday, March 27, 2014, at 7:30 p.m. Compliments of Harland Clarke, you can view the entire game from great second row seats near the free throw line! You don't want to miss this chance!

Card@Once®
In-Branch Instant Card Issuance
Wednesday, March 5, 2014, 2 p.m. EST
Greg Kuyava, Manager of Sales, Card Services, Harland Clarke
Mark Tucker, AVP, Electronic Banking Officer Persons Banking Company

Presented by Harland Clarke Marketing Services

banc-serv Free Webinar - SBA Credit Analysis
Attend a webinar conducted by banc-serv's own Manager of Bank Partner Relations, Valerie Reimink.
Thursday, March 20, 2014
2:00 - 3:00 p.m. EST

Register now!

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MEMBER SPOTLIGHT
The Coastal Bank - Savannah
Tara Moye has been promoted to Treasury Services Officer.
The Coastal Bank - Savannah
Dana Flood has been promoted to Treasury Services Specialist at the bank’s Godley Station Office located in Pooler.

The Coastal Bank - Savannah
Gerald Lee has joined the bank as a Mortgage Loan Originator at the bank’s Hinesville office.

Newton Federal Bank – Covington
Levi Bailey has been promoted to Assistant Vice President, Loans.

Fiserv- New York City
Kevin Gregoire has been named group president of the Financial Institutions Group.

In Memoriam

The Bank of Georgia - Peachtree City
The CBA offers its sincere condolences to the family and friends of Director Vincent Michael Rossetti who recently passed away. Mr. Rossetti was a very active member of the community, and his memory will be cherished.

UPCOMING EDUCATIONAL PROGRAMS

March 2014

Commercial Lending School
Monday-Friday, March 10-14, 2014 – JHTC at CBA Headquarters, Atlanta

Putting the Pieces Together: Processing Mortgage Loan Applications NEW
Tuesday, March 18, 2014 – Crescent Mortgage Company Training Facility, Atlanta

Putting the Pieces Together: Processing Mortgage Loan Applications NEW
Thursday, March 20, 2014 – Idle Hour Country Club, Macon

2nd Annual Bank Security Management Conference
Monday-Tuesday, March 24-25, 2014 – The Georgian Club, Atlanta
April 2014

**Consumer & Commercial Loan Documentation**
Wednesday-Thursday, March 26-27, 2014 – JHTC at CBA Headquarters, Atlanta

**Spring Regional Luncheon Meeting - Braselton**
Tuesday, April 3, 2014, Chateau Elan

**Spring Regional Luncheon Meeting - Marietta**
Tuesday, April 8, Hilton Atlanta/Marietta Hotel

**Spring Regional Luncheon Meeting - Macon**
Thursday, April 10, Idle Hour Country Club

**Spring Regional Luncheon Meeting - Albany**
Wednesday, April 16, Doublegate Country Club

**Spring Regional Luncheon Meeting - Valdosta**
Thursday, April 17, Rainwater Conference Center

**Compliance Program I - RESPA/Regulation B & Z – Mortgage Rules Update**
Tuesday, April 22, Stonebridge Country Club, Albany

**Compliance Program I - RESPA/Regulation B & Z – Mortgage Rules Update**
Wednesday, April 23, Savannah Hilton Garden Inn Savannah Airport

**ALLL SEMINAR: Complying With New Regulations NEW ½ Day**
Tuesday, April 29, JHTC at CBA Headquarters, Atlanta

May 2014

**Consumer Lending School**
Monday-Friday, May 5-9, 2014 – JHTC at CBA Headquarters, Atlanta

**Bankers Regulatory Forum**
Thursday, May 8, 2014 – Vinings Bank, Marietta

**6th Annual Bank Directors' & Executive Management Conference (NEW DATE)**
Tuesday, May 13, 2014 – The Cobb Energy Performing Arts Centre, Atlanta

**2nd Annual Southeastern Chairman's Summit**
Wednesday, May 14, 2014 – The Georgian Club, Atlanta

**Writing an Effective Credit Memorandum (New)**
Tuesday-Wednesday, May 20-21, 2014 – JHTC at CBA Headquarters, Atlanta

**Compliance Program 1: Regulation Z, B and RESPA – Mortgage Rules Update**
Tuesday, May 20, 2014 – The Forum, Rome

**Compliance Program 1: Regulation Z, B and RESPA – Mortgage Rules Update**
Wednesday, May 21, 2014 – Hilton Garden Inn at Sugarloaf, Duluth

**Compliance Program 1: Regulation Z, B and RESPA – Mortgage Rules Update**
Thursday, May 22, 2014 – Idle Hour Country Club, Macon

**Analyzing Corporate Financial Statements and Tax Returns**
Thursday, May 22, 2014 – JHTC at CBA Headquarters, Atlanta