

# South Dakota Banker

Your Premier Source to South Dakota's Financial Services Industry | April 2018

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Herreid

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SDBA/NDBA

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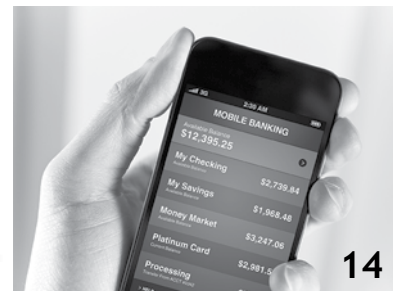
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## message from the chairman.....

BY DAVE ROZENBOOM | President | First PREMIER Bank, Sioux Falls

# PROGRESS

**I**t is always healthy to stop to smell the roses once in a while. Now is one of those times. I am writing this column a day after the U.S. Senate passed S. 2155, the Economic Growth, Regulatory Relief and Consumer Protection Act.

A bipartisan group of senators—16 Democrats and one independent, plus all Republicans present—voted 67-31 in favor of common sense regulatory relief—the first set of substantial reforms since Dodd-Frank in 2010. It took a long time and a lot of effort from our industry groups and bankers across the country to get the ball over the goal line, but we stayed the course and our resolve finally paid off.

There is something in this legislation for every

bank, and that is certainly reason to celebrate. However, as we all know, it isn't just about what is best for our institutions. More importantly, it's about helping us serve our customers and communities better. Freeing up resources and removing barriers to meeting the needs of customers is the real benefit. Please thank Sen. Rounds for his sponsorship and Sen. Thune for his leadership and support for this important legislative victory.

I use the word "progress" as the headline for my column for a reason. While it is a good time to pause and reflect on this success, there is more work to be done. We have a strong delegation of bankers from South Dakota signed up to represent our SDBA member banks at the ABA Government Relations Summit in Washington, D.C., on April 23-25.

We will use this as an opportunity to address our next set of legislative priorities, including finding a way to eliminate the outdated tax advantages of credit unions and the Farm Credit System by shining a light on the egregious manner in which they are using that advantage to unfairly alter the competitive landscape. Whether it's bringing them into the tax-paying fold like the rest of us or providing our industry with the same tax advantages that we can pass along to our customers to level the playing field is yet to be determined. Regardless of the approach, the status quo is not a sustainable option for our industry.

In closing, it's not too early to start thinking about who will represent your organization at the SDBA/NDBA Annual Convention on June 10-12 in Fargo. (See the ad on page 23.) We should all be energized by the progress we have made together over the past year and yet reminded that our work isn't finished. This will be another great opportunity for more of our emerging industry leaders from your bank and others to get involved. Hope to see you there! ■

Dave Rozenboom is president of First PREMIER Bank in Sioux Falls. Rozenboom can be reached at 605.357.3026 or drozenbo@firstpremier.com.



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from the executive office.....

BY CURT EVERSON | President | South Dakota Bankers Association

# Halfway Home

One of the benefits of being a bit late on my column this month is that I got a peek at Chairman Dave Rozenboom's thoughts. I echo his observations regarding passage of S. 2155 in the U.S. Senate.

In recognition of the bipartisan support for the Economic Growth, Regulatory Relief and Consumer Protection Act, the SDBA submitted an open letter entitled "Just In: Washington Can Work" under Dave's signature to the editor at every South Dakota newspaper.

In my email message requesting placement of the column, I said, "Like me, many South Dakotans are quick to criticize partisan gridlock in Congress. So it would seem appropriate to draw a bit of attention to yesterday's bipartisan passage of S. 2155, the Economic Growth, Regulatory Relief and Consumer Protection Act." If you haven't read the letter, you can read it at [www.sdba.com](http://www.sdba.com).

As we approach the eight-year anniversary of enactment of the Wall Street Reform and Consumer Financial Protection Act, I too want to go on record expressing my gratitude to Senators Rounds and Thune for their leadership and support of common sense tweaks to Dodd-Frank.

During the debate leading up to passage of that landmark legislation, many of us warned that complex Dodd-Frank-driven regulations, while aimed primarily at Wall Street, would undoubtedly trickle down to main street. According to the FDIC's Statistics at a Glance tables, back in 2010 there were 7,658 chartered commercial banks and savings institutions operating in this country. By the end of 2017, that number had declined to 5,670 banking institutions—a drop of 26 percent. Over that seven-year period, the FDIC recorded 1,891 bank mergers.

While I would never suggest that Dodd-Frank's costly and complex regulations are the only factors driving bank mergers, it would be foolish to think that regulatory burden hasn't played a role in industry consolidation. But, bank consolidation isn't the only area of concern. According to the FDIC, between 2011 and 2017, three or fewer new banks began reporting in any given year.

Why should South Dakotans care about all of this? To this old economist, competition between a large, growing number of healthy banks means better deals for bank customers, savers and borrowers alike. Shouldn't a rapidly shrinking number of banks be cause for concern?

As Dave pointed out in his letter, S. 2155 "is full of

commonsense, targeted regulatory reforms that will help South Dakota's banks better serve our customers and communities.

"For example, the bill makes tangible improvements that will streamline the mortgage process and free up credit to help banks get deserving borrowers into new homes with the right kind of mortgage. It will help small business owners get loans to expand and hire more employees. And it will help bankers devote more time to front-line customer service, rather than spending hours each day working to comply with federal regulations that were supposed to apply only to far bigger, more complex banks. Importantly, regulators agree these changes can take place while still preserving safety and soundness."

And so on March 14, the Senate voted 67-31 in favor of S. 2155. While it is fun and even a bit therapeutic to savor a favorable vote of 60-plus in the U.S. Senate, our industry's work on this measure of regulatory relief is not done. Far from it.

Left-leaning progressives like Senators Elizabeth Warren and Sherrod Brown publicly lashed out against this legislation and its supporters. There is nothing wrong with principled opposition, but judging by some of the things they say, I wonder how closely either of those two members of the Banking Committee have read the bill.

Warren has gone so far as to predict negative political consequences for fair-minded Senate colleagues like Heidi Heitkamp (ND) and John Tester (MT) for failing to support her progressive political stance. My sense of the mindset and politics of the average voter in North Dakota and Montana suggests that Senators Heitkamp and Tester should stick by their principles and do what is right for banks and their customers on main street. In this case, good policy is good politics.

At the other end of the U.S. Capitol complex across Independence Avenue sits the Rayburn Building, home to the House Financial Services Committee, chaired by Congressman Jeb Hensarling (R-Texas). His signature bill, the Financial CHOICE Act of 2017 passed the House in June 2017 with no support from Democrats. In the Senate, where a bill must have support from members of both parties to pass, there was little interest in bringing the CHOICE act up for debate. But Chairman Hensarling

*Continued on page 21*



## south dakota bankers insurance & services update.....

BY MIKE FEIMER | President | South Dakota Bankers Insurance & Services Inc.

# Boosting Buying Power for South Dakota Banks

**T**he SDBA/SDBIS has joined forces with 35 state bankers associations across the country to harness the buying power of our combined membership.

This coalition of associations is formed under Synergy by Association, an association group purchasing organization owned by our friends at the Oregon Bankers Association. SDBA partners with Synergy on its national program with Office Depot, an SDBA endorsed vendor and associate member. This program allows South Dakota community banks to access discounts typically only available to large institutions.



As this coalition of bankers associations has grown, so too have the benefits of the Office Depot program. In 2011 when the SDBA initially partnered with Synergy, the Office Depot program included a core list of 100 steeply discounted and frequently ordered items. Today, the discounted core list contains more than 800 products. Moreover, Office Depot has added dozens of bank-specific items to the mix.

Beyond the discounted core list, SDBA's Office Depot program offers discounts on cleaning and break room products, furniture, print and copy services and more. SDBA members can even create their own discounted core list featuring up to 75 items unique to your bank.

The SDBA recently sent the following letter to the office manager of all SDBA member banks and branches.

If your bank could save an average of 30 percent on office and banking supplies, while at the same time provide financial support to the South Dakota Bankers Association (SDBA), would you believe me?

It's true. Through SDBA's endorsed partnership with Office Depot, you can access a national group buying program that offers discounts typically only available to large institutions. In addition to providing your bank with tremendous savings, Office Depot gives SDBA a small

percentage of every purchase made. It's a win-win for everyone.

For this reason, I strongly encourage you to consider the following:

- If you are purchasing supplies from another major vendor, please consider switching to our program. The team at Office Depot will provide personalized support to make sure your bank has a seamless transition. Sign up for an Office Depot account online at <https://business.officedepot.com/banksignup> or use the new account form.
- If you are purchasing supplies from a local vendor or customer, you can still support SDBA by accessing Office Depot products and solutions that your local vendor may not offer. This could include anything from your print and copy needs, promotional products and branded collateral, cleaning and break room provisions, technology, furniture and much more. To learn more about supplementing your local relationship with Office Depot solutions, email [bank.opportunities@officedepot.com](mailto:bank.opportunities@officedepot.com).
- And finally, if you are already an Office Depot customer but your bank is not tied to SDBA's program, you can easily switch to our program and begin enjoying the enhanced benefits by completing the conversion form.

Every bank in South Dakota needs office and banking supplies. Make sure you are getting the best deal by signing on to SDBA's Office Depot program.

If you would like to join or switch to our buying group, contact Michelle Guthmiller, SDBIS, at [mguthmiller@sdba.com](mailto:mguthmiller@sdba.com) or 800.221.7551 to get started. ■

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Mike Feimer is president of South Dakota Bankers Insurance & Services (SDBIS) Inc. Feimer can be reached at 605.660.2341 or [mfeimer@sdba.com](mailto:mfeimer@sdba.com).



## Conference to Focus on Trust Officers' Unique Responsibilities

**R**egistration is open for the 2018 Tri-State Trust Conference April 30 to May 2 at Hilton Garden Inn in Fargo. The conference focuses on trust officers' unique responsibilities and their need for quality information and training to serve customers.

The conference features two days of educational sessions led by experts in the business of trust and wealth management. Highlights at this year's conference will include:

- "Economic Outlook" by Lindsey Piegza, Stifel
- "Guide to the Markets" by Alex Dryden, J.P. Morgan
- "Playing with Matches: Avoiding the Trustee Risks You Didn't Even Know Existed" by Lauren Wolven, Levenfeld Pearlstein
- "Washington Update" by Cecelia Calaby, ABA
- "Leveraging Tax-Deferred Annuities in Irrevocable Trusts" by Kurt Kauffman, Jackson National Life
- "Cybersecurity: Safeguarding Client Information" by Kyle Loven, Computer Forensic Services
- "Retirement Plan Update" by Debra Linder, Fredrickson Byron
- "Guarding Seniors Against Financial Fraud and Exploitation" by Corey Carlisle, ABA Foundation
- "September 11, 2001 – The White House: A Crisis Leadership Presentation" by Lt. Colonel Robert Darling, United States Marine Corps (Retired)

In addition, the conference will feature more than 30 exhibitors.

Conference content has been submitted for continuing education credit. Learn more and register at [www.sdba.com](http://www.sdba.com). Questions, contact Dorothy Lick, NDBA, at 701.223.5303 or [dorothy@ndba.com](mailto:dorothy@ndba.com). ■

## SDBA To Offer HSA Webinars in May

**H**ealth savings accounts (HSAs) are exploding right now. More and more people are becoming eligible to contribute to them.

The HSA presents a unique opportunity to save money like no other savings program. The HSA allows the participant to get a deduction when he/she contributes, allows the money to grow tax deferred, and then still allows him/her to take the money out of the HSA tax free when used for qualified medical expenses.

Because of the increased popularity of HSAs, JM Consultants and the SDBA are offering two HSA webinars in May.

### An Introduction to Health Savings Accounts

The webinar "An Introduction to Health Savings Accounts" will be held May 2 at 9:30 a.m. CDT.

Health Savings Accounts (HSAs) are becoming the popular health care choice for employers offering coverage to employees and individuals/families not covered by employer-sponsored health care benefits. This program provides a solid foundation of operational and compliance issues associated with providing HSAs to customers, including opening, maintaining and distributing procedures.

### Health Savings Accounts—Beyond the Basics

The webinar "Health Savings Accounts – Beyond the Basics" will be held May 8 at 9:30 a.m. CDT.

As the nationwide growth of HSAs continues to rise, financial organizations are beginning to see more complex transactions due to increased customer activity. This activity requires personnel to review their existing HSA procedures to ensure transactions are handled properly. We'll explore the areas of high-deductible health plan coverage, employee eligibility, investment diversification and product expansion, including how HSAs are being touted as a retirement savings vehicle in addition to a health care coverage option.

Those interested in the webinars can participate in one or both. The cost for each webinar is \$180, with additional bank branch connections only \$60 per connection. The presenter will be Michael O'Brien with JM Consultants.

For more information and the registration form, visit [www.sdba.com/events](http://www.sdba.com/events). Questions, contact Mike Nelson, JM Consultants, at 218.831.1858 or [m88nelson@hotmail.com](mailto:m88nelson@hotmail.com). ■



# Cryptocurrencies and Blockchain: *Hype vs. Reality*

By Bert Ely, Opinion Contributor to The Hill, Feb. 9, 2018



**T**here certainly has been much excitement and anxiety in recent weeks about bitcoin and other cryptocurrencies and their ups and downs.

Relatively few folks, though, have focused much attention on the blockchain technology that enables cryptocurrencies to function as they do. Yet, this technology is being evaluated for numerous applications apart from cryptocurrencies.

The essence of blockchain technology — the creation and continuous updating of a database of information as transactions occur — is hardly new; in fact, it is several centuries old. Perhaps the oldest and most widespread use of blockchain is double-entry bookkeeping, which dates to the 15th-century Italian city-states, if not earlier.

Bookkeeping, or accounting — the terms are practically synonymous — involves the recording of individual transactions in books of original entry, called journals. Those transactions are then summarized in ledgers — the very term used to describe a blockchain database — from which periodic financial statements are prepared.

An individual account in an accounting ledger is the functional equivalent of a unique token in a blockchain database. That is, at any point in time, the balance in an individual account is the summation of all of the transactions posted or entered into that account from the time the account was created.

Those transactions are the debits and credits of accounting systems. A balance sheet is merely a snapshot, at a point in time, of what an enterprise owns and to whom it owes money. The difference between the two numbers represents the business's equity capital.

A balance sheet derived from a blockchain database provides comparable information — the quantity of utility or security tokens in a blockchain's database and who owns those tokens.

Another newer, yet well-developed blockchain-like database are property records that document the ownership of land and whatever has been constructed on that land, such as homes, stores and office buildings.

Those property records consist of deeds, liens, easements, etc., that are recorded chronologically in deed books maintained in the offices of the local clerk of courts or recorder of deeds.

Importantly, the sequence of individual transactions affecting a particular piece of property, or a token in a blockchain database, constitutes a "chain of title." This chain is updated as new transactions are recorded.



Hence, it is fairly easy to determine who currently owns a particular piece of property, or blockchain token, and who has a claim on that property, such as a bank that has a mortgage lien on it.

Much is made of the verification of blockchain transactions. So-called "miners" in the "mineable" cryptocurrencies perform that verification process. In accounting systems, procedures are established — a division of duties — to ensure that one person cannot perform all aspects of creating and recording a particular transaction.

That division reduces the likelihood of fraud and embezzlement. Auditors provide an additional level of verification.

The recording and auditing of financial transactions is not foolproof — thefts and defalcations occur — but that has happened in cryptocurrency blockchains, too, as evidenced by the repeated hacking of cryptocurrency exchanges and the theft of coins, which I wrote about recently.

Blockchain verification procedures, designed to prevent the counterfeiting or duplication of specific blockchain tokens ("double spending" in crypto terms) certainly have not prevented the theft of cryptocurrencies nor ensured their recovery. The recent hack of Coincheck led to the theft of \$533 million of NEM tokens.

Looking forward, the total market value of cryptocurrencies almost certainly has peaked and will continue to lose value. The well-known economist Nouriel Roubini, also known as "Dr. Doom," recently predicted that the bitcoin price will "crash to zero."

If that happens, most other cryptocurrencies will crash, too, with losses to investors in the hundreds of

*Continued on page 21*





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## *Cultivating Community Roots*

# Dean Schwartz, Campbell County Bank, Herreid

By Alisa DeMers, Editor

**D**uring Dean Schwartz's more than 30 years working at Campbell County Bank in Herreid, the rural community bank has weathered the ups and downs of the ag economy.

An agriculture-based bank, Campbell County Bank is dedicated to the traditions of service through courtesy, timeliness, consistency and commitment. The bank stands by its customers and supports its communities any ways it can.

"I like working with customers to help them in any possible way," Schwartz said. "We went through some tough times. I have got a lot of

customer relationships that still say looking back in the day, 'I should not be here, but you guys did what you could, and this is where I am at today.'"

As president and CEO of the bank, Schwartz is also working to grow the economy of Herreid and surrounding Campbell County.

### **A Farm Kid at Heart**

Schwartz grew up on a farm near Bruce, which is about 12 miles northwest of Brookings in the eastern part of South Dakota. He and his four siblings helped with the crops, cattle, hogs and sheep.

"I did my own thing on the farm. My interests were raising animals my father never wanted around like chickens, ducks and geese," Schwartz said. "I was raising them as pets; I didn't want to kill any of them."

Schwartz and his siblings rode horses, motorcycles and snowmobiles and were involved in 4-H and showed livestock at the State Fair. One of Schwartz's first jobs was hauling square bales for neighboring farmers.

"We didn't have round bales — it was the old-fashioned square bales," he recalled. "It got me in shape, especially for sports. It was hard



work but good exercise.”

“Later on, we bought one of the first round balers on the farm, and Dad let me take it and do custom work with it during the summer to earn my spending money for the year.”

Schwartz attended grade school in Bruce and high school in nearby Volga. He was involved in all kinds of sports—basketball, football, track and softball.

After graduating from Sioux Valley High School in 1979, Schwartz attended South Dakota State University in Brookings. On the weekends and during summers, he worked as a farm hand for a neighboring farmer who had one of the first farrow-to-finish hog confinements in the area. Schwartz graduated from SDSU with a degree in ag econ and ag business in 1983.

“I had every intention of being a banker,” Schwartz said. “I knew I

didn’t want to farm, but I wanted to stay in ag and finance agriculture.”

“But when I graduated in 1983, things weren’t so good. Interest rates were high, and there were a lot of bankruptcies. So, I took a different avenue.”

A love of 4-H led Schwartz to look into becoming a county extension agent. SDSU Extension Service helped him find a six-month training position in Campbell County, which is located in the north-central part of the state. Schwartz trained under a long-time extension agent, James Kanable, and assisted with crop tours, education, training and 4-H.

“At the end of the six months, SDSU Extension wanted me to work in a full-time job somewhere, but I just didn’t want to leave here quite yet,” Schwartz explained. “I had met some nice people, and I loved the hunting and fishing.”

## Home in Herreid

Schwartz found a job as director of equalization for Campbell County and became a certified appraiser. After working in the position for a year-and-a-half, an ag loan officer position opened up at Campbell County Bank in Herreid.

Schwartz stopped at the bank and spoke with then CEO, Bruce Brandner. Schwartz got the job and began working at the bank in 1987.

Schwartz’s appraisal certification was a plus as the bank did a lot of its own in-house appraisals. In the early 1990s, he was promoted to vice president and then to executive vice president in 2007.

Schwartz was named president and CEO of the bank in 2009, when Brandner retired. Schwartz took over more of the bank’s management and overseeing loans, versus interacting with customers.



*Campbell County Bank was founded in Herreid in 1944.*

## *Campbell County Bank Employees*

*Back Row L-R:  
Earl Mehlhaff,  
Kevin Wientjes,  
Arnie Hanson,  
Dean Schwartz,  
Tom Mitzel and  
Brad Schuetzle*

*Front Row L-R:  
Kristie Goehring,  
Susan Goehring,  
Melanie Weisbeck,  
Melissa Weisbeck,  
and Kim Sjomeling*

*Not pictured:  
Dan Goehring,  
Leticia Weisbeck,  
Ruth Borr,  
Amanda Hague,  
Brenda Larson,  
Pat Larson and  
Cassandra Stokes*



During his banking career, Schwartz said Brandner has served as his mentor. When Brandner retired, he continued to work part time at the bank to help Schwartz with the transition. Today, Brandner continues to serve as chairman of the bank's board of directors.

Schwartz met his wife, Danette, shortly after he started working at the bank and she was working as a teacher in Selby. Today, Danette is a middle school teacher and librarian in Herreid.

The couple has two daughters. Samantha is a physical therapist in Mobridge, and Shauneil is completing her pre-med at the University of Mary in Bismarck and will be attending the University of North Dakota this fall to begin her medical degree.

Schwartz had the opportunity to coach both of his daughters in basketball. He coached basketball for 10 years, including five years as the head high school girls basketball coach in Herreid.

Schwartz jokes that he used to enjoy playing inter-mural basketball and softball until he was too old to play. He now spends his free time golfing, hunting, fishing and

attending sporting events. The family also has a second home on a golf course in the Black Hills.

## **A Unique Ownership**

Campbell County Bank was formed by 25 local shareholders in 1944 in Herreid. They each invested \$1,200 for a total of \$30,000 to establish a state charter.

Today, the number of shareholders has grown to 96 with no one owning more than 10 percent of the bank. Schwartz estimates that around half of the shareholders continue to live in the local area.

"It is a very unique ownership structure with an excellent board of directors," Schwartz explained.

Campbell County Bank is now a \$106 million bank with \$17 million in equity capital. In 2011, the bank purchased an adjacent office building in Herreid, tore it down and built an addition, and updated the facade of the bank.

Campbell County Bank is a full-service bank offering checking accounts, savings accounts, CDs, IRAs, debit and credit cards, online and mobile banking, and insurance products.

The bank's main service area is

Campbell County and Emmons and McIntosh Counties in North Dakota. The bank has a second location in Pollock, which is 16 miles northwest of Herreid. Customers range from farmers and ranchers to businesses and consumers.

"The bank plays a critical role in our communities providing a safe place for our customer's deposits, meeting their credit and insurance needs while striving to provide the best service possible," Schwartz said. "With the bank being locally owned, all decisions are made right here in a short period of time."

"When we have a potential customer who wants to buy something or refinance from another bank, we can make a decision in a couple of days because we are here and our board members are here."

Between the two locations, the bank has 15 full-time and five part-time employees. Schwartz gives a lot of credit to the bank's staff, which he said has very little turnover.

Schwartz said the bank and its employees are involved in their local communities including serving on the volunteer fire department and ambulance, economic development groups, community foundations





L-R: Daughters Shauneil and Samantha and Dean and Danette Schwartz.

and helping with local fund-raising events. The bank recently helped purchased new scoreboards for Herreid's football field and basketball court.

## Committed to Ag Banking

Campbell County Bank, Schwartz said, is a bank with one of the highest concentrations of ag loans in the state. When he joined the bank, Schwartz said several factors were working against the industry at the time—high interest rates, dropping ag land values and a drought.

"The late '80s were pretty tense with the number of problem loans that were either restructured, partially liquidated or went through foreclosure," Schwartz said. "I learned a lot in a very short time."

"At that time, we didn't have a ton of customer friends because you didn't want to get too close. I had to deal with some of my friends that didn't end well. But that was my job, and you have to do what you have to do."

Campbell County Bank survived, conditions improved and agricultural practices advanced. Schwartz said the bank today has fewer customers,

but ag operations have grown larger.

One challenge the bank faces is that the credit needs of farmers and ranchers are getting larger due to inputs, machinery and land costs. Schwartz said the bank has been working to increase its lending limits to meet the necessary credit needs of its customers.

"Some people might say that we have too much capital, but we have done it because we want to maintain and grow our lending limits," Schwartz explained. "We at least need to maintain the customers we have, because we don't want to lose our good customers that we have had over the years just because we are not big enough to handle them."

"We maintain about ninety-nine percent of our customers because we provide service. Our customers know we are going to be here in the good times, and we are going to be here in the bad times."

With low market prices making it tough for ag operations to cash flow, some of the bank's customers haven't been able to make their payments the last two years. Schwartz said the bank has been working with them to restructure their loans.

## Rural Economic Development

In 2002, the communities in Campbell County decided it would be more beneficial to work together to tackle economic development. They formed the Campbell County Economic Development Corporation, which Schwartz has served as president since its inception.

The group hired a full-time economic development coordinator and focused on attracting ag-based businesses. One of the group's accomplishment is PIC (Pig Improvement Company), a swine genetic breeding facility that employs around 50 people southeast of Mound City. The business' expansion sparked other local development, such as the construction of a feed mill at the elevator in Herreid.

Another accomplishment is the Campbell County Wind Farm, which consists of 55 wind towers west of Herreid. The wind farm provides high-paying jobs, additional revenue to landowners and generates taxes for the county.

When PIC began hiring, Schwartz said local communities had very little housing to offer new employees moving to the area and lost them to other communities. The Herreid Area Housing Development Corporation, of which Schwartz is also a part, last year raised \$175,000 to help address the housing shortage.

"We asked what have we got to do to create housing," he said. "We didn't have anyone locally who wanted to take the risk and build a spec house and sell it in a small town," Schwartz said. "We decided the only way to do it is that we have got to raise money and start building these homes ourselves."

The group last year built and sold two homes in Herreid and will start work on a third house this spring. The group also purchased a low-income, eight-unit apartment building and modified and improved it. All the units are currently full.

"Our goal is to provide housing for the workforce, and hopefully they will bring some young people with children to town," Schwartz said. ■

# Understanding Zelle

The following is part one of a white paper published by the American Bankers Association (ABA) on understanding Zelle.

## What is Zelle?

Zelle is a new bank-centric peer-to-peer (P2P) payments app that allows consumers to send and receive money from their mobile devices. Zelle establishes banks as the provider of choice for P2P payments and even take back their share of the market from non-FI providers, ensuring that they stay central to their customers' financial lives. Rather than fragmenting the market with hundreds of apps, Zelle unites the financial services community behind a single, real-time P2P payments experience for millions of consumers. Banks in the Zelle network have seen P2P enrollments increase by as much as 300 percent since June 2017.

Customers access Zelle through their bank's website and mobile app (if offered), or via the standalone Zelle app linked to their debit card. Equipped with an email address or phone number, customers can quickly, safely and easily send money to almost anyone, regardless of where they bank. Backed by the banking industry, Zelle can provide consumers unmatched security and convenience. Users do not have to give up sensitive bank account information to third parties, account details are not shared during transactions, and funds arrive directly in the recipient's linked account.

Zelle was developed by Early Warning Services, a bank-owned technology services company. Early Warning's vision is for a branded network that is offered by all banks and credit unions, widely-recognized by all types of consumers and universally acknowledged as the preferred digital payment solution in the country.

## What does Zelle mean for customers?

### Mobile Banking App

Consumers with accounts at banks that are part of the Zelle network can access the service through their bank's mobile app and website. These customers can send

payments to almost anyone with a U.S. bank account. Transactions between Zelle users typically occur in minutes unless the recipient has not yet enrolled.

Once enrolled, customers can send, request or receive money with Zelle. To initiate a transaction, users enter the recipient's email address or phone number and the amount to be sent or requested. Users also have the option to add a memo line to the transaction.

Zelle also offers a "split" function that gives users an easy way to divide the cost of a group purchase. The user selects each contact that owes him or her money and then enters the total amount to be split. Currently, not all in-network financial institutions have enabled the split feature.

Customers use the same process to send money to those who have not enrolled in Zelle. Recipients will receive an email or text notification letting them know they have been sent money, and the message will then guide them through the enrollment process. If the recipient does not enroll within 14 days, the payment will expire and the funds will be returned to the sender's account.

Once a transfer has been initiated, it can only be canceled if the recipient has not yet enrolled with Zelle. To cancel a payment, users access the activity page, choose the payment they wish to cancel, and then select "Cancel This Payment."

The design experience for Zelle is consistent across in-network financial institutions. However, banks have flexibility to change the font or colors of the app to maintain brand consistency. In-network banks set user transaction limits and have the option to charge a fee at their discretion. Banks may also limit the ability of customers to send or receive money from users of the standalone Zelle app.

### Standalone Zelle App

To enroll with the standalone Zelle app, customers enter their basic contact information, an email address or U.S. mobile number, and a Visa or Mastercard debit card with a U.S.-based account. Some debit cards do not yet have the capability to receive money in minutes. Those cards that are not "fast funds enabled" can't be used with

Zelle. Zelle does not accept credit cards, international debit cards, or debit cards linked to accounts based in a U.S. territory.

Customers using the standalone app can only send money to users with access to Zelle through their financial institution. Therefore, at least one side of the transaction (sender or receiver) must have access to Zelle through his or her financial institution.

Customers that use the standalone Zelle app must use their smartphone to send or receive money. The weekly send limit for users of the standalone app is based on usage and experience with the service. Initially, the limit is set to \$300 per rolling seven-day period with no limit on the number of transactions.

## How is Zelle Different?

### ■ Security

Zelle was developed by the banking industry and benefits from the industry's cybersecurity expertise. Financial institutions in the network do not share customers' account information with each other, so the risk of account information being captured in-flight or at rest is decreased. Customers that access Zelle through their bank's mobile app need provide no sensitive account information. Those who use the standalone app need only share debit card information. The Zelle Alias directory

used to facilitate payments only includes the phone numbers and emails associated with Zelle profiles.

Furthermore, banks operate in a heavily regulated industry with strong consumer protection laws. It is unclear if certain rules, like Regulation E, adequately protect consumers that use alternative payment services

### ■ Speed

Many P2P payment apps, such as Venmo, store funds within the application. It can take one to three business days for that money to transfer to the user's bank account. Conversely, money sent through Zelle to recipients already enrolled in the network arrives directly in the recipient's bank account, typically within minutes. The funds, once in the recipient's account, are made available immediately. Consumers can access their money through ATMs or make electronic transfers or check payments. This process may take longer if the payment is made to a standalone Zelle app user or someone who has not yet enrolled.

### ■ Fees

Some P2P payment apps allow users to expedite the transfer of stored funds to their bank account if they need the funds immediately; however, they charge a fee for the convenience. Zelle does not charge a fee to consumers to

*Continued on next page*

## Want to rev up your loan portfolio?



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send or receive money. However, banks that offer Zelle through their mobile banking applications can elect to charge a fee.

## ■ Privacy

Some P2P payment apps have chosen to incorporate a social media element that allows users to see who their friends are sending money to and receiving money from. However, given the sensitive nature of personal finance, Zelle has chosen to keep information about user payments private.

## ■ Relationship

In-network financial institutions offer Zelle directly through their online and mobile banking experiences, allowing them to maintain a central role in payments and in the broader financial lives of their customers. More information about joining the Zelle network is included below.

## Commerce

Zelle recommends that users avoid using the app to purchase goods or services from strangers if they are unsure they will receive the items for which they have paid (for example, items purchased on sales sites like Craigslist). According to Zelle, neither Zelle nor the in-network bank is responsible for goods or services that are not received or are received but do not meet

expectations. While Reg E protects consumers from unauthorized transactions, consumers are encouraged to exercise caution before authorizing transactions with unknown parties.

Some consumers are using Zelle to make payments to small businesses, like lawn services and pet sitters. Early Warning is still in the process of formalizing this use case and expects to make an announcement sometime in the first half of 2018.

## B2C Disbursements and Payroll

Zelle enables banks to provide treasury management clients and business clients a new way to digitally disburse funds to their customers, sometimes called business-to-consumer (B2C) payments. Through Zelle, business clients can avoid collecting and storing sensitive account details for disbursement recipients.

Banks can choose to place pricing around these features, creating new revenue streams while reducing cash and check expenses. Furthermore, there are limited options in the market for real-time disbursements, providing banks a competitive advantage.

Watch for part two of “Understanding Zelle” in the May South Dakota Banker Magazine. In addition to the paper on Zelle, ABA has also published supplements on regtech, biometrics, APIs, digital lending and blockchain technology. Bankers can access the papers—which are available free to ABA members—as well as other fintech resources by visiting [www.aba.com/fintech](http://www.aba.com/fintech). For more information on Zelle, visit [www.zellepay.com](http://www.zellepay.com).

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washington update.....

BY ROB ENGSTROM | Chief Political Strategist | American Bankers Association

# Stepping Up Our Political Engagement

**G**o vote. Every election we hear about the importance of voting. And it is extremely important. But as an industry that touches every community in America, I'd argue that bankers need to do more than just vote; we must be politically engaged year-round, even and odd-numbered years.

Political engagement means so much more than just voting or giving to campaigns, though both are important ways to make your voice heard. Political engagement is a holistic approach that, when executed appropriately and thoughtfully, can make a big difference both inside and outside the walls of government.

ABA, state bankers associations and our members have helped build and defend the foundation of the American economy for nearly 150 years. Now we're bringing our all-American values to the halls of Congress, standing with candidates and legislators of both parties that appreciate the critical role banks play in the economy.

Political engagement is about doing our part to keep the American dream within reach for bank customers, clients and communities.

To recognize and elevate the importance of political engagement, both as an organization and on behalf of bankers everywhere, ABA has fully integrated our BankPac, grassroots, independent expenditure and voter education efforts to speak with one voice under the ABA brand. To that end, we are:

- Launching a voter education effort—the ABA Voter Education Fund—to grow our political profile by engaging in issue and candidate advocacy, polling, research and “get out the vote” efforts.
- Establishing criteria for candidate support and outlining standards for engagement.
- Expanding our grassroots infrastructure and preparing to mobilize as we near key milestones legislatively and politically.
- Strategizing with our partners in the ABA-State Association Alliance, utilizing their boots on the ground for local efforts.

These are all opportunities for ABA members to be involved, and we invite you to be a part. Of course, it all starts with your state bankers association. All politics is local, and no one understands that—or is a better local resource for you—than your state bankers association.

Engaging in these efforts is not about checking a box for each activity. It's about finding strategic opportunities to use your resources and your voice to expand the banking industry's political profile. BankPac, the Voter Education Fund and grassroots are important pieces of increasing our political presence, and all allow opportunity for bankers to get involved. But, we recognize that these components are not one-size-fits all. Each bank and each banker have different attributes that may allow them to interact with these opportunities differently. There is a place for every banker and every bank in these political engagement efforts.

So, how can you be a part? Reach out to ABA and your state bankers association to see how you are best placed to participate. For some, it may be joining BankPac; for others supporting voter education efforts; and for more still, it's being a grassroots ambassador—not just cultivating your own relationships with lawmakers, but educating your peers and employees about what's happening in Washington, so that they get involved.

Political engagement is more than a contribution in an election year or contacting your lawmaker during an important vote. Political engagement is developing and maintaining a constant presence in front of lawmakers and the public that shows bankers are here, we're paying attention to what's happening in the halls of government, and we're actively involved in creating a civic environment that is helpful to the American economy.

The banking industry represents two million employees and millions more customers. It's time our political will and engagement match that. That's what we're doing at ABA, and we invite you to be a part of it. Join us at [www.aba.com/engage](http://www.aba.com/engage). ■

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Rob Engstrom is chief political strategist for the American Bankers Association (ABA). You can reach Engstrom at [rengstro@aba.com](mailto:rengstro@aba.com).



ask the appraiser.....

BY SHERRY BREN | Executive Director | South Dakota Appraiser Certification Program

## USPAP Ethics Rule: Confidentiality

### Providing a Copy of a Work File

**Question:** I recently received a notice from an appraisal management company (AMC) asking that I provide a copy of my complete work file upon its request. What steps should I take to comply with this request without violating USPAP?

**Response:** Providing the AMC with a copy of the work file is not prohibited by USPAP. However, the appraiser must comply with the Confidentiality section of the ETHICS RULE. The work file might contain assignment results from another assignment or confidential information obtained from another client. If so, the appraiser must have authorization from that other client to disclose assignment results or any confidential information related to that assignment.

In addition, the appraiser must be aware of any other laws or regulations applicable to those past assignments, including privacy requirements such as those contained in the Gramm-Leach-Bliley Bank Modernization Act.

### Are Physical Characteristics Confidential?

**Question:** I am aware that the ASB changed the definition of assignment results to specify that physical characteristics are not assignment results. Does this mean that physical characteristics are not confidential?

**Response:** Yes. Because physical characteristics are not assignment results, they are not confidential unless identified as such by the client and they are not available from any other source. Physical characteristics are attributes that are observable to measurable. This differs from opinions and conclusions, which are the result of some level of analysis or judgment. ■

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If you have an appraisal related question that you would like to have answered in the "Ask the Appraiser" column, submit it to Sherry Bren, executive director of the Appraiser Certification Program, 308 S. Pierre St., Pierre, SD 57501, fax 605.773.5405 or by email to Sherry.Bren@state.sd.us.

## SDBA, Banks Support South Dakota Ag Foundation's \$4 Million Challenge

On National Ag Day on March 20, the South Dakota Agricultural Foundation accepted a five-year challenge to raise \$4 million for future support of South Dakota's agriculture industry. Funds raised by the SD Ag Foundation will be matched by an additional \$1 million in funds from the State of South Dakota and South Dakota Community Foundation.

"We take pride in agriculture here in South Dakota, and to see SD Agricultural Foundation's commitment to invest in the future of agriculture is commendable. This challenge will ensure growth in the industry, while highlighting the need for philanthropy in agriculture," said Gov. Dennis Daugaard.

"We've seen a lot of excitement around the South Dakota Agricultural Foundation and its initiatives this last year," said Stephanie Judson, president, South Dakota Community Foundation. "We hope our challenge grant

encourages others to join us in supporting a very vital part of the state's heritage and economy."

In support of the SD Ag Foundation, POET announced its commitment of \$250,000 towards the one-to-four matching challenge. Other commitments toward the challenge goal include \$25,000 from First Interstate Bank, \$5,000 from the South Dakota Bankers Association, \$5,000 from Riverview Farms, and \$1,000 from Nathan and Kristin Jensen. Founding donors who previously made donations include First Dakota National Bank, Dacotah Bank, BankWest and American Bank & Trust.

Since 2016, the SD Ag Foundation has raised close to half a million dollars. This year, the Foundation is supporting 23 organizations involved in youth ag education across the state with grants totaling \$34,165. Learn more at [www.sdagfoundation.org](http://www.sdagfoundation.org). Or contact Chris Maxwell at [chris.maxwell@sdagfoundation.org](mailto:chris.maxwell@sdagfoundation.org). ■

bank notes.....

## Dacotah Bank Employees Distribute Donations

Local charities and causes have received more than \$44,000 in Dacotah Bank's Give Where We Live program during the first 10 weeks of 2018. Midway through March, 116 different nonprofits and benefits have received an average of \$380 in the program that invites employees to direct cash donations.

Dacotah Bank CEO and President Joe Senger says the Give Where We Live program demonstrates the company's culture.

"Dacotah Bank is well known for its company philanthropy. When a group of employees recommended this new way of giving, it didn't take management long to get on board," Senger said. "Each employee can take pride in knowing they have an opportunity to make a direct impact on a local need using company resources."

With more than 550 employees, Dacotah Bank's Give Where We Live initiative will provide more than \$110,000 annually to numerous local nonprofits, causes, or events that raise money to meet the needs of the community. Additionally, bank employees who serve on boards of nonprofits may direct additional bank-funded contributions to their organization. ■

## Lyndsay Schreiber Receives HR School Scholarship



Lyndsay Schreiber, human resources director with Pioneer Bank & Trust in Spearfish, was selected to receive the 2018 SDBA/Prochnow Educational Foundation Scholarship for the Human Resource Management School at the Graduate School of Banking at the University of Wisconsin-

Madison. The scholarship pays \$925 toward tuition. This year's school will be held April 15-18. For more information on the school, visit [www.gsb.org](http://www.gsb.org). ■

## UBB Employees Promoted

Five employees at United Bankers' Bank have been promoted.

"We are pleased that we are able to leverage in-house talent and are fortunate to have each of these folks as part of our UBB team," said UBB President/CEO William C. Rosacker. "They each embody UBB's First for Your Success service commitment and have been instrumental in making United Bankers' Bank an industry leading provider of correspondent services to community banks."

Angela Orcutt, executive vice president, chief human resources officer, oversees the human resources team and provides UBB with overall strategic HR leadership. She supports the development and implementation of HR initiatives and systems, as well as recruiting, training and performance management of the UBB team. Orcutt's career at UBB began in 2010.

Tyson Doke, vice president, marketing manager, leads the marketing team and is responsible for supporting and developing UBB's progressive vision with products and services to help customers maintain a competitive edge in their markets. He develops and implements strategies to build UBB's brand equity through advertising, sponsorships, promotions, research and digital marketing initiatives. Doke joined UBB in 2013.

Stephanie Forbes, assistant vice president, investment trader, is a licensed municipal securities representative and assists customers in gaining access to the brokered CD market, as well as being an investment trading officer. She has been with UBB since 2004.

Kris Thoman, information technology services manager, officer, heads the technical services team that supports all UBB employees in effective resolution of all IT related issues. She is also responsible for the development and ongoing support of user access for the security administration program. Thoman joined UBB in 2016.

Kevin Wagner, information security manager, officer, is responsible for oversight of the UBB's information security program, including IT governance, risk and compliance reporting. He is also responsible for managing the bank's business continuity, vendor management, and enterprise risk management programs. Wagner began working at UBB in March 2017.

Headquartered in Bloomington, Minn., and an SDBA associate member, UBB is the nation's first bankers' bank and a full service provider of correspondent banking services to community banks in Minnesota, North Dakota, South Dakota, Montana, Nebraska, Indiana, Iowa, Wyoming, Idaho, Ohio, Oregon, Washington, Michigan and Illinois. For more information visit [www.ubb.com](http://www.ubb.com). ■

## Zane Bennett Schumacher Selected for Scholarship



Zane Bennett Schumacher is the recipient of a \$1,5000 South Dakota Bankers Foundation scholarship at the University of South Dakota, Vermillion.

Schumacher, who is from Dell Rapids, is a senior business finance major. He plans to pursue a career as a financial advisor upon graduation. ■

classifieds.....

### **Ag Commercial Lender, First National Bank, Yankton, S.D.**

Role Overview: Accountable for managing and growing commercial and agribusiness banking loan portfolio by providing best in class credit, depository and other wholesale banking products and services. Source potential customers through internal and external networks and creating and executing against an effective calling plan. Develop and execute goals, plans and initiatives that align with corporate strategy surrounding client satisfaction, account growth, risk and retention. Job Requirements: Bachelor's degree in banking, agribusiness, finance, accounting or equivalent. Generally eight-plus years agribusiness lending or related experience. Demonstrated sales experience preferred. Knowledge of commercial banking products/services and FNB products and services. Strong relationship management skills. Demonstrated oral and written communication skills. Proficient in complex credit structuring. Team player and mentor. If interested, please visit our website at [www.firstnational.com](http://www.firstnational.com) and reference position number 38-15735. ■

### **Assistant/Associate Professor, Department of Banking and Financial Services, Northern State University, Aberdeen, S.D.**

Northern State University, Department of Banking and Financial Services in Aberdeen, S.D., invites applications for a tenure-track faculty position at the assistant/associate rank. The Department of Banking and Financial Services at NSU offers a full range of academic degree programs including bachelor of science and a master of science in banking and financial services. The program is one of only two degree programs in banking offered by accredited institutions in the U.S. Our faculty exhibits expertise in a host of banking and financial services disciplines, and the department is separately accredited by ACBSP. Candidates must hold a juris doctor with banking experience (preferably trust experience) or doctorate in finance (or equivalent) with banking experience (preferably trust experience) and demonstrate excellence in teaching and a desire to publish in top tier journals. Background in trusts strongly preferred. Demonstrated ability to work with and mentor students and professional or managerial experience in banking and/or financial services. A PhD, JD or DBA is preferred. Appropriately, qualified candidates will be considered for the position, which is an annual renewable appointment. Review of applications will begin immediately. Position is open until filled with an Aug. 22, 2018, start date. For more information and to apply visit <https://yourfuture.sdbor.edu>. Click on Northern State University in the quick search section. The system will guide you through the electronic application form. AA/EOE ■

### **Bank Accountant/Senior Analyst, Security State Bank, Chancellor, S.D.**

Security State Bank is a leading agriculture and small business bank in eastern South Dakota and southwestern Minnesota. We have an opportunity for a bank accountant/senior analyst to join our dynamic team. The position will be located at our office in Chancellor, S.D. This is a great opportunity for a highly-motivated individual to make a big impact in our fast-paced, growing organization. In your role, you will conduct extensive independent credit analysis on existing and new clients in association with senior bankers; comprehensive credit

administration supervision; review customer accounts/portfolios in order to identify credit quality issues; conduct specialized analysis and prepare specialized reports on loan quality/portfolio quality; perform economic and industry analysis, financial projections and risk assessments. Qualifications: bachelor's degree in accounting and finance; five years of accounting experience; excellent analytical, problem solving and attention to detail skill set; self-motivated-self starter; agricultural background preferred. EOE. Please submit credentials and compensation requirements to: John J. Baumiller, President, at [johnbaumiller@banksecuritystate.com](mailto:johnbaumiller@banksecuritystate.com). ■

### **Business Development Officer, BankWest, Pierre, S.D.**

BankWest, a family-owned business with 129-year history, is seeking a full-time business development officer to join its financial services team. Our business development officer develops relationships with new and existing personal, agricultural and commercial customers through serving their financial needs by offering a variety of deposit and loan products and referrals for insurance, investment, and customer retail and trust products. A degree in agriculture, economics, accounting or business administration preferred with comparable work experience or family background in agriculture, ranching or small business. Applicants are invited to review the full job description and complete an online application at: [www.bankwest-sd.bank/about/careers/](http://www.bankwest-sd.bank/about/careers/). Please contact BankWest Human Resources at 800.253.0362 with questions. EO/AA. ■

### **Business Relationship Manager, BankStar Financial, Brookings, S.D.**

BankStar Financial in Brookings, S.D., is seeking a highly-motivated self starter for a full-time business relationship manager position. Applicant will work closely with business banking team members to provide comprehensive products and services. Duties will include developing and growing business relationships, working with business services and products that include: business deposit accounts, business online banking, cash management, account analysis, merchant card services, and other services or products provided by BankStar. Other duties include developing and leading sales strategies for growth opportunities, providing in-depth training on products, ongoing customer support, and other miscellaneous duties as assigned. Education & Experience: Post-secondary degree/diploma in accounting, finance, business or economics. Three-plus years of banking experience; business banking experience preferred, but not required. Any equivalent combination of education and experience as is acceptable to the hiring authority. Compensation DOE and full benefit package available. For questions and full job posting contact: BankStar Financial, Attn: Amanda Lauer, PO Box 146, Brookings, SD 57006, [Amanda.Lauer@ebankstar.bank](mailto:Amanda.Lauer@ebankstar.bank), phone: 605.692.3636. Must pass pre-employment screening. Equal Opportunity Employer, Member FDIC. ■

### **Commercial Loan Officer, Security Savings Bank, Sioux Falls, S.D.**

Security Savings Bank is looking for a commercial loan officer for our Sioux Falls, S.D., location. This position will be responsible for building and maintaining a high-quality deposit and loan portfolio. The successful candidate will play a



fundamental role in achieving customer satisfaction and revenue growth objectives. Strong analytical skills with the ability to place a high emphasis on credit quality operating within established lending objectives and policies is a must for this position. The commercial loan officer will have the opportunity to cultivate new and existing relationships through community involvement and relationship building. A bachelor's degree in business, finance or accounting or equivalent combination of education and experience required. Preferred candidates will have two to five years of commercial lending experience in a credit analyst or commercial lending role. This position will give you an opportunity to join a growing, family-friendly organization that offers a competitive compensation and benefits package. EOE. Please visit our website at: [www.ssbia.net/careers](http://www.ssbia.net/careers) or submit resume to [hr@ssbia.net](mailto:hr@ssbia.net). ■

### **Commercial Loan Officer, Pioneer Bank & Trust, Buffalo, S.D.**

Pioneer Bank & Trust is looking to hire a full-time lending officer to join our team. The successful candidate will be exposed to the following types of lending: commercial real estate acquisition/refinance and term loans, commercial and industrial related financings that include revolving lines of credit, agriculture revolving lines of credit and term real estate loans, residential housing/construction, consumer loans and SBA loans. Responsibilities: Soliciting, negotiating,

underwriting and servicing a variety of commercial loan and deposit relationships. Evaluate the financial condition and creditworthiness of individuals/businesses. Promoting the bank externally and referring customers to appropriate staff for new services. Experience: Bachelor's degree and five-plus years of commercial lending experience preferred or related experience will be considered. Please submit resume to [lyndsay@pioneerbankandtrust.com](mailto:lyndsay@pioneerbankandtrust.com). EOE AA M/F/Vet/Disability ■

### **Sales/Marketing Channel Manager, BankWest, Pierre, S.D.**

BankWest, a family-owned business with 129-year history, is looking for an individual to develop and deploy communications strategies for a wide range of traditional and digital marketing channels to join its financial services team. This individual will create content, manage and monitor message placement, coordinate PR activities and oversee social media strategy. This position requires a bachelor's degree in a related field. Applicants must have excellent communication, organizational and time-management skills. A minimum of three years of experience is preferred. Applicants are invited to review the full job description and complete an online application at: [www.bankwest-sd.bank/about/careers/](http://www.bankwest-sd.bank/about/careers/). Please contact BankWest Human Resources at 800.253.0362 with questions. EOE/AA. ■

If you have a job opening at your bank or something to sell, send your classified listing via email to [ademers@sdba.com](mailto:ademers@sdba.com) and we will post it on the SDBA website and print it in the South Dakota Banker Magazine. The fee is \$50 per ad (200 word limit) for SDBA members or \$100 per ad (200 word limit) for non-members. Questions, call 605.224.1653.

## **Half Way Home..**

*continued from page 5*

apparently is not ready to move immediately forward on the Senate bill, reasonably reminding his Senate colleagues that the House has passed a couple dozen regulatory relief bills with bipartisan support. He would like to discuss including some portions of those bills in a final measure that Congress could send to the President.

Such a move might risk alienating otherwise supportive Senate Democrats grown weary of criticism from the progressive left. Likewise, Senate Republican leaders may not want to spend more of the Senate's limited time on a second round of debate over financial services issues.

Regulatory relief is at the halfway point. For now, we simply must maintain open lines of communication with our members in both houses of Congress and press to bring a meaningful measure all the way home. ■

Curt Everson is president of the South Dakota Bankers Association in Pierre. Everson can be reached at 605.224.1653 or [ceverson@sdba.com](mailto:ceverson@sdba.com).

## **Cryptocurrencies...**

*continued from page 8*

billions of dollars. At the time of this writing, the total market value of all cryptocurrencies was \$411 billion, according to CoinMarketCap.

As painful as that loss would be to cryptocurrency investors, it would be positive for the blockchain technology, which is the operational foundation for all cryptocurrencies. Then, entrepreneurs as well as businesses with their technical talent will focus more attention on developing practical, value-added applications of blockchain.

It is anyone's guess as to how widespread the uses of blockchain technology potentially could be, but the country and the economy will benefit economically when much more attention and human talent is focused on productive uses of that technology rather than the latest up or down movement in bitcoin's price. ■

Bert Ely is the principal of Ely & Company, Inc., where he monitors conditions in the banking industry, monetary policy, the payments system and the growing federalization of credit risk. For more information, contact Ely at [Bert@ely-co.com](mailto:Bert@ely-co.com).

## Seminars/Conferences/Webinars/Schools

### SDBA EVENTS

#### **SDBA Agricultural Credit Conference**

April 11-13, 2018 | Pierre

#### **ABA Government Relations Summit**

April 23-25, 2018 | Washington, D.C.

#### **Tri-State Trust Conference**

April 30-May 2, 2018 | Fargo

#### **SDBA/NDBA Annual Convention**

June 10-12, 2018 | Fargo

#### **SDBA Bank Technology Conference**

Sept. 11-12, 2018 | Sioux Falls

#### **SDBA Lead Strong: Women in Banking Conference**

Oct. 2, 2018 | Sioux Falls

### WEBINARS

For a complete list of webinars, visit [www.sdba.com/webinars](http://www.sdba.com/webinars).

#### **April 11, 2018**

Reg E Compliance—Five Best Practices for Handling Disputes

#### **April 11, 2018**

Strategies to Win the War: Capitalizing on Your Competitive Advantages

#### **April 12, 2018**

Marketing & Advertising Compliance

#### **April 12, 2018**

BSA: CIP and CDD

#### **April 13, 2018**

Excel Explained: Creating Interactive Spreadsheets

#### **April 17, 2018**

Flood Insurance Compliance

#### **April 18, 2018**

Robbery Prevention & Response

#### **April 19, 2018**

Legal Issues of Checks

#### **April 24, 2018**

Fair Lending—Do Your Lenders Know the Requirements?

#### **April 25, 2018**

Unclaimed Property Compliance for Financial Institutions

#### **April 25, 2018**

Creating the Right Enterprise Risk Management (ERM) Program for YOUR Community Bank

#### **April 26, 2018**

Safe Deposit Danger Zones—Disaster Recovery Program

#### **April 26, 2018**

Opening Minor Accounts

#### **April 27, 2018**

Building Beneficial Ownership Procedures

#### **April 30, 2018**

Opening Deposit Accounts for Nonresident Aliens—Changes on the W-8BEN

#### **May 1, 2018**

Beneficial Ownership Training for the Frontline

#### **May 2, 2018**

Loan Participations: What You Should Know

#### **May 2, 2018**

Understanding Commercial Loan Documents

#### **May 3, 2018**

Living Trust Documents

#### **May 3, 2018**

10 Critical Issues in Handling Trust Accounts

#### **May 4, 2018**

Introduction to Consumer Lending

#### **May 7, 2018**

Lending 101

#### **May 8, 2018**

Branches in the Digital Age: How to Reset Your Branch Network

#### **May 9, 2018**

2018 Most Common Regulation O Concerns

#### **May 10, 2019**

FFIEC Mobile Services Guidance Review

#### **May 10, 2018**

20 Legal Account Ownerships, Titles, Sample Signature Cards and Legal Documentation

#### **May 11, 2018**

Accounts Receivable and Inventory Financing

#### **May 14, 2018**

Commercial Real Estate Lending: Cash Flow Analysis & Cap Rates

### SCHOOLS

#### **GSBC Executive Development Institute for Community Bankers**

April 15-18, 2018 | Denver, Colo.

#### **GSB Human Resource Management School**

April 15-20, 2018 | Madison, Wis.

#### **Dakota School of Lending Principles**

April 24-27, 2018 | Aberdeen, S.D.

#### **GSBC Community Bank Investments School**

May 20-24, 2018 | Denver, Colo.

#### **Dakota School of Banking**

June 17-22, 2018 | Jamestown, N.D.

#### **National School for Experienced Ag Bankers**

June 25-29, 2018 | Spearfish, S.D.

#### **Graduate School of Banking at Colorado**

July 15-27, 2018 | Boulder, Colo.

#### **GSBC Community Bankers Summit**

July 23-25, 2018 | Boulder, Colo.

#### **Graduate School of Banking at Wisconsin**

July 29-Aug. 10, 2018 | Madison, Wis.

#### **SDBA IRA School**

Sept. 5-7, 2018 | Sioux Falls

#### **GSB Financial Managers School**

Sept. 9-14, 2018 | Madison, Wis.

#### **GSBC Workshop on Community Bank Investments**

Sept. 12-14, 2018 | Las Vegas, Nev.

#### **GSB Strategic HR Forum**

Sept. 27-28, 2018 | Minneapolis

#### **GSB Sales and Marketing School**

Oct. 14-19, 2018 | Madison, Wis.

#### **GSB Bank Technology Security School**

Oct. 21-26, 2018 | Madison, Wis.

For more details and to register for a training, visit the SDBA's online event calendar at [www.sdba.com/events](http://www.sdba.com/events).  
Or contact the SDBA's Halley Lee at [hlee@sdba.com](mailto:hlee@sdba.com) or 800.726.7322.

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