

South Dakota Banker

Your Premier Source to South Dakota's Financial Services Industry | December 2017



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Curt Everson, SDBA President

ceverson@sdba.com

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mfeimer@sdba.com

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ademers@sdba.com

Nadine Kepford, IS/Business Manager

nkepford@sdba.com

Jeanine Dyce, Administrative Assistant

jdyce@sdba.com

Roger Larson, Commercial Lines Specialist

rlarson@sdba.com

Michelle Guthmiller, Licensed Insurance Specialist

mguthmiller@sdba.com

Robin Feimer, Licensed Customer Service Representative

rfeimer@sdba.com

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message from the chairman.....

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

Regulatory Front Making its Way

The pace of change for the weather in South Dakota holds little resemblance to the pace of change for the laws and regulations of our land. I suspect most all of us would agree that is a good thing. In last month's South Dakota Banker, SDBA President Curt Everson made reference to the wind blowing at least 20 miles-per-hour from one direction one day, only to blow 20 miles-per-hour from the opposite direction the next day. I didn't particularly care for that phenomenon on a recent pheasant hunt, and I doubt any of us would want to operate our banks in an environment like that either.

That said, few would dispute that our industry has been operating against a strong and persistent head wind for nearly a decade now. And that hasn't been all that

much fun either. But, just like the winds in South Dakota, we are beginning to witness a shift, and it seems that a big front is starting to make its way through. Here are just a few highlights from the past few weeks.

- The U.S. Senate repealed the CFPB's arbitration rule—an important win for our industry and our customers.
- Randal Quarles, the new vice chairman for supervision at the Federal Reserve, recently said, "I have perceived quite an openness in the deep state at the Fed to taking a fresh look... at regulations."
- President Trump's appointment of Jerome "Jay" Powell as the next chairman of the Federal Reserve is widely perceived to be a positive choice for both monetary policy and regulatory matters.
- Senate Banking Committee Chairman Mike Crapo successfully worked in a bi-partisan manner to develop legislation to amend the Dodd-Frank Act and provide regulatory relief. The committee has scheduled a Dec. 5 markup for this important measure. While perhaps not all of what we hoped for, it certainly deserves our full support as an important first step in the process.
- At this writing, the House has passed its version of a tax reform bill, as has the Senate Finance Committee. More work needs to be done with both of these bills, especially for Sub Chapter S banks, but substantial progress is being made on this important pro-economic growth legislation with a goal of having tax reform passed by year end.

No one that I know in South Dakota cares much for a strong northwest wind, especially this time of year. After a particularly long stretch, it's always nice when the wind finally begins to blow from the south. Well, the wind seems to be blowing from the south, and it feels pretty good. ■

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



Brian J. Gatzke, ARA, MBA
Certified General Appraiser, SD & MN

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from the executive office.....

BY CURT EVERSON | President | South Dakota Bankers Association

Thrill of Victory & Agony of Defeat

On the very day that last month's issue of South Dakota Banker landed on my desk, I was reminded of a phrase and scene from the opening of ABC's Wide World of Sports. Who can forget the scene of a Nordic ski jumper commencing what he hoped would be a jump worthy of a gold medal. But partway down the run, the jumper lost his balance, hurtled off into space, enduring a gut-wrenching crash landing on the hill below. Just as that scene is burned into my memory, so is the background voice of Jim McKay talking about "the thrill of victory and the agony of defeat."

So after I had voiced a measure of optimism regarding prospects for passage of some measure of regulatory relief out of the Senate Banking Committee, ranking member Sherrod Brown (D-Ohio) "walked away" from discussions with Chairman Mike Crapo (R-Idaho) on a bipartisan package of reasonable reform measures. Unwilling to allow Brown's decision to signal defeat for regulatory relief efforts in this Congress, working with his fellow Republicans on the committee including Sen. Mike Rounds, Chairman Crapo reached out to a group of moderate Democrat committee members including Sens. Heitkamp (N.D.), Tester (Mont.), Donnelly (Ind.) and Warner (Va.) to craft a compromise measure.

S.2155, "A Bill to Promote Economic Growth, Provide Tailored Regulatory Relief, and Enhance Consumer Protections, and for Other Purposes" was introduced on Nov. 16, with 19 original co-sponsors (nine Republicans, nine Democrats and one Independent). Slated for a committee markup on Dec. 5, the almost certain support of the four original Democratic co-sponsors coupled with support by committee Republicans should send a strong message to the full Senate and to the House of Representatives that this regulatory relief measure needs to end up on the President's desk to be signed into law.

Per a memo written by ABA President/CEO Rob Nichols on Nov. 17, this 86-page bill contains provisions that would:

- Simplify capital calculations for community banks.
- Provide relief from appraisal requirements for smaller mortgages.
- Institute longer exam cycles for community banks.
- Provide charter flexibility for federal thrifts with less than \$15 billion in assets.

- Designate all mortgages held in portfolio as qualified mortgages for banks with less than \$10 billion in assets.
- Raise the threshold for designation as a systemically important financial institution from \$50 billion to \$250 billion in assets.
- End stress tests entirely for banks with less than \$250 billion in assets and change frequency of remaining stress tests to "periodic."

A section by section description of S.2155 can be found at www.sdba/assets/docs/2017RegReformPackage.pdf.

Importantly, the SDBA still believes that putting arbitrary asset threshold into statute is not optimal public policy. We still believe that a risk-based, tailored approach to regulation is the preferred approach. That said, changes proposed in S.2155 represent the first measure of meaningful legislative relief for a large segment of this nation's banks since the passage of Dodd-Frank and will hopefully serve as a first step toward additional changes in the future.

Speaking of changes, by now I am sure everyone is aware that Richard Cordray has resigned his post as the director of the Consumer Financial Protection Bureau (CFPB) effective at midnight on Nov. 24. What is uncertain at this writing is exactly who will run the Bureau until President Trump nominates and the Senate confirms Cordray's successor.

Exercising his rights of appointment under the federal Vacancies Reform Act, the President appointed the director of the Office of Management and Budget, Mick Mulvaney, as acting director of the CFPB. At the same time, Cordray announced the appointment of his chief of staff, Leandra English, to serve as the CFPB's deputy director and that "upon my departure, (English) will become the acting director pursuant to section 1011(b)(5) of the Dodd-Frank Act." English responded to President Trump's appointment quickly and filed a private cause of action in federal district court seeking declaratory and injunctive relief and a temporary restraining order blocking OMB Director Mulvaney's appointment.

And so as everyday Americans engage in religious and secular celebrations of the Christmas season, some of

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Non-qualified Benefit Plans: *One Size Does Not Fit All*

By David Hagen, Senior Consultant, NFP Executive Benefits

Banks are often challenged with the ability to recruit, retain and/or reward their key employees. Government restrictions limit the amount of compensation that may be contributed toward qualified retirement plans, such as the popular 401(k) plan which is the predominant retirement vehicle for most employees today. These restrictions often leave the bank's higher paid talent without sufficient retirement income to sustain their current standard of living.

A supplemental executive retirement plan (SERP) is the most common solution used by banks to address this issue. This defined benefit plan typically restores that income shortfall by paying the retired employee a set benefit amount for a fixed period of years after retirement.

For employees over the age of 50, a traditional SERP design is usually the ideal solution. The financial focus for a person that age is gradually shifting from paying the mortgage and/or child college tuition expenses to planning for a secure financial retirement. A properly structured SERP is a perfect supplemental benefit to help accomplish this objective. Knowing that their employer is an active partner in their financial future, the employee's long-term focus aligns even more closely with the bank's retention goals.

Example 1: Senior Officer with Financial Focus on Retirement

Employee A is 55 years old. He is married with adult children that live on their own. He is now beginning to maximize his deferrals into the bank's 401(k) plan, but is concerned this still might not be enough to maintain his current standard of living upon retirement. His employer agrees to provide him with a benefit equal to 25 percent of his final pay, with payments beginning at age 65 and continuing for 10 years. A customized vesting schedule significantly reduces the benefit paid if the employee leaves before age 65. This supplemental benefit solves the potential gap in the employee's retirement income, with the employee now committed to work another 10 years. In addition, since the benefit is only paid if the bank is financially solvent, the employee now has a long-term vested interest in the bank's financial success.

Example 2: Younger Key Employee with Varying Financial Goals

Now let's take a look at the younger employee identified as the next level of succession planning.

Employee B is 35 years old. He is married with two

children, ages 5 and 8. He is contributing a small amount to his 401(k), but mortgage and family living expenses limit what he is able to save. The bank could offer him the same retirement-focused SERP plan, but retirement planning is simply not a primary focus for this person yet and may not be a strong motivating factor in retaining his services.

This younger employer is probably more concerned about other priorities:

- Ability to meet midlife financial needs such as college tuition.
- Survivor income benefits for his young family in the event of death.
- Disability benefits in the event of an accident or long-term illness.

This is where an experienced consultant can be invaluable during the benefit design process. An employer needs to know the available options and the right questions to ask during benefit implementation.

Short-Term Financial Needs: Instead of offering a defined benefit SERP that pays solely at retirement in 30 years, a defined contribution approach may be preferred. For the first 10 years, bank contributions are made to the employee's retirement account. However, from age 45 to 55, the employee is allowed to take a portion, or all, of the bank's annual contribution in cash to help pay college tuition. Any contributions not deferred into the retirement account will reduce his future benefit, but the employee can make that decision each year as priorities change. The employee also may be given the option to defer his own salary in later years to bring the retirement benefit back to the previous amount.

Survivor Income Benefits: By purchasing bank-owned life insurance (BOLI), a survivor income feature can be included as part of the design. The bank owns the policy, pays a one-time premium, and receives tax preferred income each year as the cash value increases. The policy death benefit can be used to provide a continuing stream of income to the employee's family in the event of death.

Disability Insurance Benefits: If the employee is unable to work due to an accident or illness, disability insurance can be attached to the plan to replace lost salary income. If the bank already has a group disability plan to provide income to age 65, a unique policy can be customized to ensure that the desired retirement benefit will also be paid after age 65, even though the employee was unable to work to retirement.

Continued at bottom of next page

SD Banks Make a Difference Survey

The SDBA is calling on member banks to participate in its annual South Dakota Banks Make a Difference Survey.

Each January, the SDBA emails all member banks its online annual survey. The intent of the survey is to demonstrate that banks are great corporate citizens and serve as “stewards” of their communities and the state in ways beyond routine banking services.

The Association requests that banks supply basic



data for calendar year 2017, or for the most recent 12-month period for which the bank has data available. The SDBA will present the findings at its State Legislative Day on Feb. 7, 2018, in Pierre.

The SDBA is also requesting short narratives and photos of banks’ community service projects. If your bank has a community service project from this past year that you would like to be included, please submit a short narrative describing the project. If you have a photo of the project, email it to ademers@sdba.com.

The names of all banks that participate in the survey will be listed in the survey piece. All individual information will be kept confidential as to the amounts disclosed in any of the categories. Questions, contact Alisa DeMers at ademers@sdba.com or 800.726.7322. The results of last year’s survey can be viewed at www.sdba.com/sd-banks-make-a-difference. ■

Registration Open for 2018 ABA GR Summit

America’s banks are vital to a strong economy. Let’s make sure Washington knows it.

The ABA Government Relations Summit will be held April 23-25, 2018, at Washington Marriott Marquis, Washington, D.C. Join fellow bankers from across the country to educate Congress and regulators on the need for commonsense regulatory reform – reform that will help America’s banks better serve their communities, grow the economy and unleash America’s potential.

Highlights will include:

- Insights from Washington insiders
- Dialogue with regulators
- Capitol visits to your senators and representative

- Tandem events to meet and strategize with fellow women bankers and emerging leaders in banking



Registration for the GR Summit is free. The SDBA offers a \$500 stipend to help with the travel expenses of one individual from each member bank to attend.

For more information and to register, visit www.aba.com/Training/Conferences/Pages/GRS.aspx. ■

While a retirement-focused benefit is still the most popular non-qualified plan today, these other considerations should be part of any executive benefit discussion. Employer goals of recruiting, retaining and rewarding key talent can be accomplished utilizing a comprehensive benefit package as long as we remember that “one size does not always fit all.” ■

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David Hagen is a senior consultant with NFP Executive Benefits, an SDBA endorsed vendor. NFP Executive Benefits is a full-service provider of executive benefit and bank-owned life insurance (BOLI) programs. For more information contact Hagen at dhagen@nfp.com, 952.403.9827 or visit www.nfpeb.com.

SD Department of Ag Can Help Finance Swine Facilities

Are your customers in the swine industry? Or maybe an existing or potential customer wants to join the industry? The South



Dakota Department of Agriculture (SDDA) has financial programs available to help alleviate bank risk and help you provide more competitive rates.

SDDA's financial programs partner with lenders to provide borrowers with lower interest rates. Programs are available for beginning farmers, livestock purchases, facility expansion, grain storage, manure management projects and value-added businesses in South Dakota.

The Rural Development Ag Loan Participation program can help fund up to \$500,000 of building construction. This program partners with the bank for up to 80 percent of the loan amount. Applications are accepted at any time, and there is no application fee.

Tax-exempt bond programs through the Value Added Finance Authority Board can be utilized to take advantage of tax-exempt interest income for banks. This program has been widely used in the dairy industry and can be used in the swine industry and in conjunction with the participation loan or stand alone. Any costs associated with the collection and storage of manure are eligible, which is a substantial portion of a swine facility. (Federal tax reform may impact bond programs.)

The Livestock Nutrient Management bond provides tax benefits to the bank (bond purchaser) while providing lower interest rates on the manure management portion of the project. The application fee is \$200. VAFA meeting schedule and agendas are available online.

SOOEY! Call the pigs and let SDDA help you help your customers. For information on any of the financial programs offered through the SD Department of Agriculture, contact Terri LaBrie, finance administrator, at 605.280.4745 or Terri.LaBrie@state.sd.us. All program summaries, application forms and fee information are available online at <http://sdda.sd.gov/ag-development/financial-assistance-programs>. ■

SD Banking Division Nationally Accredited



The South Dakota Division of Banking has received a certificate of accreditation from the Conference of State Banking Supervisors (CSBS). This latest accreditation is the Division's third consecutive five-year accreditation.

"South Dakota has an experienced team of banking regulators," said state Labor and Regulation Secretary Marcia Hultman. "The Division practices the highest standards while serving the public and our banks, trust companies and other financial institutions."

The CSBS Accreditation Program involves a comprehensive review of the critical elements that assure a banking department's ability to discharge its responsibilities. This is done through an investigation of all department operations, including administration and finance, personnel, training, examination, supervision and legislative powers.

"The accreditation process is time consuming and demanding, but demonstrates our commitment to quality supervision," said Banking Director Bret Afdahl. "It makes us better at what we do by measuring us against independent, peer-reviewed standards."

The Division of Banking promotes the safety and soundness of state-chartered financial institutions by identifying, monitoring and addressing risks to those institutions to protect public interests. ■

SD Banking Division Issues Money & Mortgage Lender Reporting Guidance

House Bill 1179 passed during the 2017 Legislative Session and became effective July 1, 2017. The bill created limited exemptions for certain money lenders and nonresidential mortgage lenders under SDCL Chapters 54-4 and 54-14.

Official guidance on House Bill 1179 and the required annual reporting forms are posted at dlr.sd.gov/banking. Annual reports must be filed with the South Dakota Division of Banking by Dec. 31, 2017.

The reporting requirement included in House Bill 1179 is not intended to apply to loans made between family members. Additional questions can be directed to the Division of Banking at 605.773.3421. ■

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**Registration packet and complete
agenda coming soon.**



NORTH DAKOTA
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SD Bankers Attend National Ag Conference

The ABA, in cooperation with the Wisconsin Bankers Association, presented the 2017 National Agricultural Bankers Conference – The Next Cycle. This year’s event was held Nov. 12-15 in Milwaukee, Wis.

Topics such as managing risk, managing credit risk, the economic outlook and strategies to compete in a changing ag marketplace were presented over the course of the four days. More than 600 bankers, exhibitors, speakers and guests attended the conference, including 39 attendees from South Dakota.

The SDBA once again exhibited at the event, showcasing the National Schools for Ag Bankers. The 2018 National School for Experienced Ag Bankers will be held June 25-29 at Black Hills State University in Spearfish. Registration materials are available at www.sdba.com.

The SDBA gave away two door prizes to those who stopped by its exhibit booth. Richard Pamperin, Premier Community Bank, Marion, Wis., won a \$100 Amazon gift card. Hank Wonnemberg, BankWest, Gregory, won a \$100 certificate for an upcoming National School for Ag Bankers.

Next year’s National Agricultural Bankers Conference is set for Nov. 10-14, 2018, in Omaha, Neb. ■



(L-R) National Schools for Ag Bankers instructors Denny Everson, First Dakota National Bank, Yankton, and Bob Craven, Center for Farm Financial Management at the University of Minnesota.

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ag banking.....



(L-R) 2017 Bruning Award winner Michael H. Firestine, Fulton Bank, Lancaster, Pa.; National Schools for Ag Bankers instructor Sam Miller, BMO Harris Bank, Appleton Wis.; and SDBA Ag Credit Committee member Steve Kost, Dakota Prairie Bank, Fort Pierre.



SDBA Agricultural Credit Committee Chairman Scott Thompson, First National Bank, Huron, enjoys a German-themed meal sponsored by Farmer Mac.

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On the Lookout for Opportunities

Meet Jack Hopkins, CorTrust Bank, Sioux Falls

By Alisa DeMers, Editor

CorTrust Bank got its start as Live Stock State Bank in Artesian in 1930. A group of local cattle traders formed the bank after Artesian State Bank failed.

Today, CorTrust Bank operates 25 branches in 19 communities in South Dakota and Minnesota. The bank is led by President/CEO Jack Hopkins, who like his father and grandfather, has worked to diversify and expand the bank's footprint.

"We have always had the philosophy that we either have to grow or die," Hopkins said. "You have to make the decision, are you

going to be in a one-horse town or are you going to try to continue to expand your footprint and create value for the shareholders."

"We are always looking for opportunities. We are always keeping an open mind to different locations and different lines of business. I think that banking has gotten very competitive—almost commoditized a little bit. So we are always looking for different ways to diversify our revenue stream whether it be geographically, business line wise or products that we offer."

A Small Town Upbringing

Hopkins attended elementary school in Sioux Falls through the fourth grade. His family moved to Artesian when Hopkins' father, Boyd Hopkins Jr., returned to work at the family bank. Artesian is a small community located along Highway 34 partway between Huron and Mitchell.

"I remember being excited about the move," Hopkins recalled. "My grandparents had a farm, and I enjoyed spending time with the cattle and horses and all those fun things you like as a kid."

Hopkins loved to hunt and trap and played all kinds of sports. While playing high school football, he would join the marching band with his trumpet during halftime.

Growing up, Hopkins worked for several local farmers and a honey extraction company.

After graduating from Artesian High School in 1980, Hopkins attended the University of South Dakota's School of Business in Vermillion. He contemplated going to South Dakota School of Mines and Technology in Rapid City to study engineering, but the school's low percentage of female students wasn't very appealing. He also thought he might play football at School of Mines but decided not to play college football.

"I had talked to people who said if you are going into business school, get an accounting degree because you can use it with anything that you do," Hopkins said. "That was good advice."

As a teenager, Hopkins helped at the family bank with tasks such as mowing and shoveling snow. He began working inside the bank during college breaks and in the summers. Some of Hopkins' first jobs were filing checks and running the

proof machine.

"It gave me a good flavor of accounting," he said. "I learned my debits and credits the old-fashioned way."

During his senior year of college, Hopkins' family was in the process of purchasing a group of banks in southern South Dakota. Hopkins did an internship with an accounting firm from Minneapolis helping put the transaction together and doing a core deposit study.

After graduating with an accounting degree from USD in 1984, Hopkins decided that he didn't want to work for a public accounting firm and spend the majority of his time on the road performing audits. He got a job as controller for The Roseville Bank in St. Paul, Minn.

"I started looking at other opportunities and what else was out there," he said. "In 1984, there weren't a lot of jobs in South Dakota because of the ag crisis. Most of the guys I went to college with were gravitating to Denver, Phoenix or Minneapolis."

After working at The Roseville Bank for four years, the bank was sold. Hopkins was told that if he wanted to continue at the bank, he had to move to Milwaukee.

"I told my dad I was applying for other jobs because I didn't want to move," Hopkins recalled. "He said if I was looking to move, did I want to come back and work in Webster. He was trying to gauge if I was ready to come back and get into the family banking business."

Returning to the Family Bank

Hopkins joined Day County Bank in Webster in 1988 as a loan officer and also became a licensed insurance agent. The holding company which owned Live Stock State Bank in Artesian also owned Leola State Bank in Leola and had just bought Day County Bank in Webster.

Hopkins' grandfather, Boyd Hopkins Sr., became acquainted with the founders of Live Stock State Bank in Artesian while working at a bank in Wall and ranching on the side. The cattle traders offered Boyd Sr. a job in Artesian in 1948 as the bank's cashier.

In 1961, the person who had controlling interest in the bank passed away and in his will gave Boyd Sr. the option to purchase his shares.

Jack Hopkins' father, Boyd Jr., returned to the family bank in



CorTrust Bank's main location in Sioux Falls is at 300 North Cherapa Place. The bank occupies around 24,000-square feet of space in the six-story office building.



CorTrust Bank got its start as Live Stock State Bank in Artesian in 1930.

Artesian in 1972 after working for an accounting firm in Sioux Falls.

At that time, Live Stock State Bank had one other location in Letcher. Hopkins' grandfather and father wanted to expand into Mitchell and in 1977 received permission to move the bank's charter there. Shortly after, the bank's holding company purchased the banks in Leola and Webster.

After joining the family bank, Jack Hopkins worked at the Webster location for a year-and-a-half. He next moved to the bank's recently acquired Yankton location as it was a fast-growing market for the bank.

As the Hopkins family continued to purchase banks, the need arose to change Live Stock State Bank's name.

"We kept getting questions as we got into different towns if we did anything other than ag loans," Hopkins recalled. "We did, but it was hard marketing to overcome."

The bank changed its name to CorTrust Bank in 1993. That same year, Hopkins moved to the bank's first Sioux Falls location.

"Obviously, the competition is very intense here in Sioux Falls. We were fortunate to get into town before a lot of the other players did, so we got a little bit of a foothold here in town," Hopkins

explained. "There is a lot of very good competition here in town, and competition does make you better."

Hopkins was named president and CEO of CorTrust Bank in 2004, and his father was named chairman of the board. Today, Hopkins said his main role at the bank is to be a visionary looking for opportunities. He is also the sounding board and final decision maker for the bank's senior staff and is essentially the chief credit officer.

Hopkins works out of CorTrust's Sioux Falls headquarters at 300 North Cherapa Place—one of the bank's five Sioux Falls locations. The bank occupies around 24,000-square feet of a six-story office building which was completed in 2008. The project was part of an effort to revitalize the east bank of downtown Sioux Falls after the Zip Feed Mill was torn down.

Diversifying the Bank

When Hopkins joined the bank in 1988, it was around \$110 million in assets. Today, CorTrust Bank sits around \$800 million in assets and employs 280 people.

Despite its growth, CorTrust Bank remains a community bank where decisions are made locally.

"One of the things that I am proud of when I look around at my

senior staff is that we don't have much turnover. I have got a good group surrounding me that I have a lot of confidence in. They provide great service to our customers," Hopkins said. "Our customers aren't having to change loan officers every year or two years, and I am proud that we are able to keep that consistent contact."

While most of the bank's credit administration functions take place in Sioux Falls, the bank's charter remains in Mitchell, as well as its credit card operation. For a bank its size, Hopkins said CorTrust Bank has a lot of different departments such as insurance, wealth management and trust.

"Part of the reason that we moved into some of our markets was to diversify our customer base and types of business so that we weren't reliant on just ag," Hopkins said. "When we were just in Artesian, we were strictly doing agricultural lending."

When the bank moved into Sioux Falls, it heavily expanded into the mortgage business. At about this same time, the bank began servicing the mortgage loans it originates.

"One of the things that is still a little unique to us when you look around the state is that we service all of the mortgage loans that we originate. Most have taken the model of selling off the servicing rights," Hopkins explained. "It is not what I would call a profitable piece of business, but it is still something that we feel is very important for retaining customer relationships."

Hopkins' brother, Todd Hopkins, oversees CorTrust's mortgage operations at the bank's Minnesota Avenue location in Sioux Falls.

The bank also recently brought customer service for its credit card business in house. Hopkins said he doesn't like to rely on third parties and would rather the bank do as much as it can in house rather than outsource.

CorTrust Bank moved into the Twin Cities market in 2009 when it bought a failed bank from the FDIC. CorTrust bought a second Twin Cities bank that was having financial

struggles and also opened a de novo branch in an empty bank building.

One advantage, Hopkins said, that CorTrust bank has over a lot of other community banks in the Twin Cities is that the bank's lending limit is high enough to take on projects.

"That is part of the reason why we didn't go into Sioux Falls until we did," Hopkins explained. "We had to have a high enough lending limit that we felt we could compete within the market."

As the banking model changes, CorTrust is changing as well. Because customers aren't coming into banks as much as they used to, CorTrust is building to be more flexible. As the bank remodels its locations, teller lines and drive ups are now smaller. Modular versus permanent walls allow the bank to be more flexible and rearrange its layout as needed.

Active in the Industry

Hopkins has been involved in numerous civic groups and charitable boards during his banking career such as the Sioux Falls Development Foundation, Make-A-Wish and the Children's Home Society. He is currently on Lifescape's Board of Directors, a nonprofit organization which formed in 2014 when Children's Care Hospital & School and South Dakota Achieve joined together. Hopkins chaired the organization through the merger.

"We have always taken the philosophy and it has been passed down from my grandfather and father of being active in our banking trade organization and our industry," Hopkins said.

Hopkins is currently a member of the CFPB's Community Bank Advisory Council and has also served on the FDIC Advisory Committee on Community Banking. Changes to mortgage servicing rules have more than doubled the bank's cost of service, and Hopkins is working to hopefully scale back some of the regulations.

"There are going to be some opportunities to change some of the rules going forward. The first rules that were passed by the CFPB were mortgage rules, so hopefully we



Gina and Jack Hopkins have three children: (l-r) Spencer, Jerrod and McKinzie.

are going to get another bite at the apple there to get some of the most stringent and costly provisions out of some of those rules," he said of his involvement with the CFPB. "It can be frustrating at times. But, someone has to give a banker's perspective."

Family Involvement

Hopkins has been fortunate to have worked with both his father and grandfather, who served as his mentors. Hopkins had the opportunity to work with his grandfather for 15 years before he passed away.

Hopkins' wife, Gina, also plays a large role in CorTrust Bank. As in-house construction manager, Gina oversees all of the bank's construction, remodeling and decorating projects. Gina has served in this capacity for 15 years and prior to that filled in for various areas of the bank. Gina just completed a top-to-bottom gut and remodel of the bank's main location in Mitchell.

The couple has three children. Their daughter McKinzie is a tax attorney with Deloitte in the Twin Cities; son Jerrod lives in Louisiana and works for Hartford Financial; and son Spencer is double majoring in accounting and political science at

USD. Spencer is also a defensive end for USD's football team.

An avid USD fan, Hopkins along with his brother-in-law, Joe Franks, and fellow banker Dave Zimbeck last year refurbished an old school bus into the ultimate tailgating bus for USD's Howling Pack. The group is now in its second season of taking the bus on the road as they follow USD's football team.

Earlier this year, Hopkins was honored with a Distinguished Service Award from USD's Beacom School of Business—a prestigious recognition that caught Hopkins by surprise.

As Hopkins looks back over his 33-year banking career, one aspect of banking that he has most enjoyed is the face-to-face interaction he has had with CorTrust's customers.

"The things I have enjoyed the most are watching customers succeed, particularly the startups who come to you with nothing more than an idea," Hopkins said. "I look through our portfolio now and how successful some of those people have been. To know that we took a chance on them based primarily on their character and their business plan and they have succeed beyond our and their expectations. That to me is the fun part of the job." ■

MILITARY LENDING

Landmine or Goldmine?

By Kimberly R. Graves, Associate General Counsel,
Compliance Alliance

Soldiers from the Civil War under Grant to currently deployed troops in Afghanistan have rested under the umbrella of federal legislation protecting their financial welfare while serving, though I can't imagine that is any semblance of consideration for the sacrifices they make. In 1948, the Supreme Court added texture to the legislative predecessor of the Servicemembers Civil Relief Act (SCRA): "The Act should be read with an eye friendly to those who dropped their affairs to answer their country's call." *LeMaistre v. Leffers*, 333 U.S. 1, 6 (1948). Seven decades, incalculable wars and scores of unrefined lawmakers later, the umbrella is once again in the spotlight.

In October of this year, the Consumer Financial Protection Bureau (CFPB) published a nation-wide snapshot focused exclusively on servicemember complaints. Statistics in the report reflect a consistently upward trend in servicemember complaints filed with the CFPB, with two categories of complaints pulling in the largest number: debt collection and mortgages. The previous month, the Federal Trade Commission (FTC) launched a dedicated website for its newly-created Military Task Force, which followed two summits earlier this year hosted by the commission and dedicated entirely to discussing and addressing servicemember financial challenges. A current senior official at the Office of the Comptroller of Currency (OCC) emphasized in a speech to military bankers last August that banks should expect to be held accountable for violations.

When the regulations are violated, both banks and servicemembers suffer the consequences; when the regulations are followed, landmines become goldmines for both the bank and the servicemember. To effect that conversion, banks must accomplish three objectives: (1) understand the various regulations; (2) evaluate bank compliance; and (3) implement missing compliance policies and procedures.

Regulatory Perimeter

The primary components of military lending regulation are the SCRA; Military Lending Act (MLA); Dodd-Frank prohibitions on unfair, deceptive, and abusive acts and practices (UDAAP); and state laws. Agencies including the CFPB and DOJ have filed suits against financial institutions for violations of these rules and secured consent agreements or court verdicts



penalizing the institutions with civil fines up to \$30 million.

In 2016 Navy Federal Credit Union paid \$23 million in restitution to consumers and a \$5.5 million civil penalty for UDAAP violations consisting of training deficiencies and collection attempts threatening to contact servicemember commanding officers. Of note in the case, the CFPB found that these collection attempts were deceptive despite the servicemember having signed an account agreement expressly providing permission to contact a commanding officer because the language was buried in fine print, non-negotiable and not bargained for. The previous year, Santander and Bank of America felt the sting of multi-million dollar civil money penalties resulting from violations of the SCRA.

The DOJ website boasts of awards in cases against financial institutions as recent as September ranging from just more than \$1,000 to just less than \$1 million. The cases include violations of the SCRA by lenders who repossessed servicemember vehicles. Recent private actions against banks by servicemembers include liability for foreclosure, repossession and interest rate violations.

Servicemembers Civil Relief Act

Unlike other regulations that target specific areas of a bank, the SCRA is broad with provisions penetrating multiple departments and product lines. The Act primarily covers active duty military and their dependents; in limited circumstances business agreements are covered. Violations are subject to enforcement actions, civil penalties and private suits. The SCRA piles on with criminal penalties for several violations, making the stakes even higher for bankers.

The crown jewel in the Act for new servicemembers is the interest rate cap of 6 percent on all loans (including mortgages) consummated before entering military service. Servicemembers must expressly invoke this right within 180 days of release from the military. You read that correctly – the regulation permits retroactive interest reduction. Calculation of the interest rate is unique and can be tricky.

The SCRA, among other things, also provides protections against default judgment, rights to terminate leases, judicial stays or extensions, revised statutes of limitation, amended contractual liability, and prohibition on creditor self-help actions like foreclosure and repossession without court approval.

Military Lending Act

Three areas of the MLA for banks to note: (1) Certain oral and written (yes – both) disclosures are to be made before extending credit; (2) Prohibitions are placed on mandatory arbitration clauses, prepayment penalties, and waivers of certain legal rights, including those under the SCRA; and (3) Rates are capped at 36 percent on all covered loans, with a distinct rate calculation inclusive of “add on” products like credit insurance and ancillary fees. Coverage is limited to servicemembers on active duty and dependents.

Originally, MLA applicability was limited, but the 2015 amendments expanded coverage to most Truth in Lending (TILA) loans. Thus, most consumer credit subject to a finance charges or with installments is now included. Credit cards and student loans are the big additions, while mortgages, most auto loans and overdraft protection remain excluded. The final piece of the amendments became effective in October.

Creditors are required to determine if a borrower is covered by the Act, but safe harbor is available if verification is obtained through the MLA online database or consumer credit report containing military status. Violations can result in enforcement actions, civil penalties, private suits and criminal liability.

Unfair, Deceptive and Abusive Acts & Practices

Definitions for unfair, deceptive and abusive are found in the regulation itself, and the CFPB has provided additional guidance and examples in its manual online. Actual instances of actions the Bureau claimed were violations include threatening to call a commanding officer, misrepresenting the creditor’s intended actions with respect to legal remedies, hidden fees and deceptive advertising.

State Laws

Some states have enacted stronger protections than the federal regulations. These are not preempted by federal regulations so long as they provide more protection, not less. For example, in California reserve members called into active duty are entitled to defer payments on a whole host of loan types. Other states have

statutes making a violation of the MLA a violation of state law, posing the possibility of additional liability for violations.

Evaluate

Evaluation of the bank’s existing level of compliance is critical. Military lending is a pervasive compliance risk, reaching from the Board of Directors to the teller. Key areas to consider include eligibility management, loan servicing, vendor oversight, SCRA/MLA benefit allowances and denials, and product development.

Implement

Though designing compliance structure is always bank-specific, some general considerations are useful in the military lending arena. Bank software may not be adaptable to the distinct nature of military lending requirements, so it might be necessary to implement a manual system to tackle factors like eligibility, rate compliance and review, and enforcement action compliance.

The status of an individual customer can change quickly, either in to or out of coverage under the regulations. Therefore, it is incumbent on the bank to incorporate an effective monitoring system. The grave impact of personnel training and education cannot be overstated, with myriad enforcement actions citing deficiencies therein. Interdepartmental communication, such as between compliance and product development, is another essential consideration in the implementation effort. Finally, managing third-party vendor compliance can make or break the enterprise-wide military lending management effort, a point emphasized in the same speech by the OCC official mentioned earlier.

Conclude I Must

It is clear the risks banks face for noncompliance with military lending law and regulation are far-reaching, including reputation, compliance, legal, and safety and soundness. Compliance can and often does lead to enhanced relationships with the military community forging partnerships that last a lifetime. It would be a tough pill to swallow to believe that most banks fail to comply with military lending law and regulation intentionally, but as we all know, the road to hell is paved with good intentions – and minefields. Let your compliance management system be your goldmine. ■



Kimberly R. Graves serves as associate general counsel for Compliance Alliance, an SDBA endorsed vendor. She is a Magna Cum Laude graduate of St. Mary’s University School of Law and holds a bachelor of arts in political science from the University of Texas at San Antonio, also with the Magna Cum Laude distinction. Graves brings value to member banks through her experience during law school at both a regional and national financial institution and through over a decade of business management experience attained prior to law school.



ask the appraiser.....

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

Appraisal Review

When does STANDARD 3 apply?

Question: I am an appraiser, and my practice includes requests to comment on a wide range of valuation work performed by others. At various times, this work is presented as an appraisal report, appraisal review report, market data summary or even as a broker’s price opinion. When does STANDARD 3 apply?

Response: The answer to this question lies in the definition of appraisal review:

The act or process of developing and communicating an opinion about the quality of another appraiser’s work that was performed as part of an appraisal or appraisal assignment.

For this question, the key features of an appraisal review are:

- The work under review was performed by an appraiser, and
- The work under review was performed as part of an appraisal or appraisal review assignment.

Assignments related to market data summaries and broker’s price opinions are not appraisal reviews. Even when the work under examination is performed by an appraiser, evaluating these types of work is not part of an appraisal review.

However, even if the service is not an appraisal review, the portions of USPAP that apply to appraisal practice, (i.e., the DEFINITIONS, the PREAMBLE, the ETHICS RULE, the COMPETENCY RULE and the JURISDICTIONAL EXCEPTION RULE) would apply because you are acting as an appraiser.

Geographic Competency in Appraisal Reviews

Question: I have a client who has asked me to perform a desk review on an appraisal report for a property located in a different state. I have no knowledge of the real estate market in that state and have never even been there. Can I perform a USPAP-compliant appraisal review on this report?

Response: Yes. If you are engaged to determine whether or not the appraisal report under review complies with certain guidelines or standards, geographic

competence is not typically relevant. Alternatively, review assignments that include evaluating the selection and adjustment of comparable sales typically require geographic competence. As in all assignments, an appraiser must identify the scope of work required for the assignment and determine if he or she has the knowledge and experience to complete the assignment competently.

Post-Valuation Date Information in Appraisal Reviews

Question: Can post-valuation date information be used to impeach or impugn appraisals and appraisers?

Response: No. The Comment to Standards Rule 3-2(g) states:

Information that should have been considered by the original appraiser can be used by the reviewer in developing an opinion as to the quality of the work under review.

Information that was not available to the original appraiser in the normal course of business may also be used by the reviewer; however, the reviewer must not use such information in the reviewer’s development of an opinion as to the quality of the work under view.

For additional guidance, see STANDARD 3 and Advisory Opinion 20, An Appraisal Review Assignment That Includes the Reviewer’s Own Opinion of Value.

Note: Public information regarding disciplinary action taken against an appraiser is available upon written request to the Department of Labor and Regulation, Appraiser Certification Program, 308 South Pierre Street, Pierre, SD 57501 or email Sherry.Bren@state.sd.us. Include in the request for information the name of the appraiser and the appraiser’s city and state of residence. (Disciplinary action may include denial, suspension, censure, reprimand, or revocation of a certificate by the department.) ■

.....
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.



\$180,000

IN HIGH SCHOOL SCHOLARSHIPS

from the South Dakota Bankers Foundation
and Your Bank...

Scholarships are available in \$500 increments to the first 180 banks/branches who agree to match an equal amount. One-hundred eighty \$1,000 scholarships will be awarded to high school seniors on behalf of their sponsoring banks and the South Dakota Bankers Foundation.

Foundation Requirements

- Banks who participated in the High School Scholarship Capital Campaign will be eligible to complete this application.
- Student must be a high school senior who plans to attend an accredited South Dakota college, university, vocational technical school, or community college on a full-time basis.
- Winners agree to have their names released to the media.
- Other eligibility requirements may be determined by the sponsoring bank.

Matching Funds Application

PLEASE PRINT

Bank/branch must match each scholarship at \$500. Scholarships are awarded based on one per bank, then one per branch with additional requests considered until the \$90,000 is awarded. Submit in the order of priority. Duplicate this form if you have more than three locations requesting scholarships.

Bank Name: _____

Branch/Bank City: _____ # of \$500 scholarship(s) applying for to this location: _____

Contact Name: _____ Email: _____

Branch/Bank Address: _____ Zip: _____

Phone: _____ Fax: _____

Branch/Bank City: _____ # of \$500 scholarship(s) applying for to this location: _____

Contact Name: _____ Email: _____

Branch/Bank Address: _____ Zip: _____

Phone: _____ Fax: _____

Branch/Bank City: _____ # of \$500 scholarship(s) applying for to this location: _____

Contact Name: _____ Email: _____

Branch/Bank Address: _____ Zip: _____

Phone: _____ Fax: _____

Submit requests by December 22, 2017.
You will be notified when we receive your application.

Parent banks will be notified in **January 2018** of the number of \$500 scholarships bank and/or branch(es) will be awarded. Checks will be sent the first week in February 2018 to the main bank.

Send this application by mail, fax or email to:
South Dakota Bankers Foundation
PO Box 1081- Pierre, SD 57501
Fax: 605-224-7835 * Email: jdyce@sdba.com
Questions: Call 605-224-1653



South Dakota Bankers Foundation

bank notes.....

New Trust and Wealth Advisor to Serve Sioux Falls Area



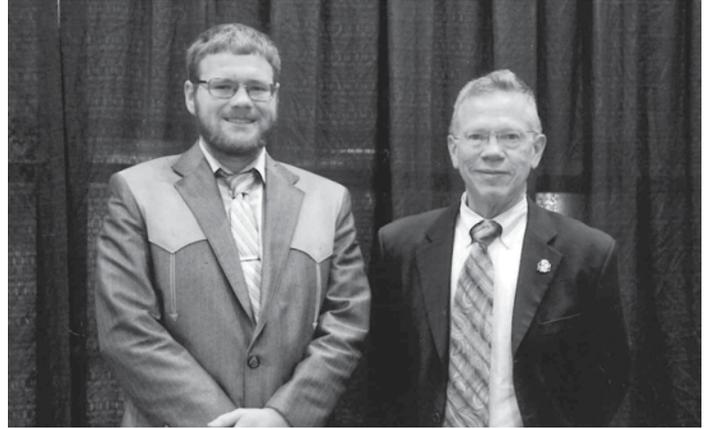
Dacotah Bank has hired Abbie Ranschau as a trust and wealth advisor to work with Sioux Falls area clients of the bank's trust and wealth management department.

Ranschau will be working on business development of trust, wealth and farm management services. Her duties also include presentment of estate planning tools and concepts with clients and prospective clients. Ranschau will be working with bank locations and advisors across the region to help individuals and families transfer legacies from generation to generation.

"We are very pleased that Abbie has accepted an opportunity to become a member of our trust and wealth management team. Abbie's experience and relationship skills will serve our clients well in achieving their financial goals," said Steven Schaeffer, senior vice president of trust and wealth management.

Ranschau has most recently received a master's degree in political science from the University of South Dakota in Vermillion. She received a master of law in taxation and juris doctor degree from Western Michigan. At the University of South Dakota, she received a master of business administration and a bachelor of science degree in finance.

Ranschau takes great pride serving as a member on the Edith Sanford Breast Cancer Committee. ■



L-R: Student Jacob Carsten and Dr. Don Marshall, interim dean of the College of Agriculture and Biological Sciences at SDSU.

Carsten Receives SD Bankers Foundation Scholarship

Jacob Carsten was recently awarded a \$1,500 South Dakota Bankers Foundation scholarship at South Dakota State University in Brookings. Carsten is a third-year ag business major minoring in accounting and law, as well as philosophy.

Following graduation, Carsten plans to attend law school, as well as sit for the CPA exam. He is currently looking for an internship in the financial sector for the summer of 2018.

The SD Bankers Foundation annually awards a scholarship to a junior studying ag economics or ag business at SDSU. ■



classifieds.....

**Commercial Credit Analyst,
Minnwest Bank, Sioux Falls,
S.D.**

Minnwest Bank has an excellent opportunity available for an experienced commercial credit analyst at our Sioux Falls location. This position is responsible for financial analysis of existing and prospective customers of the bank. We offer a team-oriented work environment, competitive pay, and a strong benefit program including bonus plan, 401K, profit sharing, medical, dental, and life insurance. (AA/EOE). The qualified candidate will have three or more years of credit analyst experience and a four-year degree in finance, accounting or a similar major. Please send resume to Human Resources at joinourteam@minnwestbankgroup.com. ■

**Director, Deadwood-Lead
Economic Development
Corporation, Deadwood/Lead,
S.D.**

This is a full-time position. The successful applicant must be a highly motivated, energetic individual with excellent people skills able to work with limited supervision. Deadwood-Lead Economic Development Corporation is searching for applicants with a minimum of three years of experience in economic development in a leadership position. Must hold a bachelor's degree in a field

related to economic development. Must be able to work with local and national businesses and city and state government agencies to promote and create job opportunities in the Deadwood-Lead area, which is transitioning to a science-based economy. Duties include but not limited to the following: daily management of one-person office, visiting with new and existing businesses to assist with job creation and financing, preparing and promoting available building lists, seeking additional sources of financing, prepare and interpret financial statements, attend various economic development, city and state meetings and prepare and manage monthly meetings. Successful applicant must live in the Deadwood/Lead communities, salary is competitive; dependent on experience. This job opening closes Dec. 22, 2017. Contact Information: Constance Walter, DLEDC Board President, 108 Sherman Street, Deadwood, SD 57732, 605-722-4025, cwalter@sanfordlab.org. ■

For Sale: Safe Deposit Boxes

Set of 40 11" X 5" safe deposit boxes; \$5,000. For photo call Seth at 701-567-4531 or email seth.skogen@dacotahbank.com. ■

**Programmer, CorTrust Bank,
Mitchell, S.D.**

CorTrust Bank is looking for a talented

programmer to create secure and functional coding solutions for both simple applications and complex information and operating systems. The ideal candidate will have proven experience in developing applications, attention to detail and an analytical mindset toward solving business process inefficiencies through automation. Responsibilities: collaborate with business subject matter experts to produce software designs, formulate program specifications and basic prototypes. Transform software designs and specifications into high functioning code as well as integrate individual software solutions to higher level systems. Test code to ensure it produces the desirable results and perform debugging. Requirements: proven experience as a full stack developer, ability to program in languages such as C++, C#, Perl, T-SQL, XML along with an analytical mindset and critical thinking. Experience in developing Web applications using Javascript, JQuery, ASP.NET. BS/BA in computer science, software engineering or an equivalent. We offer an excellent benefits package. Apply online at: <https://www.cortrustbank.com/careers>. We are an equal opportunity employer and all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, disability status, protected veteran status, or any other characteristic protected by law. ■

If you have a job opening at your bank or something to sell, send your classified listing via email to 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.

Thrill of Victory & Agony of Defeat...*continued from page 5*

the good folks who work in and around the politics of the executive and legislative branches of government will get the dubious privilege of witnessing that power struggle unfold within the judicial branch of government.

While I have developed my own opinions about the legal arguments at work in this case, I will resist the temptation to predict which side will prevail. What I will observe is that the process used by Former Director Cordray in his attempt to appoint or perhaps anoint his successor is bound to spur a future debate about the statutory structure of the CFPB.

To this long-time student of public policy, granting any executive branch official with the unchecked authority to appoint his/her successor, even on a temporary basis, is unsound and unwise. To some degree, this current-day clash of power reminds me why early Americans decided to wage a war of independence from mother England. ■

Curt Everson is president of the South Dakota Bankers Association in Pierre. Everson can be reached at 605.224.1653 or ceverson@sdba.com.

Seminars/Conferences/Webinars/Schools

SDBA EVENTS

IRA Basics Seminar

Dec. 7, 2017 | Sioux Falls

SDBA State Legislative Day

Feb. 7, 2018 | Pierre

NDBA/SDBA Bank Management Conference

Feb. 16-17, 2018 | Scottsdale, Ariz.

IRA Update Seminar

Feb. 21, 2018 | Sioux Falls

New Accounts Seminar

April 4, 2018 | Sioux Falls

SDBA Agricultural Credit Conference

April 11-13, 2018 | Pierre

ABA Government Relations Summit

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

SDBA/NDBA Annual Convention

June 10-12, 2018 | Fargo

SDBA Bank Technology Conference

Sept. 11-12, 2018 | Sioux Falls

WEBINARS

For a complete list of webinars, visit www.sdba.com/webinars.

Dec. 11, 2017

Commercial Real Estate Lending: Cash Flow Analysis

Dec. 12, 2017

Notary Public

Dec. 12, 2017

Excel Explained: Introduction to Spreadsheets

Dec. 13, 2017

RESPA Section 8 Violations

Dec. 13, 2017

ESign Compliance

Dec. 14, 2017

EFT

Dec. 14, 2017

Escrows

Dec. 15, 2017

Unraveling the Similarities and Differences Between the Green Book & ACH Payments

Dec. 18, 2017

Onboarding Your New Hire

Dec. 19, 2017

TRID

Dec. 19, 2017

Writing Business Account Procedures for New CDD

Dec. 20, 2017

Commercial Real Estate (CRE) Lending in Today's Economy

Dec. 20, 2017

W-9, W-8BEN and W-8BEN-E New Updated Forms and Info

Dec. 21, 2017

Coaching Tellers to Excellence

Dec. 21, 2017

Compliance Perspectives

Jan. 3, 2018

CECL

Jan. 3, 2018

Best-Ever Compliance Checklists for Consumer Loans

Jan. 9, 2018

Beneficial Ownership

Jan. 9, 2018

Digital Marketing: Deep Dive

Jan. 10, 2018

Incident Response—Plan to Fail

Jan. 10, 2018

Cash Management: How Sales, Operations and Technology Can Work Together to Generate More Fee Income

Jan. 11, 2018

Possible Topic: HMDA—Scrubbing and Submitting Your 2017 Data

Jan. 11, 2018

Non-Resident Aliens

Jan. 16, 2018

Advertising Compliance

Jan. 16, 2018

Loan Underwriting Mistakes

SCHOOLS

GSB Bank Technology Management School

April 8-13, 2018 | Madison, Wis.

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.

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.

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. Or contact the SDBA's Halley Lee at hlee@sdba.com or 800.726.7322.

Beyond the Fundamentals

2018 National School for Experienced Ag Bankers

June 25-29, 2018

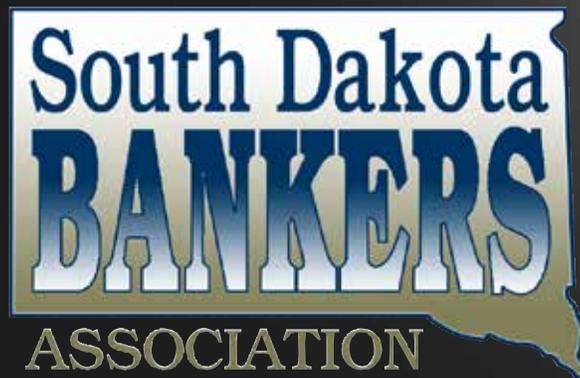
Black Hills State University
Spearfish, South Dakota



The 2018 National School for Experienced Ag Bankers targets ag bankers with a strong knowledge of financial analysis in ag banking who desire further training in analyzing and troubleshooting more complex and problem credits.

This school will be limited to 70 students. Visit www.sdba.com.

LEGISLATION



Save the Date

SDBA State Legislative Day

February 7, 2018 | Pierre, S.D.

*Be watching www.sdba.com for more details,
including a new component for emerging bank leaders.*