

# SDBANKER



OFFICIAL PUBLICATION OF THE SOUTH DAKOTA BANKERS ASSOCIATION | JULY 2019

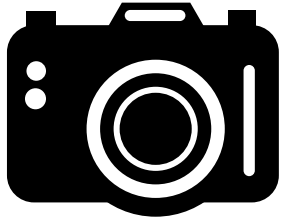
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# 2020 Scenes of South Dakota Photo Contest



The South Dakota Bankers Association is creating a customized calendar from photographs of South Dakota submitted by South Dakota bankers, their family members and customers. These calendars are exclusive to SDBA member banks and make a great gift for your customers!

If you are an amateur photographer and would like the opportunity to have your creativity displayed in homes and businesses across South Dakota, this is your chance! So send us your photos of farms, barns, agricultural activities, historical South Dakota locations, county fairs, carnivals, parades or festivals, fall colors, winter snowfalls, spring flowers, or summer fun. Any photo that shows the history and beauty of the great state of South Dakota qualifies. All photos submitted will be judged and the top photos will be featured throughout the 2020 Scenes of South Dakota calendar!

## How to enter digital photos:

Email your digital photos to [abousa@sdba.com](mailto:abousa@sdba.com) or send a CD containing your photos to Alisa Bousa at the address listed below. Please include one entry form for EACH picture you submit.

- Digital photos must be supplied as an Adobe Acrobat (PDF) or Adobe Photoshop (TIF or JPG) file.
- Images need to be 300 dpi and at least 11" wide x 8.5" tall.
- Digital Camera Info: Use at least a 4 megapixel digital camera. This will not automatically guarantee a high-resolution photo; please check camera settings. Images should be taken at the largest and best quality settings the camera can produce. *(Most cameras have at least low, medium and high resolution choices.)*

## How to enter printed photos:

- Complete an entry form (below) and attach it to the back of each photo you submit.
- Mail photos and entry forms to Alisa Bousa at the address listed below.
- Photographs will not be returned unless requested. Please mark the back of the photo "PLEASE RETURN" if you need it sent back to you.

### 2020 Scenes of South Dakota Photo Contest Entry Form

Name of Banker \_\_\_\_\_

Bank \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Banker's Phone \_\_\_\_\_ Email \_\_\_\_\_

Photo By \_\_\_\_\_

Photo Of \_\_\_\_\_

Location of Photo \_\_\_\_\_

Month Photo Taken \_\_\_\_\_

Photographer's Address \_\_\_\_\_

Photographer's Phone \_\_\_\_\_ Email \_\_\_\_\_

► **Entry Deadline: July 29, 2019**

► If submitting a digital photo, please e-mail form to [abousa@sdba.com](mailto:abousa@sdba.com).

► For printed photos, please firmly affix form to the back of your photo and send to:

*South Dakota Bankers Association  
ATTN: Alisa Bousa  
109 West Missouri Ave.  
Pierre, SD 57501*

*For more information, contact Alisa Bousa at [abousa@sdba.com](mailto:abousa@sdba.com) or 800.726.7322.*

  
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**EDITORIAL:** Published monthly by the South Dakota Bankers Association, SDBANKER Magazine is dedicated to enhancing the state's banking profession by providing useful and timely information on important events and trends in the banking industry. Statements of fact and opinion are made on the responsibility of the authors alone and do not represent the opinion or endorsement of the SDBA. The magazine welcomes news from SDBA members. Articles may be reprinted with permission. Email abousa@sdba.com.

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## message from the chairman.....

BY SHAWN ROST | South Dakota Market President | First Interstate Bank, Rapid City

# SDBA Mission

To enhance the ability of our members to compete effectively and profitably in the financial services industry.

**A**s I left Sioux Falls after the SDBA/NDBA Annual Convention, I had three thoughts going through my mind. First and foremost, I was wishing I hadn't caught a cold and hoping that I hadn't given it to anyone. I am a bit of a wimp when it comes to the "man" flu; just ask my wife. The second thought was about what a great convention we had and how nice it was to network with so many people in our industry from South Dakota and North Dakota. I always look forward to catching up with old friends and meeting new ones. I want to thank the entire SDBA staff for its efforts in arranging such a successful convention. The third thought, and the most stressful one, was that I have been selected to be the chair of the SDBA. I have big shoes to fill, I have lots to learn, I have to write an article every month for the SDBA, and I hope I don't lead this great organization astray! Wow!

So thought one disappeared quickly. I was better a few days later, and nobody has accused me of making them sick. Thought two was a great memory, and I look forward to next year's convention in Bismarck. Thought three and all its iterations are still stuck in my mind, front and center, so here we go!

I want to share what I have learned (fact checked my memory) by asking our president, Curt Everson, many questions since the convention. It starts with the title of this article—our mission statement. This is why we exist: To enhance the ability of our members to compete effectively and profitably in the financial services industry.

What does our membership consist of? We have 73 chartered banks as members, including 63 which are chartered in South Dakota. Ten banks from out-of-state are currently members of the SDBA. Our members range in size from single-location community banks with less than \$20 million in deposits and assets to our largest members, Citibank and Wells Fargo. Fifty of our 73 members range in size from our smallest member to \$200 MM in deposits. Those 50 banks average about \$58MM in deposits. Obviously, the needs of our members vary greatly.

I will be asking banking leaders around the state what else can the SDBA do to meet their needs. Can we look at possibly creating value with a credit card provider by leveraging the size of our organization to get a better credit card product for our member

banks that lack the size to manage their own program? Can we do the same for merchant processing? Or residential mortgage lending? Or IT security? The list never ends. We do some of this now, but I hope to explore these questions with our membership to see what opportunities we may be able to uncover.

What else can we do to help our members compete effectively and profitably? Advocacy, advocacy, advocacy at the local, state and federal levels. That is where it starts. To be effective at advocacy, we need to continue encouraging our employees to become active in the SDBA. How can they?

By participating in our emerging leaders programming or women in banking programming; joining our Agricultural Credit, Credit Card, Legislative or Trust Committees; getting elected to our SDBA Board of Directors or appointed to our South Dakota Bankers Insurances and Services Board or South Dakota Bankers Foundation Board. It is impressive the number of tentacles of the SDBA! Every one of these exist to advocate for our members so they can compete effectively, profitably and to promote our industry with all levels of government and the state's citizens. We also have opportunities to attend our State Legislative Day in February every year in Pierre and the ABA Washington Summit every spring in Washington, D.C.

My agenda for the next 12 months is to find ways to increase banker participation in the SDBA, look for ways to help all of our members become more profitable, and to advocate for common sense regulation and a more level playing field.

Well, there it is, my first article. I hope it creates some discussion in your bank as to what you can do to encourage more employee participation in the SDBA and what the SDBA can do to help you with your banking needs. Please reach out to me with any ideas.

It would not be proper if I didn't mention South Dakota weather in closing. So may your summer be adequately warm and sunny with intermittent rains, but not too much or too little. May your customers be prosperous and your banks continue to make a positive impact in the communities they serve. 🌈

Shawn Rost is South Dakota market president at First Interstate Bank in Rapid City. Rost can be reached at 605.716.8928 or shawn.rost@fib.com.



from the executive office.....

BY CURT EVERSON | President | South Dakota Bankers Association

# Forward Focus and Weather-Related Relief

**T**he 2019 SDBA/NDBA Annual Convention is a wrap. I hope every attendee walked away from the gathering with a forward focus on opportunities to improve the lives and livelihoods of your customers, co-workers and communities.

But before focusing forward, I would be remiss if I didn't give shout-outs to a bunch of people who contributed to the overall success of our convention.

THANK YOU to all the bankers from both Dakotas who committed valuable time and a piece of their bank's operating budget in support of this gathering. I want to give a special shout out to Dacotah Bank's Matt Smith, Aaron Neiman, Logan Doyle and their teams for planning and executing great golf events at Elmwood Golf Course and the The Country Club of Sioux Falls. Great work on the weather, too!

THANK YOU to SDBA and NDBA business partners and convention sponsors and exhibitors for committing valuable time and substantial resources. Your support contributes in a very large way to our ability to plan and execute a high-quality event.

THANK YOU to our partners at the North Dakota Bankers Association for promoting this event with your members. We will return the favor in advance of next year's convention in Bismarck. Mark your calendars now for June 7-9, 2020.

Last, but certainly not least, I want to publicly say THANK YOU to Halley Lee for spearheading her second successful convention as SDBA's administrative vice president. But she would be the first to point out that success comes only through teamwork. Thanks and congrats to Halley, Alisa Bousa, Jeanine Dyce, Nadine Kepford, Mike Feimer, Dean Franzen, Michelle Guthmiller and Robin Feimer for jobs well done!

## FDIC Provides Weather-Related Relief

On June 19, the FDIC announced steps to provide regulatory relief to certain banks and to facilitate economic recovery in areas of South Dakota affected by late season winter storms and flooding. Highlights of a Financial Institution Letter (FIL-22-2019) sent to all FDIC-supervised banks in South Dakota included:

- Severe winter storm, snowstorm and flooding caused significant property damage in areas of South Dakota from March 13 to April 26, 2019.

- A federal disaster for select areas in South Dakota was declared on June 8, 2019. Additional designations may be made after damage assessments are completed in the affected areas. A current list of designated areas is available at [www.fema.gov](http://www.fema.gov).
- The FDIC is encouraging banks to work constructively with borrowers experiencing difficulties beyond their control because of damage caused by the severe weather.
- Extending repayment terms, restructuring existing loans, or easing terms for new loans, if done in a manner consistent with sound banking practices, can contribute to the health of the local community and serve the long-term interests of the lending institution.
- Banks may receive favorable Community Reinvestment Act (CRA) consideration for community development loans, investments and services in support of disaster recovery.
- The FDIC also will consider regulatory relief from certain filing and publishing requirements.

Details of the FDIC's initiatives can be found at [www.fdic.gov/news/news/financial/2019/fil19033.pdf](http://www.fdic.gov/news/news/financial/2019/fil19033.pdf).

## AML/BSA Reform, Beneficial Owners Registry

Interest appears to be growing in Congress to reform archaic federal statutes and processes designed to prevent money laundering and financing of terrorism. The SDBA joined 50 state banking trade associations in a June 10 letter to members of the House Financial Services Committee encouraging support of Rep. Carolyn Maloney's Corporate Transparency Act of 2019. Banks go to great lengths to know their customers and adhere to requirements to identify beneficial owners of corporate entities. But, no formal process or system exists to ensure that shell companies are not hiding funds to support illegal activities. H.R. 2513 allows centralized collection of that information and requires annual and ongoing updates on beneficial owners. This measure passed out of committee on a strong bipartisan vote of 43-16.

Meanwhile, H.R. 2514, the COUNTER Act of 2019 is also gathering support from members of both

*Continued on page 21*



# A Look at 'Medicare for All'

**N**ow that we've again entered the political season, many of the candidates have brought up the concept of "Medicare For All" or some other single-payer plan as a replacement for the current private health insurance programs offered in the U.S. The most recent version by Sen. Bernie Sanders expands the previously-proposed legislation with benefits such as coverage for long-term care. The plan benefits of Sen. Sanders' proposal seem to resemble Medicaid far more than they resemble Medicare.

The program as outlined by Sanders would mean Americans would no longer pay insurance premiums or face insurance deductibles because the entire private health insurance industry would be eliminated. It would be replaced by a government-run program to be financed 100% by new and/or increased taxes on everyone. I think we can learn a lot about government-run health care by simply looking at our current Veteran's Administration health care system.

Let's take a look at the plan and what it may mean for employees and participants in the SDBA's health insurance plan. Under the new "Medicare For All" program, the nation's entire health care system would be dramatically reconstructed. Under the Senator's proposal, over a four-year time span, all Americans would be moved into this new program. It would eliminate all employer and most likely all association-sponsored and MET insurance programs like ours, along with other government programs like Medicaid and CHIP, by blending them all into one, nationwide plan called "Medicare For All."

Benefits of this program range from hospital care and preventative services to prescription drug coverage and long-term care, all without premiums or out-of-pocket costs at the point of service. Under this system, "government would be the chief financier of health care," according to Sanders. Universal health care with no deductibles, no out-of-pocket costs and no insurance premiums on paper sounds great. But, when you lift the veil to look behind it, the picture changes.

Canada is often used by Sanders as an example of a universal health care system that is everything anyone could want. But, the Canadian Health Act (1985) that governs the health system does not cover everything for everyone. For example, the national

system does not provide coverage for prescription drugs, private hospital rooms, rehabilitation services, home care, or dental and vision care. This is one reason why according to the Commonwealth Fund, 67% of Canadians have private health insurance coverage provided mostly through employers. This private coverage accounted for 12% of total health care spending in 2014 and interestingly, most of these insurers are for-profit companies.

During my 20-plus years of working in the private health insurance marketplace, I would routinely see Canadians coming to the U.S. for medical care due to long wait times and limited, rationed care. Furthermore, in 2013 Forbes pointed out that the average wait time to obtain an MRI was over two months, and to get a CT scan was almost a month. Other sources indicate the wait time to see a specialist after a primary care doctor appointment in Canada now averages more than 21 weeks. I think it's important for all of us to remember that having access to health care doesn't directly result in better health care outcomes.

Another item to consider as we look at the Canadian system is the taxation (funding) issue. According to the Canadian Centre of Policy Alternatives, the typical Canadian family pays an effective tax rate of 24%. They also contend with higher sales taxes and a higher cost of goods, which effects their buying power.

How will we as a nation pay for this free medical care? Sanders has provided an explanation of how his legislation would pay for the care.

- Eliminates the ability for individuals to own and operate as an S-corp.
- A 7.5% payroll tax on employers with the first \$2 million exempted. During the four-year transition period, the employer will pay 75% of each employee's premium that moves to the program or 7.5% of payroll tax, whichever is higher.
- A 4% income tax will be placed on all households with incomes more than \$29,000 annually.
- Employer-paid premium tax deductions will be eliminated.
- Exclusions for contributions for cafeteria plans and the medical expense deduction will also be eliminated.

- Income tax rates will be increased to amounts ranging from 40% to 52% on incomes more than \$250,000.
- Capital gains and dividends would be taxed as ordinary income.
- A cap would be placed on itemized deductions on incomes of \$250,000 or greater at 28%.
- Estate taxes would be increased and range from 45% to 55% on estates of \$3.5 million or greater. An additional 10% surcharge would be added for estates more than \$500 million.
- It closes tax loopholes for grantor-retained annuity trusts and other similar trusts.
- Establish a .01% wealth tax on net worth exceeding \$21 million.
- Removes the Medicare tax income cap, and taxes all income at 3.8% for Medicare.
- Imposes a one-time tax on all corporate off-shore profits based on current tax rates.
- Imposes a 7% tax on covered liabilities of institutions with more than \$50 billion in total assets.
- It eliminates last in first out accounting methods.

All totaled, the tax income from these items accounts for less than half the forecasted \$35 trillion-cost of "Medicare For All." Now, these are simply projections because no one knows the exact price tag. When you are dealing with a segment of the economy that is estimated to be more than 19% of GDP by 2026, I think we need a realistic discussion concerning the cost of a program such as this. Where is the rest of the money needed going to come from? It will most likely be shouldered by the middle class in the form of new and broad ranging tax increases.

Many of us are familiar with the costs of medical care. However, most of us are not as aware of the costs of long-term care which Sanders wants to include under his plan. According to a 2017 study completed by Genworth Financial, nursing home costs have increased more than 50% since 2004. The chart below outlines the median annual costs of long-term care.

- Adult day care (five days a week): \$18,200
- Assisted living (one-bedroom): \$45,000
- Homemaker services (44 hrs/wk): \$47,934
- In-home health aid (44 hrs/wk): \$49,192
- Nursing home (semi-private): \$85,775
- Nursing home (private room): \$97,455

Additionally, we need to consider that 10,000 individuals turn age 65 each day, and this rate will continue for years to come. We already know that 70% of these individuals will require long-term care of some kind during their lifetimes, so the potential cost of this element alone is staggering.

Another aspect we should take into contemplation is that once all 325 million Americans (compared to 35 million Canadians) are covered, the cost of health care will increase simply due to the amount of health care being consumed by a much larger U.S. population. As consumption of health care increases, so do the costs,

making free health care the most expensive health care.

Ultimately, according to America's Health Insurance Plans (AHIP), this plan will cause 22 million Americans covered by Medicare Advantage, 180 million Americans covered through employer-provided coverage, 55 million Americans covered through Medicaid and 20 million Americans who buy coverage on their own to lose the coverage they have, along with their choice, options, control and preferred treatment.

In closing, Americans have debated the nation's health care system since Teddy Roosevelt endorsed social insurance including health insurance in 1912. More recently, there was the passage of Medicare Catastrophic Coverage Act (MCCA) and its subsequent repeal in the late '80s, the failed universal coverage experiment in Kentucky in the early '90s that caused a complete breakdown of the state's health insurance market, the Health Security Act (Hillarycare) and HIPAA proposals/laws during the Clinton administration, and finally the Affordable Care Act (Obamacare) in 2010.

Considering the history of addressing health care in the U.S., I think it's essential that we all openly and rationally analyze and discuss any health care proposal put forward by our elected officials. 📊

Dean Franzen RHU, HIA, MHP, DIA, DHP, LTCP, HCSA, EBHA is commercial lines specialist with the South Dakota Bankers Insurance & Services, Inc. Franzen can be reached at 605.220.4219 or dfranzen@sdba.com.

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# SDBA/SDBIS Consolidated Financial Reports

## Statement of Financial Position - December 31, 2018 (Unaudited)

<b>ASSETS</b>	SDBA	SDBIS	Eliminations	Consolidated
Cash and CDs	\$ 1,362,584	\$ 439,086	\$ -	\$ 1,801,670
Prepaid Expense	20,741	12,842	-	33,583
Accounts Receivable	19,959	68,681	-	88,640
Investments	1,360,141	11,950	(401,974)	970,117
Land and Building	574,888	-	-	574,888
Property/Equipment	44,358	10,738	-	55,096
<b>TOTAL ASSETS</b>	<b>\$ 3,382,671</b>	<b>\$ 543,297</b>	<b>\$ (401,974)</b>	<b>\$ 3,523,994</b>
<b>LIABILITIES</b>				
Accounts Payable	18,904	21,944	-	40,848
Deferred Revenue	107,243	110,673	-	217,916
Federal Income Taxes Payable	-	6,451	-	6,451
Deferred Tax Liabilities	-	2,255	-	2,255
<b>TOTAL LIABILITIES</b>	<b>\$ 126,147</b>	<b>\$ 141,323</b>	<b>\$ -</b>	<b>\$ 267,470</b>
<b>EQUITY</b>				
Common Stock	-	375,000	(375,000)	-
Additional Paid-In Capital	-	48,801	(48,801)	-
Net Assets	3,256,524	(21,827)	21,827	3,256,524
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 3,382,671</b>	<b>\$ 543,297</b>	<b>\$ (401,974)</b>	<b>\$ 3,523,994</b>

## Statement of Activities - Year Ended December 31, 2018 (Unaudited)

<b>REVENUE</b>	SDBA	SDBIS	Eliminations	Consolidated
Memberships Dues	\$ 501,500	\$ -	\$ -	\$ 501,500
Educational Programs	285,080	-	-	285,080
Convention/Conferences	182,876	-	-	182,876
Commissions/Servicing Income	-	616,289	-	616,289
Investment Income	(46,992)	2,817	-	(44,175)
Advertising Income	37,550	-	-	37,550
Insurance Administrative Fee	83,000	-	(83,000)	-
Other Income	56,904	-	(45,010)	11,894
<b>TOTAL REVENUE</b>	<b>1,099,918</b>	<b>619,106</b>	<b>(128,010)</b>	<b>1,591,014</b>
<b>EXPENSES</b>				
Administrative and Operating	912,755	561,412	(83,000)	1,391,167
Outstate Conferences	25,221	-	-	25,221
Educational Programs	160,196	-	-	160,196
Committees	4,290	-	-	4,290
Federal Income Taxes	-	12,684	-	12,684
Instate Convention/Conferences	48,572	-	-	48,572
<b>TOTAL EXPENSES</b>	<b>1,151,034</b>	<b>574,096</b>	<b>(83,000)</b>	<b>1,642,130</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (51,116)</b>	<b>\$ 45,010</b>	<b>\$ (45,010)</b>	<b>\$ (51,116)</b>

## Emerging Leader of the Month: Don Greiner



*As part of the SDBA's mission to grow South Dakota's future bank leaders, we are featuring a monthly emerging leader in SDBANKER Magazine. This month's feature is Don Greiner of First Bank & Trust in Brookings, who is a member of the SDBA's Emerging Leader Work Group.*

### First-Ever Job

Growing up on our family farm near Wilmot had me doing many jobs from fencing, feeding cattle and driving tractor. We also had a dairy herd most of my youth, so getting up early was just a way of life. My wife says this ruined me as I lack the ability to sleep in.

My first wage-earning job was pouring concrete basements, curb and gutter, and sidewalks for a local contractor. Although both the farm chores and concrete work were long and sometimes hot days, it instilled a work ethic that stays with you. It also allowed me to understand the payoff of seeing a project through to the end.

### Emerging Leader Story

Upon graduating from South Dakota State University in Brookings with a degree in ag business, I was hired as an ag loan officer in a neighboring state. The first six months I learned a lot as it was my first exposure to all the areas that make a bank function. I spent several weeks in each department, from the teller line to deposit operations, personal banker to human resources. I enjoyed this opportunity but wanted to return to South Dakota.

I was hired by First Bank & Trust and started in operations. I then moved into retail branch manager and later business banker/consumer lending manager. I currently manage the business banking and business solutions departments in Brookings. First Bank & Trust believes in promoting from within, and I am grateful for the opportunities I've been given the past 12 years.

### What He Most Likes About His Job

In my current role, I have the opportunity to interact with many customers and co-workers throughout the bank and community. This allows me to help our customers achieve their goals. I have also been given the opportunity to problem solve issues, lead a wonderful team of people and work alongside them while striving to meet objectives. The team I work with makes my job easy. I most enjoy the satisfaction of helping a customer in need and providing great service.

### If He Could Have Any Job...

I would be general manager of the Minnesota Vikings. Combining sports, finance and teamwork into one job seems very interesting. I'd like to think I could find a way to get them over the hump!

### Motivation

I am motivated each day by my family. Also completing a job that you are asked to do or that you commit to. Having your name tied to something motivates me to ensure it is of quality. I am also motivated to provide great service that customers deserve and expect and treating those around you with respect. I enjoy working with a team to overcome problems and achieve success.

### In His Spare Time

I enjoy spending time with family. My wife, Amber, and I have two daughters: Holly (6) and Sara (5). When we are not busy with work or kids activities, I enjoy yard work, watching sports, helping on our family farm, and deer and elk hunting in the western states.

### Silly Parental Instruction He Still Obeys

"Keep your plans (or your word)." I learned early on that no matter what comes along after you agreed to something, it's best to stick with what you agreed to and not change your plans. My first recollection of this was being invited to a grade school birthday party, but in the meantime something that sounded more exciting and fun came along. I was not allowed to ditch the party and to this day thankful for that. 🍌



*Don and Amber Greiner and daughters, Sara and Holly.*

# SDBA Membership Elects 2019-2020 Officers

**S**DBA membership elected officers for 2019-2020 at the SDBA's annual business meeting held June 4 at the SDBA/NDDBA Annual Convention in Sioux Falls. The 2019-2020 SDBA officers are:

- **Chairman:** Shawn Rost, South Dakota Market President, First Interstate Bank, Rapid City
- **Chairman-Elect:** Steve Bumann, CFO, BankWest, Inc., Pierre
- **Vice Chair:** Kristina Schaefer, First Bank & Trust, Sioux Falls
- **Immediate Past Chairman:** Karl Adam, Market President, First Dakota National Bank, Pierre

## Chairman Shawn Rost



Shawn Rost is the South Dakota market president for First Interstate Bank. Rost and his wife, Susan, live in Rapid City. Shortly after graduation from Black Hills State University, he was hired as a consumer loan officer in Spearfish. From there, Rost was named the Deadwood branch president and then the Sturgis branch and Northern Hills market president. He was promoted to his current position in 2016 and has worked for First Interstate Bank for 27 years.

Rost has been on the SDBA Board of Directors for the past five years. He is passionate about SDBA advocacy efforts, finding ways for banks to become more profitable so they can better invest in the communities they serve, and encouraging more bank employees to become active in the SDBA. Rost has also served on the executive boards of many nonprofit organizations including the Northern Hills Training Center in Spearfish, the Deadwood Chamber of Commerce, Neighbor Works Dakota Home Resources and Deadwood Economic Development, to name a few.

Rost and his wife enjoy traveling and spending time with their three sons. Hunter is a 2017 graduate of the University of Wyoming, living in Spearfish most of the year. Tanner is a 2019 graduate of the Barrett Honors College at Arizona State University and is living in Scottsdale, Ariz. Traven is a fourth grader in Rapid City.

## Chairman-Elect Steve Bumann

Steve Bumann is the CFO for BankWest, Inc. in Pierre. He began his employment with BankWest as vice president of finance in 1984. He has worked in BankWest's finance department for his entire 35-year banking career. Prior to joining BankWest, Bumann worked for the Department of Legislative Audit and



a local Pierre CPA firm. Bumann graduated from the University of South Dakota in 1975 with a BS in accounting and passed the CPA exam in 1977.

Bumann is currently a member director for South Dakota on the Federal Home Loan Bank of Des Moines Board. He is also on the Elder Board of his local church. His past service includes seven years on the Pierre School Board, a term on the South Dakota Retirement System Board of Trustees as the school board representative and he is a past president of the Pierre Area Chamber of Commerce.

Bumann and his wife, Deb, who will be married for 36 years in July, have four adult children and currently three grandchildren. Aaron and his wife, Erin, are in Kansas City; Michael and his wife, Kimmie, are in Beijing, China; Brian is in Minneapolis; and Elizabeth and her husband, Chris, are in Rapid City.

## Vice Chair Kristina Schaefer



Kristina Schaefer serves as general counsel and director of risk management for Fishback Financial Corporation/First Bank & Trust in Sioux Falls. Schaefer serves as the organization's primary legal resource and also oversees the compliance, fraud, BSA/AML, and third-party oversight functions. During the

past 12 years, she has also held the titles of general and corporate counsel. Prior to joining FFC, Schaefer worked as an attorney in a private practice where she specialized in banking law and general corporate law. Before attending law school, she was employed at First Bank & Trust and worked in customer service and risk management.

Schaefer regularly coaches Girls on the Run and is on the Helpline Board of Directors. She also serves as a mentor to two young girls as part of the LSS School Based Mentoring Program and is active in its Everyday Heroes Recruitment Campaign and Advisory Committee. She was also a member of South Dakota's Elder Abuse Prevention Task Force. Schaefer was recently named the 2019 South Dakota Women in Law Attorney of the Year.

Schaefer and her husband, Scott, have two daughters: Olivia (12) and Harper (7).

*Continued on next page*

# Bankers Recognized at Business Meeting

**S**outh Dakota bankers were recognized for their service to the banking industry at the SDBA's annual business meeting on June 4. The meeting was held during the 2019 SDBA/NDBA Annual Convention in Sioux Falls.

Those recognized for their years of service were:

- **David Boehnke**, Dacotah Bank, Clark: 40 years
- **Dianne L. Johnson**, First Dakota National Bank, Yankton: 40 years
- **Debra Mayer**, First Interstate Bank, Custer: 40 years
- **John McGrath**, First PREMIER Bank, Sioux Falls: 40 years
- **Pete Mehlhaff**, Great Plains Bank, Aberdeen: 40 years
- **Gloria Peterson**, First Interstate Bank, Sturgis: 40 years
- **Susan Stewart**, Dacotah Bank, Aberdeen: 40 years

Those from the South Dakota banking industry who passed away this past year who were remembered:

- **Donna (Muffy) Starr Christen**, First Western Bank (First Interstate Bank), Huron
- **Jerome Hageman**, Plains Commerce Bank, Hoven
- **Margery Hayes**, Dakota Prairie Bank, Draper



*John McGrath (left), First PREMIER Bank, Sioux Falls, received a 40-year award from SDBA 2018-2019 Chairman Karl Adam.*



*Pete Mehlhaff (left), Great Plains Bank, Aberdeen, received a 40-year award from SDBA 2018-2019 Chairman Karl Adam.*

## Immediate Past Chairman Karl Adam



Karl Adam began his banking career with Dakota State Bank, Blunt, in 1995, as a management trainee and later served as president. Adam joined First Dakota National Bank in 2016 and serves as market president in Pierre.

In addition to serving on the SDBA Board of Directors, Adam has served on the South Dakota Bankers Foundation Board of Directors and the South Dakota Bankers Insurance & Services Board of Directors. He has served as a trustee for the Pierre Rawlins Municipal Library Board including serving as its president, was a member of the St. Mary's Foundation Board of Directors, the South Dakota Housing Development Authority and South Dakota Republican Party chairman from 2006-2008. Adam currently serves as a director on the South Dakota Community Foundation Board and co-chaired, with his wife Joan, the fundraising campaign for the Helmsley Cancer Center located within the Avera Cancer Institute at Avera St. Mary's Hospital in Pierre.

Adam and his wife, Joan, have been married for 30 years. They have five children: Katherine Danforth and son-in-law Eric Danforth, Conrad (23), Jack (20), and Phillip and Paul (17).

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# FOCUS FORWARD

What's Next?

## EMBRACING THE FUTURE OF BANKING

### Bankers Attend 2019 SDBA/NDBA Annual Convention in Sioux Falls

**E**volving digital technologies, shifting consumer preferences and increasing competition are creating new challenges for banks. As the banking industry is being transformed, there is uncertainty around what the future of the banking industry will look like over the next decade.

Bankers from South Dakota and North Dakota were invited to focus forward at the 2019 SDBA/NDBA Annual Convention on June 2-4 at the Sioux Falls Convention Center in Sioux Falls. Attendees explored new pathways, visited with innovative partners and motivated to embrace the future of banking.

The event opened Sunday evening with a welcome party in the exhibit hall. Monday morning began with a fellowship keynote by Dr. Richard Deming, who spoke about achieving personal growth through adversity. Following, V.J. Smith spoke about the time-tested and core ideas of what separates exceptional leaders from average leaders, and Dr. Susan Kalsow spoke about the importance of diversity in the workplace and understanding others better.

Attendees next headed out to the golf tournaments at The Country Club of Sioux Falls and Elmwood Golf Course, while some visited Falls Park and downtown Sioux Falls. Monday concluded with a Futuristic Party in the exhibit hall.

On Tuesday, Lee Wetherington provided a review of new

technology coming and what matters for community banks. A social media panel led by digital strategist Eric Cook spoke about positioning banks for relevancy in today's digital age. Robert Kleinhenz with Beacon Economics provided a look at the economy and how the banking industry should view credit market risk under uncertainty.

The morning wrapped up with five-minute, fast-moving, personal-story Ignite Talks from six South Dakota and North Dakota bankers. South Dakota participants were Karl Adam, First Dakota National Bank, Pierre; Tony Nour, First PREMIER Bank, Sioux Falls; and Dusty Pinske, First Interstate Bank, Sturgis.

After separate state association business luncheons, attendees gathered for a dessert social. Special events for spouses included a session on getting organized and a breakfast and session on resurrecting hand-written notes and creating personalized envelopes.

The annual convention concluded with a reception, dinner and entertainment by Time Machine on Tuesday night.

Thank you to all the bankers, family members, sponsors, exhibitors and business partners who took part in this year's convention. Mark your calendars for the 2020 NDBA/SDBA Annual Convention, which will be held June 7-9 in Bismarck. 🌈







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# Much To Do About Private Flood Rule

By Daniela Clark, Compliance Alliance



**T**he long-awaited final private flood rule was, at last, jointly released on Feb. 20, 2019, by the OCC, FRB, FDIC, FCA and NCUA ("the Agencies") six long years after the first proposed rule. The first proposed rule that was released in October 2013 introduced the requirements for accepting private flood insurance

that meets the definition under the Biggert-Waters Act. Three years later, in November 2016, the Agencies revised and repropoed the private flood rule.

There are some key differences in the final private flood rule from the 2016 proposal. The final rule requires the bank to accept private flood insurance that meets the definition of private flood insurance under the rule, without exception. However, it also allows the bank a safe harbor if the policy contains the compliance aid sentence.

The compliance aid sentence (sometimes referred to as the magic sentence) is a sentence in the policy that provides safe harbor to the bank where the bank is permitted to rely on the compliance aid sentence that states that the policy meets the definition of private flood insurance under the law and regulation. The specific sentence is: "This policy meets the definition of private flood insurance contained in 42 U.S.C. 4012a(b) (7) and the corresponding regulation."

If the compliance aid sentence is not included in the policy, then unfortunately, the bank is required to look through the policy to determine if the policy meets the definition of private flood insurance. In order for the policy to meet the definition of private flood insurance it must be: (1) issued by an insurer or surplus insurer that is licensed by the state regulatory agency in which the property is located, (2) be at least as broad as NFIP, including deductibles, exclusions and conditions, (3) require a 45-day written notice for non-renewal or cancellation, (4) include information regarding insurance available under NFIP, (5) have a clause similar to SFIP regarding mortgage interest, (6) include a one-year statute of limitations provision, and (7) include cancellation provisions that are as restrictive as those in SFIP.

If this seems vague or confusing, Compliance Alliance has a checklist available in our flood toolkit that may be helpful to the bank: <https://www.compliancealliance.com/find-a-tool/by-toolkit/flood>.

Unfortunately, the final rule does not specifically address when the compliance aid sentence is not



100% correct or varies from the sentence in the rule. However, it would be most conservative to not rely on the sentence if it is not 100% correct or varies from the sentence in the regulation. It would be most conservative to go through the policy to be sure that it meets the definition of private flood insurance as it is defined in the rule.

The final rule also does not address the situation where the compliance aid sentence is in the policy as it is written in the rule; however, immediately after the compliance aid sentence, the policy contradicts the sentence in such a way that it makes it clear to the bank that the policy does not meet the definition of private flood insurance. Again, it would be most conservative to not rely on the sentence if it is not 100% correct. It would be most conservative to go through the policy and document exactly why the policy does not meet the definition of private flood insurance as it is defined in the rule.

One question that we have gotten on the hotline quite a bit is if the bank may review the policy to determine if it meets the definition of private flood insurance, even if it does contain the compliance aid sentence. There is not a prohibition in doing that. However, there is a possibility that the sentence could be there, the bank goes through the policy, and then finds that the policy in fact does not meet the definition of private flood insurance, in which case the bank can deny it. However, the bank would want to thoroughly document this practice in the bank's internal policy and procedures as well as in the loan file regarding why the bank found that the policy did not meet the definition of private flood insurance even though the policy included the compliance aid sentence that states that the policy does meet the definition.

However, even if the policy does not meet the definition of private flood insurance under the definition in the rule, the bank may still accept the policy, subject to certain restrictions. In order for the bank to accept

the policy under discretionary acceptance, the policy must: (1) meet the minimum coverage amounts, (2) be issued by a licensed insurer, (3) include both the mortgagor and the mortgagee as loss payees, and (4) provide sufficient protection, considering safety and soundness, and the bank can document this in writing.

The rule also includes specific requirements related to when a bank may accept a mutual aid society policy under discretionary acceptance. In order for the society to be considered a mutual aid society such that the rule would allow the bank to accept the policy, (1) the members of the group must share a religious, charitable, educational or fraternal bond, (2) the group must have an agreement to cover losses due to property damage, including for flooding, and (3) the group must have a demonstrated history of fulfilling the terms of the agreements for flooding. Unfortunately, the final rule does not expand on mutual aid societies, and new guidance related to the new final rule has not yet been released by the agencies. The bank will need to thoroughly document its analysis and determination regarding any mutual aid society policies.

The bank will need to begin looking at these issues and making policy decisions soon, as the final rule is effective July 1, 2019. It applies when a building secures the loan and it is in a special flood hazard area (often referred to a SFHA, flood zone, high-risk flood zone or 100-year plan), even if it is only taken in an abundance of caution during a MIRE event (making, increasing,

renewing or extending). If the building does not secure the loan, it is specifically carved out of the collateral or the loan is secured by something else, like a CD, then the flood rule does not apply. If the building is not in a SFHA, then flood insurance is not required but may be a safety or soundness consideration.

If the bank would like to read more about the final private flood rule, Compliance Alliance has a summary of the final rule available in our flood toolkit. Also in the toolkit is a template flood policy that has been updated for the new final rule, as well as the checklist that was mentioned earlier. Visit <https://www.compliancealliance.com/find-a-tool/by-toolkit/flood>.

Daniela Clark serves as associate general counsel for Compliance Alliance. She holds a bachelor's in business administration with a concentration in management from the University of Texas at Arlington, AACSB. She continued her interest in business by interning with the Entrepreneurship Clinic at Texas A&M University School of Law, from which she received her JD. Clark has eight years of experience working in auto finance compliance for DealerSocket, AutoStar Solutions, SecureClose and Ignite Consulting Partners. As one of Compliance Alliance's hotline advisors, Clark helps C/A members with a wide range of regulatory and compliance questions. For more information about Compliance Alliance, visit [www.compliancealliance.com](http://www.compliancealliance.com) or call 888.353.3933.

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## ask the appraiser.....

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

# Appraisal Development— Subject Property Sales History

## Sales History for New Construction

**Question:** I have received an assignment to appraise a property with newly-constructed improvements. Because the property includes new construction, there is no prior sales history of the property as it now exists. However, I do have information pertaining to a prior sale of the site (without the improvements). Does Standards Rule 1-5(b) require me to analyze this prior sale of the site?

**Response:** Yes. The goal of USPAP is to promote public trust in the appraisal profession. Standards Rule 1-5 provides a research and analysis requirement for information that is judged to be important to the credibility of the appraisal process. To be consistent with the purpose of USPAP as well as with the intent of

SR 1-5, an appraiser is required to analyze all prior sales that include the subject property. This includes: 1) prior sales of the property that includes the subject property; and 2) prior sales of a portion of the subject property.

In this case, the analysis of the prior sale of the unimproved site would be necessary to comply with Standards Rule 1-5(b). The site in this instance is a component of the subject property.

Another example might be the appraisal of a leased fee interest in a property. The appraiser must research and analyze prior sales of the subject, even if these sales include a fee simple interest in the property.

An additional example might be the appraisal of 20 acres subdivided from a 200-acre parcel. The appraiser must research and analyze prior sales of the subject, even if these sales include the 200-acre site in its entirety.

## Proper Analysis of Agreement of Sale

**Question:** I understand that Standards Rule 1-5(a) requires the appraiser to analyze an agreement of sale (if available in the normal course of business). What constitutes proper analysis?

**Response:** The term analyze is not defined in USPAP because it does not have a special meaning within the document or in Standards Rule 1-5. The term is used based on its English language meaning as found in common dictionaries.

The extent of the analysis performed to comply with the requirements of Standards Rule 1-5(a) is part of the scope of work decision. The acceptability of the appraiser's analysis is judged in the same way that any other scope of work decision is judged. For more information, see the SCOPE OF WORK RULE, Advisory Opinion 28, Scope of Work Decision, Performance, and Disclosure, and Advisory Opinion 29, An Acceptable Scope of Work. 📊

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](mailto:Sherry.Bren@state.sd.us).

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## Bank Midwest Taps Three New Directors

David Fini, Marla Dziedzic and Pam Rowland have joined Bank Midwest's Board of Directors.



David Fini

Fini, a graduate of the University of Iowa, is senior vice president/partner of Reynolds & Reynolds, Inc. in Des Moines. He also serves on the Reynolds & Reynolds board and the Conrad, Iowa-based Ritchie Industries board. Fini brings extensive expertise in the insurance industry.



Marla Dziedzic

Dziedzic is director of staff development for Avera Health in Sioux Falls. She holds a bachelor's degree from Creighton University and an MBA from the University of Sioux Falls. Dziedzic is a certified trainer and specializes in employee development. She serves on The Francis House board in Sioux Falls and is a Make-A-Wish Foundation volunteer.



Pam Rowland

Rowland is an instructor and assistant professor at Dakota State University in Madison. She holds degrees from South Dakota State University and Dakota State University, including a doctorate in information systems. She is currently a director of MadLabs-CybHER Institute and serves as a regional

representative of the National Center for Women & Information Technology.

Spirit Lake-based Bank Midwest has assets of \$919M and 12 branch locations in Iowa, Minnesota and South Dakota. 🌈

## Holzwarth Hired at Bell Bank



Todd Holzwarth has been hired as SVP/correspondent banking business development officer at Bell Bank. In his new position, he will source loan participation and bank stock loans in South Dakota and North Dakota.

Originally from Freeman, Holzwarth earned a master's degree from the University of South Dakota and has been in the banking/finance field for 23 years. He spent the last 11 years at United Bankers' Bank.

Holzwarth lives in Parker. He and his wife, Jaci, have three children.

Bell Bank, headquartered in Fargo, is one of the nation's largest privately-held banks. Through its correspondent banking department, Bell does business with more than 1,000 banks in 16 states. 🌈

## Schaefer Named 2019 SD Women in Law Attorney of the Year



Kristina Schaefer with First Bank & Trust in Sioux Falls has been named the 2019 South Dakota Women in Law Attorney of the Year.

Nominated by her colleagues and chosen by the University of South Dakota Women In Law Board, Schaefer was recognized at the South Dakota State Bar Convention on June 20 in Rapid City. The award recognizes South Dakota female attorneys who exemplify excellent character with a drive for mentoring other women and a dedication to positively affecting South Dakota residents through her professional duties and extracurricular involvement within the state.

Schaefer serves as general counsel and director of risk management for Fishback Financial Corporation/First Bank & Trust in Sioux Falls. She has served on the SDBA Board of Directors for the past three years and was elected SDBA vice chair on June 4. Schaefer regularly coaches Girls on the Run, is on the Helpline Board of Directors and serves as a mentor to two young girls as part of the LSS School Based Mentoring Program. (Read more about Schaefer on page 10.) 🌈

## J Arlt Joins United Bankers' Bank



J Arlt has joined United Bankers' Bank (UBB) as vice president, correspondent banking officer. Arlt has more than 18 years of banking experience, and prior to joining UBB, he served as chief operations officer at a South Dakota community bank.

Arlt will serve as a correspondent banking resource for community banks in his home state of South Dakota and in neighboring North Dakota. A proactive change manager, Arlt will be responsible for managing customer relationships in addition to expanding relationships with community banks throughout North Dakota and South Dakota.

"J's operations background puts him in a unique position to serve our customers," said John Peterson, interim president and CEO of UBB. "His thorough understanding of and experience with the inner workings of a community bank along with a commitment to a high level of customer service makes him a perfect fit for the position and UBB."

Arlt holds a bachelor of science degree in business from Northern State University in Aberdeen.

Headquartered in Bloomington, Minn., UBB is the nation's first bankers' bank and a full-service provider of correspondent banking services to more than 1,000 community banks in 15 states. 🌈

### **Business Banker, Dacotah Bank, Brookings, S.D.**

Dacotah Bank is seeking an experienced, self-motivated individual to join our team as a business banker in our Brookings, S.D., office. The successful candidate should have seven years of lending; strong relationship management and interpersonal skills; commitment and enthusiasm for community banking; experience managing a diverse portfolio, and be a team player. Responsibilities of this position include: managing relationships with community banking customers; prospect and develop new customer relationships; and retain and expand existing customer relationships. We offer an excellent benefits package, a competitive salary, and an enjoyable work environment. Apply online at: [dacotahbank.com/careers](http://dacotahbank.com/careers). Dacotah Bank is an Equal Opportunity Employer of women, minorities, protected veterans and individuals with disabilities. ■

### **Chief Financial Officer, Security First Bank, Lincoln, Neb.**

Security First Bank has an exciting leadership opportunity for a chief financial officer (CFO) that will serve as a key member of our executive management team at our headquarters location in Lincoln, Neb. The CFO will assume a strategic role in the overall management of Security First Bank and Insurance. Provide leadership, direction and management of the financial and accounting functions in accordance with generally accepted accounting principles, regulatory accounting pronouncements and best practices within the banking industry. The CFO will participate in the execution of the long-term strategic plans and advise on the financial impact of strategies. Understand the banking industry and partner with executive management to drive growth and profitability of various business lines across the holding company. The role of CFO is very senior, and a high level of experience is expected for applicants for this role. A bachelor's degree in accounting or finance will be expected. An MBA or CPA is highly desirable with at least 10 or more years of progressively responsible experience in the banking or finance industry managing a team with examples of demonstrated excellence. Apply online at <https://security1stbank.com/careers/>. ■

### **Compliance Specialist, Plains Commerce Bank, South or North Dakota**

Plains Commerce Bank is looking for an experienced, energetic, self-motivated person to fill a full-time compliance specialist position in either their Aberdeen, Sioux Falls or Watertown, S.D., locations or their Bismarck, N.D., location. Qualities of a successful candidate include three to five years of compliance or related experience, frequent contact requiring considerable discussion of problems, material presentations, and resolving issues impacting departments throughout the bank, must demonstrate strong analytical, research, and problem-solving skills while obtaining cooperation (internally and/or externally) with a high level of interpersonal skills. Responsibilities of the candidate will include the strictest of confidentiality, conducting Bank Secrecy Act duties, including but not limited to the monitoring of various transactions, Suspicious Activity

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### **Credit Analyst/Loan Administration, BankStar Financial, Brookings, S.D.**

BankStar Financial in Brookings, S.D., is seeking a highly-motivated individual to join our commercial lending team for a full-time credit analyst/loan administration position. Responsibilities include analyzing and evaluating financials, preparing presentations for loan officers, assisting in annual reviews for credits and customer follow-up. This position will also be responsible for loan administration support and other miscellaneous duties as assigned. Education & Experience: bachelor's degree in accounting, finance, business, economics or other business-related fields; two-plus years of banking experience preferred, commercial banking administration experience preferred but not required; bachelor's degree preferred or equivalent combination of education, training and experience. For more information 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. Compensation DOE and full benefit package available. ■

### **Executive Assistant, BankWest, Pierre, S.D.**

BankWest, a family-owned business with more than a 129-year history, is seeking a full-time executive assistant to join its financial services team. The successful candidate should possess an associate's degree in a related field plus five years of experience, highly competent in Microsoft Office Suite and Adobe/PDF documents, strong organization, communication, and planning skills as well as a commitment and enthusiasm for community banking. Our executive assistant performs administrative support for the chairman/president/CEO and corporate management team of the bank. The successful incumbent would serve as corporate secretary to the Board of Directors and secretary for various committees including Loan, Management, Trust and Compensation Committees. 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/). Contact BankWest Human Resources at 800.253.0362 with questions. EO/AA. ■

classifieds.....

### Internal Audit Officer, Security State Bank, Chancellor, S.D.

Security State Bank has an opening for an internal audit officer located in Chancellor, S.D. This is a great opportunity for a self-motivated, progressive individual to add value and improve our organizations operations for our three bank locations. The successful candidate will conduct internal operational and compliance audits throughout the bank; assess the bank's overall effectiveness of controls, accuracy of financial records, and efficiency of operations through periodic audits to assure the bank is in compliance with banking laws and regulations. Qualifications: Bachelor's degree in business, finance or accounting; experience preferred but not required; strong verbal, written and interpersonal communication skills; strong analytical skills and detail orientation; good organizational skills; and high level of focus and accuracy. This position will give you an opportunity to join a progressive banking organization that offers a competitive salary and benefits package including 401(k) plan, health, life, dental and vision benefits. Successful applicant must pass pre-employment screening including credit history and criminal background check. EOE. Submit credentials and compensation requirements to: John J. Baumiller, President at johnbaumiller@banksecuritystate.com. ■

### Technical Writer, First Bank & Trust, Brookings, S.D.

First Bank & Trust is looking for an individual to fill a technical writer position. This person should possess a bachelor's degree in a related field plus four years of experience in instructional/procedural writing or the equivalent. Banking background preferred. Excellent explanatory writing skills, as well as effective interpersonal and oral communication skills are necessary. For more information about this position and to apply online, please visit our website at [www.bankeasy.com](http://www.bankeasy.com). ■

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

## Forward Focus...continued from page 5

political parties. COUNTER stands for the Coordinating Oversight, Upgrading and Innovating Technology and Examiner Reform Act. This bill proposes substantive changes in the AML/BSA structure and oversight and passed out of committee on a unanimous vote.

According to a recent press release issued jointly by several Democrat and Republican members of the Senate Banking Committee, including Sen. Mike Rounds, legislation has been drafted to "improve corporate transparency, strengthen national security and help law enforcement combat illicit financial activity being carried out by terrorists, drug and human traffickers, and other criminals." The release stated, "The ILLICIT CASH Act would, for the first time, require shell companies—often used as fronts for criminal activity—to disclose their true owners to the U.S. Department of Treasury. It would also update decades-old anti-money laundering (AML) and combating the financing of terrorism (CFT) policies, by giving Treasury and law enforcement the tools they need to fight criminal networks. This includes improving overall communication between law enforcement, financial institutions and regulators and facilitating the adoption of critical 21st century technologies."

Conspicuously absent from these bills are any immediate changes to dollar amount reporting thresholds for CTRs or SARs. Law enforcement interests have long opposed any upward adjustment in those thresholds. The ILLICIT CASH Act directs Treasury and the attorney general to review the CTR and SAR thresholds and determine whether any changes are necessary. State and national banking trade associations will continue to push for a combination of threshold adjustments and exemptions from filing requirements for a bank's seasoned customers. Stay tuned. ■

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).

## CorTrust Bank to Acquire First Minnesota Bank

**C**orTrust Bank is acquiring First Minnesota Bank, pending approval from regulators. The purchase of First Minnesota Bank, which has \$347 million in assets, will expand CorTrust's footprint in Minnesota from four to 15 branches and bring CorTrust's combined assets to \$1.2 billion.

"With 11 additional locations in Minnesota, the acquisition of First Minnesota Bank will play an important role in providing continued growth opportunities for our existing employees and shareholders," said Jack Hopkins, president and CEO



Jack Hopkins

of CorTrust Bank, in a news release. "It also shows CorTrust Bank's deep commitment to the Minnesota and South Dakota markets and our belief in the value of community banking."

The deal is expected to close by Sept. 30.

Mitchell-based CorTrust has 22 locations in eastern South Dakota, including five in Sioux Falls. It was founded in Artesian in 1930. ■

# Seminars/Conferences/Webinars/Schools

## SDBA EVENTS

### **SDBA 2019 Agricultural Credit Conference**

Aug. 14-16, 2019 | Pierre

### **SDBA 2019 Bank Technology Conference**

Sept. 11, 2019 | Sioux Falls

### **SDBA 2019 Lead Strong: Women in Banking Conference**

Oct. 9-10, 2019 | Sioux Falls

### **SDBA 2019 Compliance Workshop**

Oct. 15-16, 2019 | Sioux Falls

### **SDBA Annual Security Training**

Oct. 29, 2019 | Sioux Falls

### **SDBA Emerging Leaders Conference**

Nov. 5-6, 2019 | Sioux Falls

### **Certified Banking Security Manager**

Nov. 5-6, 2019 | Sioux Falls

### **ABA Agricultural Credit Conference**

Nov. 10-13, 2019 | Dallas, Texas

### **SDBA 2020 State Legislative Day**

Feb. 12, 2020 | Pierre

### **ABA 2020 Washington Summit**

March 23-25, 2020 | Washington, D.C.

## WEBINARS

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

### **July 15, 2019**

ATM Jackpotting and Unlimited Operations

### **July 16, 2019**

Dealing with Subpoenas, Summonses, Garnishments, Tax Levies, Etc.

### **July 16, 2019**

New BSA Officer Training

### **July 17, 2019**

Implementing the Revised Uniform Residential Mortgage Loan Application

### **July 17, 2019**

Introduction to Commercial Lending

### **July 18, 2019**

State of HMDA in 2019

### **July 18, 2019**

Limited Liability Companies: Do's and Don'ts

### **July 19, 2019**

Closing Accounts

### **July 22, 2019**

Uniform Commercial Code Rules: How to Comply to Attach and Perfect Secured Transactions

### **July 23, 2019**

CRA Nuts & Bolts—Five Steps to Pass the Exam

### **July 23, 2019**

10 Overdraft Privilege Hotspots Including Regulations, Lawsuits & Guidance

### **July 25, 2019**

Fair Lending

### **July 26, 2019**

Analyzing the Balance Sheet and Income Statement

### **July 26, 2019**

Online Deposit Account Opening

### **July 29, 2019**

CRE Appraisals: Regulations and the Review Process

### **July 30, 2019**

Business Development for All Responsible Parties

### **July 30, 2019**

Writing High-Impact Executive Summaries

### **July 31, 2019**

Untangling the Web of Fee Disclosures

### **July 31, 2019**

SAR Decision Making

### **August 1, 2019**

Accounts Receivable and Inventory Financing

### **August 1, 2019**

Excel Explained: Intermediate Pivot Tables

### **August 2, 2019**

Unclaimed Property Compliance for Financial Institutions

### **August 5, 2019**

Assessing Your Bank's Call Center to Take it to the Next Level

### **August 6, 2019**

Director Compensation and Compensation Committee Best Practices

### **August 6, 2019**

Excel Explained: Budget Spreadsheets

### **August 7, 2019**

Creating Effective Anti-Harassment Policies and Process

### **August 7, 2019**

Do's and Don'ts on Formal and Informal Trust Accounts

### **August 8, 2019**

TILA/RESPA Mortgage Servicing Rules

### **August 8, 2019**

Deposit Compliance Issues

### **August 9, 2019**

ACH Exception Processing

### **August 13, 2019**

Call Report—Lending Schedules for Banks

### **August 13, 2019**

Do's and Don'ts on Power of Attorney Documents

### **August 14, 2019**

Providing Accurate and Timely Adverse Action Notices

### **August 14, 2019**

Marketing & Advertising Compliance

### **August 15, 2019**

Compliance Management

### **August 15, 2019**

Vendor Management—How Model Risk Fits In

## SCHOOLS

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

July 14-26, 2019 | Boulder, Colo.

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

July 28-Aug. 9, 2019 | Madison, Wis.

### **SDBA 2019 IRA School**

Sept. 4-6, 2019 | Sioux Falls

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

Sept. 4-6, 2019 | Las Vegas, Nev.

### **GSB Financial Managers School**

Sept. 15-20, 2019 | Madison, Wis.

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

Sept. 29-Oct. 4, 2019 | Madison, Wis.

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

Oct. 6-11, 2019 | 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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**J Arlt**

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# 2019 AGRICULTURAL CREDIT CONFERENCE

**August 14-16, 2019**

Ramkota Hotel  
& Conference Center  
Pierre, S.D.

## Keynote Speakers



The SDBA Agricultural Credit Conference focuses on the unique needs of ag bankers and the need for quality information and training to better serve their customers. The SDBA has lined up speakers on a variety of timely topics to help ag bankers navigate through challenging times. Experienced and new ag lenders, as well as CEOs, will all benefit from this conference.

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