

# SDBANKER



OFFICIAL PUBLICATION OF THE SOUTH DAKOTA BANKERS ASSOCIATION | MAY 2021

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**SDBA Board of Directors**



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Homero Bayarena has been with FranklinCovey for more than 25 years. He helps organizations, private and public sector, realize dramatically-improved results through laser focus and relentless execution of mission. Bayarena is a subject matter expert in leadership, productivity and trust. He is the company's subject matter expert and practice leader on its diversity content. Prior to coming to FranklinCovey, he spent several years in leadership positions in the insurance industry.

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## message from the chair.....

BY STEVE BUMANN | CFO | BankWest, Inc., Pierre

# Meeting Challenges and Customers' Needs

**B**anks in the United States, and in particular banks in South Dakota, are a diverse group. Some South Dakota banks are very large, some are quite small and most are somewhere in between. We have banks that focus on serving the farm/ranch community, some focus on credit cards, some focus on commercial customers, some on real estate, some on personal lending and small business, and some have found a niche that they are able to serve well.

That diversity is the strength and backbone of the American economic system. It is politically popular in this country to criticize large banks, but I say we need them. It is getting harder and harder for small banks to survive, but I say we need them. Let's not gravitate toward the European banking model where a few very large banks serve the entire country.

One of the things that I truly enjoy about banking is that there is always a different challenge. In 2020, South Dakota bankers were thinking about the ag economy. Commodity prices were low, and many farm/ranch customers were struggling to maintain profitability. Most ag banks were viewing the ag loan portfolio as a potential source of weakness.

By the start of this year, commodity prices had recovered, and concerns were easing. There is still one area of concern for agriculture, and that is the potential for a drought. Recent moisture has helped, but we do need more.

The pandemic has changed banks' focus. We now carefully watch loans in the retail, restaurant and hotel sectors. We do not know yet how many people will work from home going forward and the affect that will ultimately have on demand for commercial office space. There is much to keep an eye on as a result of COVID. While COVID has caused areas of concern, it has also brought revenue to banks that participated in the Paycheck Protection Program.

But COVID has led to some real and devastating economic impacts, and it has also had devastating human impacts. I think all of us personally know an individual, and maybe many individuals, who have died from the virus. Thoughts and prayers go out to all who are dealing with the loss of loved ones.



It seems we have a never-ending supply of challenges to think about as we work to meet the needs of our customers and communities.

Back to banking, there are many other challenges facing the industry today. With the federal government pumping trillions of dollars into the economy, every bank that I talk to has a lot of cash on its balance sheet. The challenge comes in what to do with that cash. There does not seem to be a lot of loan demand, so it is not going into loans. The Fed lowered rates to near zero in the onset of the pandemic, so there is no money to be made in short-term instruments. The Fed is also aggressively buying securities, which also drives down rates making longer-term securities less attractive. Thus, it is difficult to find areas where we can make a little money.

A potential challenge looming on the horizon is inflation. With all of the money being pumped into our economy, there is concern that at some point we will see inflation accelerate. A target inflation rate for the Fed is around 2.5%, and they view that as being healthy. The danger comes from hyperinflation. I began my banking career in the 1980s in the midst of double-digit inflation and double-digit interest rates. It was a very challenging time, and I do not think we want to go back there.

It seems we have a never-ending supply of challenges to think about as we work to meet the needs of our customers and communities. However, bankers are a resilient bunch, and no matter what issues we face, I am confident that we will deal with them and meet the needs of those we serve.

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Steve Bumann is CFO at BankWest, Inc. in Pierre. Bumann can be reached at 605.945.3749 or Steve.Bumann@bankwest-sd.bank.





from the executive office.....

BY KARLTON ADAM | President | South Dakota Bankers Association

# The Significance of Banker Engagement

**D**o you serve as a leader in your church or volunteer on your local youth baseball board, school board, chamber of commerce or town council? Of course this is a rhetorical question, as I know bankers are key volunteer leaders in both community and state-wide organizations. Thank you for your volunteer leadership.

I am sure you have all heard the cliché, "Speak up or forever hold your peace." Did you ever say or think this phrase while working in volunteer positions? This cliché could not be more important or true than it is today.

During my short six months at the SDBA, I have sent out several "member engagement" emails on topics important to South Dakota banks and asked member bankers to engage their state legislator or member of Congress on topics critical to the future of banking. Each time, I have received an overwhelming response from bankers with significant contribution to addressing the issues. Another opportunity to thank you!

Although banker engagement may have been more challenging over the last 14 months of the pandemic, we found ways to modify traditional engagement opportunities and remained steadfast in keeping important banking topics top-of-mind for our elected congressional and state legislative leaders.

Here is a brief anecdote to emphasize my point. In the spring of each year, the SDBA extends an invitation to all member bankers to attend the ABA's annual Washington Summit in Washington, D.C. This gathering provides an opportunity for bankers from across the country to take part and engage in ongoing banking topics with elected leaders serving in Congress. It also provides state bankers associations with the forum to engage their respective congressional leadership on the hill.


Due to the pandemic, the Washington Summit was held virtually this year, so the SDBA followed suit. With the help and coordination of our congressional membership, we pivoted from a face-to-face meeting and orchestrated a virtual capitol hill visit.



South Dakota banks continue to be the lifeblood of communities across this great state and are widely viewed as being part of the solution and not the problem.

On April 7, more than 40 SDBA bankers took advantage of the opportunity to participate in a virtual visit with Sen. Thune, Sen. Rounds and Congressman Johnson. During this time, the SDBA and its participating bankers were able to communicate and express important points on topics key to the banking industry.

The SDBA's position on two critical topics were addressed with our delegation. The Enhancing Credit Opportunities in Rural America (ECORA) Act modifies and exempts interest income from real estate loans secured by agricultural real estate. The SAFE Banking Act resolves conflict between state and federal law so banks can serve legal cannabis and cannabis-related businesses.

South Dakota banks continue to be the lifeblood of communities across this great state and are widely viewed as being part of the solution and not the problem. As our tagline states, "Educate, Advocate, Grow." The SDBA again thanks you for your willingness to serve, volunteer and engage our elected leaders on topics important to our industry. It is essential as we move forward—it's a marathon, not a sprint. "Speak up or forever hold your peace." 

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





# Introducing Bankers Healthcare Group

**W**e have few endorsed vendors, and Bankers Healthcare Group (BHG) is our latest addition. It did not take long in talking to Keith Gruebele with BHG to see that this company would be a natural fit for the SDBA's bank members.

I made several calls to other state banking association for-profit groups, and it was obvious that BHG has had a stellar reputation for 20 years and brings a product that is in high demand—pre-qualified, high-end loans.

*By Keith Gruebele, EVP Institutional Relationships, BHG*

**B**HG has been serving community banks for nearly 20 years. There have been many memorable milestones over the years, but the one that we are most proud of is our ability to partner with more than 1,250 banks who have never taken a single dollar loss on our core loan portfolio.

BHG continues to invest in our analytical and quantitative abilities to refine our portfolio of loans available for purchase to be what we consider the best credit loans available in the nation. Our program allows for banks to create diversification of their portfolio and add high-quality loans with strong yields with minimal effort or expense.

Banks find partnering with BHG to be a very simple and hassle-free process, and those that choose to work with us are able to log onto our Loan Hub, review all the individual loans and loan portfolios available for sale, and actually review the entire credit package before deciding to purchase a loan. We format the loan files in an easy-to-review manner allowing an efficient review process, and many banks report that in a few minutes daily they can come on, find loans that fit what they want to purchase and buy them.

We primarily offer commercial loans but have expanded our consumer options as well, allowing our bank partners a huge selection of credit options and loan sizes to purchase. Considering the excess liquidity challenges our banks are facing, it is an ideal time for a program like ours to be introduced more broadly in the Midwest.

It's been a privilege for me to grow with BHG for almost 11 years, having built and led the inside sales team of nearly 100 associates and experience the

growth of this incredible company. Our success is really a byproduct of our incredible borrowers and our bank partners who help us expand into the market. Those factors have landed us consistently in national publications for being a fastest-growing company and for the culture of service, quality and success that we have built.

In 2016, Pinnacle Bank of Nashville, Tenn., (\$34.8BB in total assets) purchased a second slice of BHG, bringing their investment to 49% ownership of the company. The company is still driven by the vision and innovation of its founders, Al and Eric, with a strong focus on innovation, data/risk management, culture, and concierge levels of service to our banks and borrowers.

My role at the company is to expand our bank network through the Dakotas, Montana and Wyoming and build the brand as we have with every bank before us, through personal connections, the highest level of service possible and daily interactions with the local bankers. It's great to be able to begin traveling again, meeting with bankers in their localities and building the BHG program with all of you.

It's been an honor to have the SDBA give us the distinction of being an endorsed vendor, and I am looking forward to spending time in South Dakota meeting with all of you and working together.

I look forward to seeing everyone at the Quad States Convention in Rapid City on June 14-15. 🌈



Keith Gruebele is EVP, institutional relationships for Bankers Healthcare Group (BHG), an SDBA endorsed vendor and associate member. Since 2001, BHG has been lending to medical and professional loans across the country, making the company the number one source for these loans.

Nationally, almost 1,200 banks have partnered with BHG to purchase these loans and have incurred \$0 loss on the BHG Core Loan portfolio. BHG supports community banks across the country and has a reputation for excellent service and superior performance. For more information, contact Gruebele at 954-263-6399 or [kgruebele@bhg-inc.com](mailto:kgruebele@bhg-inc.com) or visit [www.bhgloanhub.com](http://www.bhgloanhub.com).

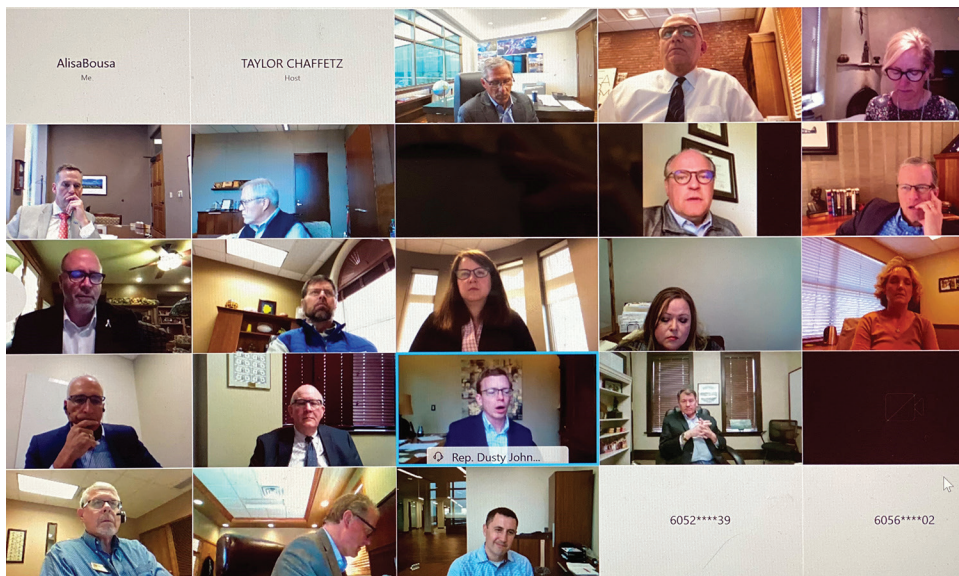


# Bankers Take Part in Virtual Hill Visit

**M**ore than 40 bankers from across the state joined SDBA staff for a Virtual Hill Visit with Sen. Mike Rounds, Sen. John Thune and Congressman Dusty Johnson on April 7. The event was hosted on the Senate's Webex platform.

The hour-long conversation gave bankers an opportunity to visit with South Dakota's congressional delegation about banking-related topics and current events. Topics discussed included FedAccounts, Bank On, Enhancing Credit Opportunities in Rural America (ECORA) Act, cannabis banking and environmental, social and governance issues.

Thank you to everyone who took part in the virtual visit. 🌈



*South Dakota bankers visited virtually with Sen. Mike Rounds, Sen. John Thune and Congressman Dusty Johnson.*

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# Bankers Attend Dakota School of Lending

**N**early 70 bankers from South Dakota and North Dakota gathered in Bismarck, N.D., for the NDBA's first in-person training event since the start of the COVID-19 pandemic.

The Dakota School of Lending Principles was held with social distancing guidelines on April 6-9 at the Radisson Hotel in downtown Bismarck. South Dakota attendees were:

- Samuel Domke, Heartland State Bank, Tulare
- Lindsey Forkel, BankNorth, Warner
- Bo Fries, Dacotah Bank, Webster
- Kyle Jacobsen, BankWest, Pierre
- Nicole Keating, BankStar Financial, Volga
- Brad Noem, Richland State Bank, Bruce
- Larry O'Neill, BankWest, Rapid City
- Daniel Park, BankWest, Pierre
- Cal Reeves, Dacotah Bank, Mobridge
- Jaden Shockley, Dacotah Bank, Lemmon
- Charlie Stephenson, Dacotah Bank, Brookings
- Melissa Swan, Akiptan Inc., Eagle Butte
- Brianna Veurink, BankWest, Pierre
- Fred Vogel, Dacotah Bank, Mobridge
- Pat Watson, BankWest, Rapid City
- Jodi Watts, Black Hills Community Bank, Spearfish
- Jessica Weitschat, BankWest, Pierre
- Jo Wunderlich, BankWest, Pierre

School faculty included Richard Beck, a retired banker from Indiana; Perry Haralson with Cornhusker Bank in Lincoln Neb.; Tom Capouch with First State Bank in Portland, N.D.; and Lynn Paulson, Katie Grant and Mark Wallace from Bell Bank in Fargo, N.D.

The school consisted of four days of training on consumer lending, real estate lending, small business lending and agricultural lending. Bankers could attend the entire school or choose individual modules.

"Thanks to all who participated. It was great to see bankers together again, learning and networking," said Dorothy Lick, NDBA's SVP of education.

The Dakota School of Lending Principles will next be held in Aberdeen in 2023. 🌈



*BankWest employees Kyle Jacobsen, Pierre; Pat Watson, Rapid City; Jo Wunderlich, Pierre; and Larry O'Neill, Rapid City.*



*Dacotah Bank employees Mikki Gailfus, Rolla, N.D.; Cal Reeves, Mobridge; Bo Fries, Webster; Charlie Stephenson, Brookings; Casey Carlson, Rolla, N.D.; and Jaden Shockley, Lemmon.*



*Instructors Lynn Paulson, Katie Grant and Mark Wallace with Bell Bank in Fargo, N.D.*



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## ABA, VBA to Host Diversity, Equity and Inclusion Summit

**T**he ABA and Virginia Bankers Association are hosting the Diversity, Equity and Inclusion Summit for bankers nationwide on May 20.

This virtual event is designed to help you become an agent of change for your bank and for your community. Build your DEI playbook by choosing from several expertly-curated strategy sessions—giving you the opportunity to focus on your bank's specific DEI efforts in a meaningful way.

You'll also have the opportunity to share stories and solutions with your peers and gain valuable insights from the experts. This summit will help you master the leading practices for mitigating the systemic barriers that disadvantage marginalized groups in the industry—and give you actionable steps to implement change.

Register at [www.aba.com/training-events/conferences/diversity-equity-inclusion-summit](http://www.aba.com/training-events/conferences/diversity-equity-inclusion-summit). 



## Bank Compliance School to be Held in Bismarck and Virtually


**T**he 2021 Bank Compliance School will be held in Bismarck, N.D., and virtually on May 24-27. The school is being offered by Compliance Alliance in partnership with the South Dakota Bankers Association, North Dakota Bankers Association, Montana Bankers Association and Wyoming Bankers Association.

The school is designed for compliance officers, internal audit staff and any employee who assists with compliance management.

Module 1: Lending Compliance will be held on May 24-25. Topics will be TRID, RESPA, CRA, flood rules, Reg B, FCRA-FACT Act, Reg O, Reg Z, SAFE Act, fair lending, mortgage servicing rules, appraisals, lending to service members and loan originator compensation.

Module 2: Operations Compliance will be held on May 26-27. Topics will be Reg D & Reg DD, Reg E, privacy, Reg CC, UDAAP, CTR and SARS, cannabis banking, social media, e-Sign, BSA five pillars, CDD and beneficial ownership, monitoring for high-risk customers, and money services businesses and MRBs.

Compliance Alliance, an SDBA endorsed vendor and associate member, is the only banking industry compliance resource owned, operate and managed by state bankers associations. Compliance Alliance experts provide members an all-inclusive set of bank compliance tools and services that help bankers stay up to date with requirements.

You can attend the whole school or an individual module. Learn more and register at [www.sdba.com](http://www.sdba.com). 

## Dakota School of Banking to Be Held June 6-11

**O**ne of North Dakota's longest-standing banking education traditions, the Dakota School of Banking has graduated

hundreds of bankers since its inception in 1974. Many of these graduates are now senior-level executives, serving as president or chief executive officers of banks large and small.

Sponsored by the NDBA and endorsed by the SDBA, the Dakota School of Banking will be held on June 6-11 at the University of Jamestown in Jamestown, N.D.

Through the use of highly-qualified instructors and a challenging curriculum, the school provides a multi-dimensional educational experience in banking. By completing two, one-week summer sessions and intersession projects, students develop a range of skills to enhance current performance and qualify for advancement.

Employees at nearly every level can benefit from attending the Dakota School of Banking. Many applicants have been identified as future leaders within their banks.

Learn more and register at [www.sdba.com](http://www.sdba.com). 



# Learn How to Implement a Successful Marketing Strategy

**F**inding the right marketing tactics for your bank can be a challenge, even more so with a limited budget and competitive ecosystem. How do you differentiate your bank from the others in your market? We know that it takes many touchpoints with a brand for a consumer to make a buying decision, so how do you ensure your bank is there when your future customer is ready to make a decision?

Learn how you can implement a successful marketing strategy that builds your bank's digital presence and drives real results by attending the Virtual Marketing Seminar: Winning New Customers in Times of Change on June 8.

This day-long training, which is being held by the North Carolina Bankers Association, will cover five parts of winning new customers.

- Part 1—The Customer Journey in Banking: Creating an Effective Customer Experience
- Part 2—Financial Product Marketing: Choosing the Right Digital Channels to Acquire New Customers
- Part 3—How Your Bank Can Partner with Influencers and Publishers
- Part 4—Key Metrics for a Successful Digital Strategy
- Part 5—Closing Remarks: Tips and Considerations for Digital Marketing Success

The cost for the virtual seminar is \$300. To learn more and register, visit [www.sdba.com](http://www.sdba.com).

## Breaking into Banking 101: Fundamentals of Commercial Banking

**C**ommercial banking can be intimidating because of its complexity and the risk-oriented nature of the work. Breaking into Banking 101: Fundamentals of Commercial Banking, a virtual seminar on June 23, is a clear and thorough introduction to the key concepts, terminology and processes involved in credit and lending.

New credit analysts, lenders, portfolio managers, underwriters and bankers who don't do credit analysis but need a working knowledge of the process will all benefit from the seminar.

The seminar doesn't assume much prior knowledge of the topic, so it's ideal for those in their first year in the industry. Attendees will walk away with a clear understanding of their job and how their specific role fits into the bank's overall profitability goals.



Instructor Andy Keusal spent 18 years in commercial banking, during which he interviewed, hired and trained hundreds of new bankers. He also helped build and run one of the nation's premier credit training programs at a large Midwest regional bank. Keusal left his corporate career in 2015 to found Keusal Learning, where he helps people master the basics of banking.

The cost for the seminar, which will be held via Zoom, is \$245. Learn more and register at [www.sdba.com](http://www.sdba.com).



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# Three Elected to SDBA Board of Directors

The SDBA in April held elections for three seats on its Board of Directors—Group II, Small Community Bank Category and Large Community & Regional Bank Category. Group II includes banks in Beadle, Brookings, Brown, Clark, Codington, Day, Deuel, Grant, Hamlin, Kingsbury, Marshall, Roberts and Spink counties. The Small Community Bank Category includes banks with deposits of less than \$75 million, and the Large Community & Regional Bank Category includes banks with deposits of more than \$750 million.

## Pennie Lutz, Richland State Bank, Bruce

*Pennie Lutz is serving her first, three-year term on the SDBA Board of Directors, representing banks in Group II.*



### Banking Career

Pennie Lutz is president and CEO of Richland State Bank in Bruce, where she has worked for 25 years. She also serves as the bank's compliance officer. Prior to joining the bank, she worked as an FDIC examiner out of the Sioux Falls office for almost seven years. Lutz, who is originally from Clear Lake, has a degree in business

administration with an emphasis in accounting from the University of South Dakota.

### Community Involvement

Lutz is an EMT with Bruce Fire and Rescue and is involved in the Bruce Community Club and her local church. She also serves on the SDBA's Women in Banking Work Group.

### Family

Lutz and her husband, Rob, have been married for 27 years. They have a daughter Sierra (age 22), son Spencer (age 19) and a dog named Abby.

### Goals as an SDBA Director

After attending the SDBA's first LEAD STRONG: Women in Banking Conference in 2018, Lutz wanted to be more involved with the SDBA. She volunteered to help and met many amazing people as a result. That experience, and some recommendations from friends, moved her to pursue serving on the SDBA Board of Directors. Despite competition from online entities, credit unions and Farm Credit, Lutz sees community banks as the cornerstone of our small towns and surrounding communities. As an SDBA Director, she hopes to be able to help South Dakota community banks remain competitive and continue growing. 🌈

## Keith Knuppe, BankNorth, Warner

*Keith Knuppe is serving his first, three-year term on the SDBA Board of Directors, representing banks in the Small Community Bank Category.*



### Banking Career

Keith Knuppe is senior vice president-loan officer for BankNorth in Warner, where he has worked for 19 years (16 under First State Bank of Warner and the past three for BankNorth). Knuppe was raised on a ranch by New Underwood and received an ag business degree with minors in economics and marketing from

South Dakota State University.

### Community Involvement

Knuppe has been involved in the Warner football program as an assistant football coach and other youth programs since moving to Warner in 2000. Knuppe has served on the SDBA Ag Credit Committee for 15 years and was part of the 2013 National ABA Ag Conference planning committee.

### Family

Knuppe and his wife, Shannon, have three children: Gage (age 11), Kollins (age 8) and Blayne (age 6).

### Goals as an SDBA Director

Knuppe wanted to serve on the SDBA Board of Directors as a way to continue growing personally in his profession and as a way to give back to the industry that has given him so much over the past 20 years. As his employer, BankNorth, is a small-town, rural bank that is mainly focused on agriculture, his goal for his term on the SDBA Board will include the continued promotion of the small-town, community bank and supporting agriculture. Telling the story of agriculture and how the small-town, community bank continues to be a vital lifeline to these operations will be a priority during his term. 🌈

## Nathan Franzen, First Dakota National Bank, Yankton

*Nathan Franzen is serving his first, three-year term on the SDBA Board of Directors, representing banks in the Large Community & Regional Bank Category.*



### Banking Career

Nathan Franzen is president of ag banking at First Dakota National Bank in Yankton. He obtained degrees from Northern State University in management and marketing and an MBA from the University of South Dakota and is also a graduate of the ABA's Stonier Graduate School of Banking. Franzen began his

banking career in 1994 and has worked at First Dakota for more than 20 years. He grew up on a diversified family dairy, grain and beef cattle farming operation in northeast South Dakota.

### Community Involvement

Franzen is past chair of the SD Agriculture and Rural Leadership (SDARL) Foundation Board, ABA Agriculture and Rural Bankers Committee and SDBA Agricultural Credit Committee and is the current board chair for South Dakota Agricultural Foundation. He is also past president of the Yankton Area Chamber of Commerce. He is a faculty member for the National Schools for Ag Bankers and serves on the SDBA Ag Credit Committee.

### Family

Franzen and his wife, Michelle, have been married since 1992. They have two children: Bailey (age 24) and Kellen (age 21).

### Goals as an SDBA Director

Franzen has always taken great pride in representing the industry he loves. Banker's play a vital role in their communities helping the citizens they serve gain improved financial success and security. This has never been more evident than during the recent pandemic. The world is changing fast, so it is important for experienced bankers to be engaged to represent our interests.

Franzen is proud of the past efforts he's had in this regard through his work on SDBA committees and the ABA's Ag & Rural Bankers Committee. Testifying in front of the House Ag Committee on farm bill related matters is one of many highlights from these experiences. Franzen looks forward to working with the entire Board of Directors to be a strong and steady voice for our industry. His overall goal is to stay on top of all relevant issues of the day and assure the banking industry remains the pillars of our communities around this great state and beyond. 🌾

## McGrath Appointed to SDBA Board

SDBA Chair Steve Bumann appointed John McGrath to fill the vacant Group I seat on the SDBA Board of Directors. Group I includes banks in Bon Homme, Clay, Davison, Hanson, Hutchinson, Jerauld, Lake, Lincoln, McCook, Miner, Minnehaha, Moody, Sanborn, Turner, Union and Yankton counties.

### John McGrath, First PREMIER Bank, Sioux Falls

*John McGrath was appointed to the Group I seat on the SDBA Board of Directors through April 30, 2022.*



### Banking Career

John McGrath is SVP - chief credit officer at First PREMIER Bank in Sioux Falls. McGrath has a commercial economics degree from South Dakota State University and has worked in the banking industry for 43 years. He started his career in 1978 with First National Bank of the Black Hills (now Wells Fargo) in Rapid City and the following year joined Miners & Merchants Bank in Lead. In 1984, McGrath moved to Norwest (Wells Fargo) and worked in Deadwood, Sioux Falls and Rapid City before joining First PREMIER Bank in 1994.

### Community Involvement

McGrath serves on the Children's Home Society Board of Directors, is treasurer of the South Dakota Sports Hall of Fame and has officiated high school football games for more than 40 years. He has also served on the SDBA Agricultural Credit Committee for a number of years.

### Family

McGrath and his wife, Carol, have been married for more than 39 years. They have four grown children and one granddaughter.

### Goals as an SDBA Director

McGrath has participated in many SDBA events over the years such as the Annual Convention, State Legislative Day and Washington Summit. He has enjoyed coming together with his banking peers in a collaborative manner to discuss or learn about issues they all have in common. He considers serving on the SDBA Board as the ultimate way to continue doing that while ideally having a positive impact on the industry in which he has spent his entire career. 🌾



# The Pandemic and the Continuing Supervisory Guidelines

By Kevin Kim, Associate General Counsel, Compliance Alliance

**O**n March 9, 2020, the Federal Deposit Insurance Corporation (FDIC) issued guidance encouraging financial institutions to assist customers and communities affected by COVID-19. With the Coronavirus Aid, Relief and Economic Security (CARES) Act, many banks were faced with their own set of challenges.

During this time, many banks took steps to assist consumers including allowing loan modifications with no fees, waiving fees on accounts and offering in-home banking services. Many were also participating in providing Paycheck Protection Program (PPP) loans to small businesses. Because of all of these accommodations, many banks struggled with high volumes of COVID-related mortgage requests and questions from customers and PPP loans.

Banks were overcoming these overwhelming volumes while also maintaining their efforts to keep the physical locations of the banks safe for both customers and the employees. Through these difficult times, financial institutions created and revised policies and procedures to adjust and continue to provide excellent service to customers.

Throughout the pandemic, the FDIC shifted to conduct all consumer compliance examinations and industry meetings virtually. In the beginning of the pandemic, the FDIC paused examination activities to allow financial institutions to focus on meeting the needs of their customers. As the examinations resumed, the FDIC allowed flexibility in scheduling to accommodate the institution's needs.

There were some hurdles in the earlier stages due to operational and staffing challenges that limited the ability of management to respond to supervisory requests because of the shift to the virtual examinations. However, the FDIC was still able to conduct all consumer compliance and Community Reinvestment Act (CRA) examinations within the time frames established by the FDIC policies.

The most common violations during the 2020 examinations involved:

- Truth in Lending Act (TILA)
- Truth in Savings Act (TISA)
- Flood Disaster Protection Act (FDPA)
- Electronic Funds Transfer Act (EFTA)
- Real Estate Settlement Procedures Act (RESPA)

The FDIC uses a risk-focused methodology in conducting its compliance examinations, and the most frequently cited violations typically involve regulations that represent the greatest potential harm to consumers. The FDIC initiated eight formal enforcement actions and 16 informal enforcement actions to address consumer compliance examination findings. The total voluntary payments to consumers totaled approximately \$7.4 million to more than 67,000 consumers.



## RESPA Section 8(a)

RESPA Section 8(a) prohibits giving or accepting a thing of value for the referral of settlement service business involving a federally-related mortgage loan. The FDIC continued to find RESPA Section 8(a) violations involving illegal kickbacks, disguised as above-market payments for lead generation, marketing services, and office space or desk rentals. Paying for leads is acceptable, but paying for a referral is prohibited. To distinguish between the two, examiners look to whether the person providing the lead/referral was merely giving information about a potential borrower to a settlement service provider or if the person was “affirmatively influencing” a consumer to select a certain provider. “Affirmative influence” means recommending, directing or steering a consumer to a certain provider. Often times, true leads are lists of customer contacts that are not conditioned on the number of closed transactions resulting from the leads or any other considerations, including the endorsement of a settlement service.

To mitigate the risks associated with RESPA violations, banks could provide training to executives, senior management, and staff that are responsible for and involved in mortgage lending operations. Banks can also perform due diligence when considering new third-party relationships that the bank or any individuals employed at or under contract to the bank enters that generate leads or identify prospective mortgage borrowers. Lastly, the bank could develop a monitoring process for identifying, assessing, documenting and reporting risks to executive and senior management.

## TRID Rule

The Truth in Lending/Real Estate Settlement Procedures Integrated Disclosure (TRID) Rule also led to many violations. The loan estimate helps consumers understand the key features, estimated costs and risk of the mortgage loan for which they are applying. The closing disclosure helps consumers understand all of the actual costs of the transaction and provide them with the opportunity to review cost and resolve any problems before closing. Under the TRID Rule, the loan estimate is based on the “best information reasonably available” at the time the disclosures are provided to the consumer, and the bank must exercise due diligence in obtaining this information. The closing disclosure is based on an accurate disclosure standard.

The FDIC found multiple instances involving Veteran Administration loans where banks failed to comply with the “best information reasonably available” and due diligence standards under TRID by issuing loan estimates based on unavailable interest rates and loan terms. Additionally, examiners found potentially deceptive practices when banks represented certain terms for loans that were not generally available.

Mitigating risks for TRID violations also include providing training to executives, senior management,

and staff that are responsible for or are involved in mortgage lending operations. Additionally, the bank should establish policies and procedures to help staff in complying with regulatory requirements when preparing disclosures. Finally, the bank should also consider implementing a centralized process to complete or review disclosures to ensure accuracy.

## Fair Lending

Fair lending was also a big concern when evaluating bank compliance. During the 2020 examinations, the FDIC found a bank that would automatically deny the application if the applicant was under 30 years of age. Furthermore, the source of income was provided using a drop-down menu, and any applicant who did not choose employment was denied. There was another case where a credit-scoring model scored younger applicants more favorably than it scored elderly applicants. It also negatively considered applicants that were on maternity leave. Additionally, there was a bank policy which provided that the loan officer should use the highest credit score of the two applicants when the applicants were married, but the primary applicant's credit score would be used when the joint applicants were unmarried.

To address the fair lending risks, banks could consider regularly reviewing credit policies to ensure the Equal Credit Opportunity Act and Regulation B permit such considerations. The FDIC finds that a strong compliance management system helps ensure that financial institutions are treating consumers more fairly. Moreover, the bank should review any filers or other criteria used for online leads, website applications and/or credit scoring models.

With such an unprecedented pandemic sweeping across the nation, there have been many areas that needed adjustments to adapt to the changing environment. Regardless of the impact of COVID-19, banks should still continue to set up and monitor compliance programs to ensure that the banks are complying with the appropriate regulations for their business activities. 📊



Kevin Kim joined Compliance Alliance after graduating from the Benjamin N. Cardozo School of Law in 2019. He currently serves as a hotline adviser, where he spends his days guiding members and writing articles for its weekly and monthly publications. Before C/A, Kim worked at Galaxy Digital and Refinitiv (formerly Thomson Reuters Financial and Risk) as a law clerk and also opened a cryptocurrency mining farm. For more information about Compliance Alliance, an SDBA endorsed vendor and associate member, email [info@compliancealliance.com](mailto:info@compliancealliance.com) or visit [www.compliancealliance.com](http://www.compliancealliance.com).





# Perspective on the Paycheck Protection Program

**A**t the end of May, the government's Paycheck Protection Program (PPP) is scheduled to come to a close. If Congress does not extend the program, we can expect the "Monday morning quarterbacking" about the impact of the program on the economy, its design and implementation, and its ultimate cost to begin. Those are appropriate questions to ask as we consider the lessons learned from the nation's response to the coronavirus pandemic.

Here's what I know already. The biggest small business rescue program in U.S. history would have been an unmitigated failure without the extraordinary efforts of America's banks and their dedicated employees, and it would never have produced the positive results it did without the incredible collaboration between the ABA and our state association alliance partners.

It's easy to forget what the world was like when PPP first launched in April 2020. The nation's economy had largely shut down, many Americans were isolating in their homes and businesses of all sizes were dealing with the stark new reality posed by COVID-19.

Banks across the country were trying to figure out how to keep the banking system fully functioning in the middle of a global pandemic and how to help their customers survive the economic disruption, while also trying to figure out how to protect the health and safety of their employees and customers from an invisible threat.

It was against that backdrop that the federal government asked banks and other financial institutions to help the Small Business Administration (SBA) launch the Paycheck Protection Program. On paper, the program dwarfed any previous SBA lending program in its history, and the agency was asked to launch it within days of lawmakers passing the CARES Act.

That launch, to be generous, did not go perfectly. SBA's technical systems, built for its more traditional 7(a) lending program, could not handle the incredible load demanded by a program of this scale. The agency staff was overwhelmed and was slow in issuing the guidance banks needed to begin processing loans, and the guidance they did release was at times contradictory.

From the start, ABA and our state association alliance partners encouraged banks to step up and participate in PPP despite all the obstacles, and step up you have. As of April 11, banks were responsible for 80% of the nearly 9.6 million PPP loans so far, and 93% of the \$755 billion in PPP funding. I am particularly pleased to see how banks of all sizes supported the program. From our largest members to our smallest, the commitment to our small business customers has been truly remarkable. We have been united in this effort.

Banks were able to step up because ABA, working with our state association partners, were able to keep members informed on the program and its many iterations. In daily Zoom calls in the early months of the pandemic, state association executives served as an early warning system, keeping us updated on operational issues popping up, which we relayed back to SBA. Meanwhile, ABA provided members and state associations the latest SBA changes in real-time.

At one point, ABA hosted a PPP webinar for bankers, only to find that SBA employees in some parts of the country were trying to register. We came to learn that they were getting better information about PPP from ABA and the state associations than they were from SBA headquarters.

ABA and the state associations also partnered on targeted ad campaigns to encourage minority- and women-owned businesses to consider applying for PPP loans. This was just one of many industry initiatives to try and make sure PPP funds reached every business that needed them.

PPP will always have its critics. Some people remain fixated on the large businesses and public companies that applied in the first wave, only to be shamed into returning PPP funds. To be fair, many of those businesses met the initial eligibility requirements set by Congress. Government watchdogs remain rightfully concerned with inexcusable examples of fraud and abuse, many spotted by banks working with law enforcement.

*Continued on page 21*

# U.S. House Passes ABA-Backed SAFE Banking Act

The U.S. House passed the SAFE Banking Act of 2021, the ABA-supported bill that provides clarity to financial institutions seeking to serve legitimate cannabis businesses, by a bipartisan vote of 321 to 101 on April 19.

"We thank Rep. Perlmutter (D-Colo.) and the bill's 180 co-sponsors for their leadership and support and urge the Senate to move quickly to pass this much-needed legislation to clarify these issues for both the banking industry and regulators," ABA President and CEO Rob Nichols said after the bill's passage.

Earlier in the day, ABA and 51 state bankers associations wrote to lawmakers in support of the bill, which provides a safe harbor for depository institutions seeking to serve legitimate cannabis-related businesses in states where such activity is legal. The SDBA thanks Congressman Dusty Johnson for voting in support of the bill.

The bill was previously passed by the House in the last Congress but was not taken up in the Senate. Currently, 36 states have legalized cannabis for medical or adult use, but current federal law prevents banks from safely banking cannabis businesses, including ancillary businesses that provide them with goods and services. "Our member banks find themselves in a difficult situation due to the conflict between state and federal law, with local communities encouraging them



to bank cannabis businesses and federal law prohibiting it," ABA said in its letter of support. "Congress must act to resolve this conflict between state and federal law."

In a separate letter, the state bankers associations emphasized that as a result of this conflict, "This segment of our local economies is forced to operate on an all-cash basis, which creates serious public safety, revenue administration and legal compliance concerns." They added, "Our members are committed to serving the financial needs of their communities—including those that have voted to legalize cannabis." ■■■

## South Dakota Supreme Court Hears Amendment A Recreational Marijuana Appeal

The South Dakota Supreme Court heard arguments for and against Amendment A in Pierre on April 28. Voters last November approved Amendment A, which legalizes recreational marijuana for people over age 21 and gives the power of regulation to the South Dakota Department of Revenue.

In February, a Circuit Court judge ruled in favor of those trying to stop Amendment A, and supporters are appealing to the state's highest court. At the heart of the lawsuit is whether the amendment comprises more than a single subject, which it cannot, and whether the amendment is considered to be an amendment or a revision to the South Dakota Constitution.

The Supreme Court justices asked questions of both attorneys during the hour-long hearing. It is unknown as to when a decision will be handed down.

On a related note, the South Dakota Department of Health (DOH) on April 26 issued a request for proposal

for a statewide patient registry, verification and licensing system to be used in the implementation of the medical marijuana program.

Pursuant to SDCL 34-20G, DOH is responsible for implementing a secure, web-based patient verification system by Oct. 29, 2021, and a patient registry system by Nov. 18, 2021. These systems are necessary to ensure that patients and caregivers can be accurately identified and to ensure that only verified patients and caregivers have access to medical marijuana.

The patient verification system will also ensure that South Dakota law enforcement officials have the necessary tools to accurately identify medical marijuana patients/caregivers they may encounter. Additionally, a state licensing system will be used to accept applications for medical marijuana establishments and will facilitate multi-jurisdictional collaboration in compliance with state law. ■■■



## Andy Hubbard Named BankWest's Pierre Regional President



Andy Hubbard has been named regional president at BankWest in Pierre. Hubbard will manage the bank's two Pierre branches, as well as the Kennebec and Kadoka locations. His duties will include supervision of retail, agricultural and commercial banking.

Former Pierre regional president, Terry Fitzke, was promoted to the head of lending for the entire BankWest organization.

"As we continue to grow, we are fortunate to have a group of talented and committed employees to grow with us. Terry's promotion to head of lending will help us build on our responsive and fiscally-sound lending practices and has also created an opportunity to promote from within," said BankWest Chairman, President and CEO Charles H. Burke III. "Andy's years of experience as a business development officer with BankWest will make him an excellent leader for the Pierre area."

Hubbard is a native of Brandon and has 18 years of professional banking experience, including a background in agribusiness and commercial lending. Hubbard is a 2003 graduate of South Dakota State University in Brookings, where he earned a bachelor's degree in business economics. He also attained his master's of business administration degree from the University of South Dakota in 2018.

When he is not working, Hubbard enjoys hunting, fishing and spending time with family. He and his wife, Katie, have a son, Camden. ■■■

## Dylan Clarkson Appointed to CSBS Bankers Advisory Board



SDBA Board of Director Dylan Clarkson, president and CEO of Pioneer Bank & Trust, Belle Fourche, has been appointed to a two-year term on the Conference of State Bank Supervisors (CSBS) Bankers Advisory Board.

Clarkson was recommended for appointment by Bret Afdahl, director of banking for the South Dakota Division of Banking. "I'm very happy to welcome Dylan to the Bankers Advisory Board," said Afdahl. "I think he will be a great asset and will provide valuable input as state regulators consider financial policies impacting community banks."

"CSBS values the perspectives community bankers bring to policy discussions that impact state-chartered financial institutions," CSBS President and CEO John W. Ryan said. "For this reason, we have had a longstanding

history of seeking input from Bankers Advisory Board members on pressing public policy matters."

"I appreciate that Director Afdahl and the CSBS have given me the opportunity to serve on the Bankers Advisory Board," said Clarkson. "Having a direct impact on regulatory policy affects not only community banks, but more importantly, the communities they serve."

The CSBS is the nationwide organization of banking and financial regulators from all 50 states and U.S. territories. ■■■

## Ascensus to Be Acquired by Stone Point Capital and GIC

Ascensus, an SDBA associate member, announced on April 26 that funds managed by Stone Point Capital, the Greenwich, Conn.-based private equity firm specializing in financial services, along with GIC, Singapore's sovereign wealth fund, have entered into a definitive agreement to acquire Ascensus from its current private equity ownership group led by Genstar Capital, Aquiline Capital Partners and Atlas Merchant Capital. Genstar Capital and Aquiline Capital Partners will maintain a minority stake in Ascensus.

The transaction is expected to close in the third quarter of 2021, following regulatory approvals and other customary closing conditions. Terms of the transaction were not disclosed.

Now in its 41st year of operations, Ascensus is a technology-enabled services company that helps millions of people save for retirement, education and health care. It is also the leading independent recordkeeping services partner, retirement plan third-party administrator and government savings facilitator in the United States. Through the company's network of institutional, financial advisor and state partners, Ascensus supports more than 12 million savers through a variety of tax-advantaged retirement, education and consumer-directed health savings accounts.

"We are delighted to partner with Stone Point Capital and GIC, who share our confidence in the strategic importance and growth potential of the retirement, education and health savings markets," said David Musto, president and CEO of Ascensus. "Their commitment will only strengthen our ability to continue investing in new capabilities, technology and solutions; enhance our already world-class client service levels and attract top talent to our organization." ■■■

## SDBA MEMBERS

Have information from your bank or business about promotions, accomplishments or branch news? Submit your Bank Notes stories and photos to Alisa Bousa at [abousa@sdba.com](mailto:abousa@sdba.com).



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### **Agricultural Loan Officer, First National Bank, Fulda, Minn.**

First National Bank is seeking to hire an agricultural loan officer in our Fulda, Minn., location. This role is responsible for building relationships with existing and potential customers and offering solutions that match their unique needs. The ideal individual for this role should possess agricultural lending experience, preferably in the southwestern Minnesota market, and has a solid understanding of credit analysis. If you are a goal-driven lender who keeps your clients' best interests at heart, this role may be a fit for you. Send your resume and why you're interested to [John.Parsons@PerformanceBankers.com](mailto:John.Parsons@PerformanceBankers.com). First National Bank is a privately-owned entity with strong family roots, with a strong commitment to serving the communities in which we reside. For more information visit our website at <https://www.firstnationalbanks.bank/mn/>. Equal Opportunity Employer ■

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

Pioneer Bank & Trust is looking to hire a full-time lending officer to join our team. The successful candidate will be exposed to the following types of lending: commercial real estate acquisition/refinance and term loans, commercial and industrial-related financings that include revolving lines of credit, agriculture revolving lines of credit and term real estate loans, residential housing/construction, consumer loans and SBA loans. Responsibilities: Soliciting, negotiating, underwriting and servicing a variety of commercial loan and deposit relationships. Evaluate the financial condition and creditworthiness of individuals/businesses. Promoting the bank externally and referring customers to appropriate staff for new services. Experience: Bachelor's degree and five-plus years of commercial lending experience preferred or related experience will be considered. Please submit resume to [lyndsays@pioneerbankandtrust.com](mailto:lyndsays@pioneerbankandtrust.com). EOE AA M/F/Vet/Disability. ■

### **Insurance Agent, CorTrust Bank, Vermillion, S.D.**

If you are ready for your next move, consider joining our growing CorInsurance team as an independent insurance agent. We are looking for an experienced agent to prospect and develop insurance relationships and provide each customer an exceptional insurance experience. This includes networking to prospect new customers and calling on existing customers to deepen relationships with us and provide professional referrals to other bank products and services. Primary duties would include ensuring that policy requirements are fulfilled, monitor claims to ensure they are settled equitably for both the client and insurer, sell various types of insurance policies on behalf of insurance companies; while performing all duties being conscientious to regulatory, transaction, reputation and cybersecurity risks to the business. Qualifications: combination of education and experience; valid South Dakota insurance licenses issued by SD Division of Insurance; agency experience preferred. With us, you can expect a family atmosphere committed to building outstanding teams. Paid time off, medical, dental and vision insurance, 401K. EOE. Contact Merle Scheiber at 605-996-6070 to learn more or apply today: Recruitment ([adp.com](mailto:adp.com)). ■

### **Lead Credit Review Analyst, Plains Commerce Bank, Sioux Falls, S.D.**

Plains Commerce Bank is looking for an experienced, energetic, self-motivated person to fill a full-time lead credit review analyst position in our Sioux Falls, S.D., location. Qualities of a successful candidate include a degree in business, finance, accounting or related field preferred with a minimum of seven years related and increasingly responsible credit underwriting demonstrating a strong understanding of financial statements for commerce and agricultural credit, the ability to manage and prioritize numerous projects simultaneously in a time-sensitive environment, strong analytical and problem-solving skills, accurately perform job functions with attention to detail, maintain confidential customer and bank information in a responsible and secure manner, strong PC skills (MS Word, Excel), ability to learn new software programs, and multi-task while working with minimal supervision in a team environment with tight deadlines. Responsibilities of the candidate will include working closely with agricultural and commercial credit analysts to review work and establish priorities, analyze data, draw conclusions, solve problems independently and make recommendations/reports and presentations, interpret policies and procedures, financial statements, and credit reports with strong analytical skills, mentor junior credit analysts and assist in department trainings, participate in process improvements and automation/enhancements to current activities/tasks, and leverage the bankers' and EVP credit administration's time by analyzing and underwriting credit requests with little supervision. We offer a competitive compensation and benefits package. Visit [www.plainscommerce.com/careers](http://www.plainscommerce.com/careers) to apply. Member FDIC. Equal Housing Lender. ■

### **Lender, Peoples State Bank, Wahpeton, N.D.**

Our client, Peoples State Bank located in Wahpeton, N.D., is seeking a highly motivated individual to join its team as a lender. In this role, you will be responsible for maintaining the present portfolio of loan quantity and quality while growing loan volume from present and new customers. Qualifications include two plus years in the banking industry. The ideal candidate would possess knowledge of lending concepts, practices and procedures, and good judgment to plan and accomplish goals. In addition, work well both independently and in a team environment and have excellent written and verbal communication skills. A background in Laser Pro is a plus along with consumer, commercial and/or ag lending experience. Peoples State Bank offers a competitive compensation and benefits package and a stable work environment. EOE To learn more and apply, please visit [www.eidebailly.com/careers/positions-with-clients](http://www.eidebailly.com/careers/positions-with-clients). ■

### **Treasury Management Specialist, American Bank & Trust**

Work closely with the VP of treasury services and business bankers to secure client relationships and serve as operational liaison for product implementation to satisfy customer needs. Will provide direct day-to-day contact with customers in various capacities, understanding their unique needs and requirements, and providing comprehensive banking solutions tailored to their needs. Will assist management with small business and cash management sales, and coordinating

the goal setting, tracking and training associated with bank loan, deposit, cash management and e-Banking products. The position is responsible for attaining established individual and bank goals. Ability to sell new products, based on client needs, including existing and prospective customers will be key. This includes the ability to successfully cold call businesses and set up meetings. Familiarity with treasury products and processes preferred, including knowledge of credit and lending principles. Strong financial services knowledge and understanding of industry trends helpful. If you understand putting the customer first, want to be part of a positive work environment, embrace teamwork and a supportive team environment, we encourage you to apply. For more information, please visit our website at [www.abt.bank/careers](http://www.abt.bank/careers). ■

### **VP, Trust & Wealth Management, American Bank & Trust, Sioux Falls, S.D.**

American Bank & Trust is looking for dynamic individual to fill a VP, trust & wealth management position in our Sioux Falls market. Interested candidates should have a bachelor's degree in business, finance or accounting or equivalent combination of education and experience. Specialized training in trust and wealth management, Certified Trust and Financial Advisor or Certified Financial Planner designation preferred. Successful candidates should have five to seven years of progressive trust and wealth management experience and a minimum of five years of trust and wealth management department experience. This position is responsible for the development of sales and administration of client accounts in your market and the surrounding markets. Provides back-up support to the SVP/ trust & wealth management. AB&T offers competitive salary, generous benefits package and a positive, supportive culture. For more information, please visit our website at [www.abt.bank/careers](http://www.abt.bank/careers). ■

## **Perspective on the PPP...**

*Continued from page 16*

Others have suggested that banks earned a windfall from PPP. The reality is that for most banks, the cost of diverting staff from other lines of business to reset systems and oversee this massive new program made PPP lending a break-even business at best. And yet, all of those bankers also tell me they would participate again under similar circumstances because supporting PPP was the right thing to do for their customers, communities and the country.

I am hopeful we won't need another small business rescue program anytime soon. If we do need another PPP, please rest assured that we have learned some valuable lessons, and ABA and our state association alliance partners will once again be with you every step of the way. ■

Rob Nichols is president/CEO of the American Bankers Association. You can reach Nichols at [nichols@aba.com](mailto:nichols@aba.com).

### **Wealth Management Senior Advisor/Manager, First Bank & Trust, Brookings, S.D.**

First Bank and Trust is looking for an individual to fill a wealth management senior advisor/manager position. This person will have a bachelor's degree plus a minimum of five years of prior wealth management, trust administration, fiduciary investment management, business management, law/tax practice experience, fiduciary investment sales supervision or the equivalent. This person will have strong communication skills to enable effective communication and interaction with fellow staff, clients, and the general public. A juris doctorate, CPA or CFP, as well as previous fiduciary supervision experience, is preferred but not required. It is required that this person complete advanced training as a certified trust and financial analyst or certified wealth strategist. This person will possess an understanding of laws and regulations governing the administration of trust and estate accounts. For more information about this position and to apply online, please visit our website at [www.bankeasy.com](http://www.bankeasy.com). ■

## **CLASSIFIED LISTINGS**

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

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# Seminars/Conferences/Webinars/Schools

## SDBA EVENTS

**Virtual Marketing Seminar: Winning New Customers in Times of Change**

June 8, 2021 | Virtual

**2021 Quad States Convention**

June 14-15, 2021 | Rapid City & Virtual

**Breaking into Banking 101: Fundamentals of Commercial Banking**

June 23, 2021 | Virtual

**SDBA Agricultural Credit Conference**

July 21-22, 2021 | Pierre

**LEAD STRONG: Women in Banking Conference**

Sept. 14-15, 2021 | Sioux Falls

**Annual Security Seminar**

Oct. 6, 2021 | Sioux Falls

**NEXT STEP: Emerging Leaders Summit**

Oct. 26-27, 2021 | Sioux Falls

## WEBINARS

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

**CRE Lending: Property Types, Lease Structures and Other Non-Financial Risks**

May 17, 2021

**Handling Deposit Accounts and Checks at Death**

May 18, 2021

**BSA: MSBs, MRBs, TPPP's, NGOs and All the High Risk Customers**

May 19, 2021

**Identifying and Documenting CRA Community Development Activities**

May 19, 2021

**Bank Call Report Preparation for Beginners—Part 3**

May 20, 2021

**Proving the ROI of Training Programs—FREE**

May 20, 2021

**Strategies for Succession Planning and Talent Management**

May 20, 2021

**Back to Basics: The CARD Act**

May 21, 2021

**Banker's Top 10 for Sales Success**

May 24, 2021

**Electronic Returned Items: Meeting Error Resolution Requirements & Combating Fraud**

May 25, 2021

**New to Banking? Learn More About Our Industry**

May 25, 2021

**Deposit Regulations—The Basics**

May 26, 2021

**Compliance Regulations: Lending and Deposit Basic—Two-Part Series**

May 26, 2021

**Introduction to ACH: The Basics**

May 27, 2021

**Attacking the Human Element**

May 27, 2021

**Bank Call Report Preparation for Beginners—Part 4**

May 28, 2021

**Onboarding Your New Hire**

June 1, 2021

**Beneficial Ownership Update: Where Are We Now?**

June 1, 2021

**Online Account Opening**

June 2, 2021

**UDAAP: Consumer Complaint Monitoring & Avoiding Harm**

June 2, 2021

**Bank Call Report Preparation for Beginners—Part 5**

June 3, 2021

**How to Craft an Effective Commercial Loan Write-Up**

June 7, 2021

**15 Behaviors That Make Working With You Difficult**

June 8, 2021

**New BSA Officer Training**

June 8, 2021

**Records Management and Retention**

June 9, 2021

**Excel Explained: Payroll Analysis**

June 9, 2021

**Employment Records and How to Keep Them**

June 10, 2021

**Three Key Risk Assessments in Your ERM Program: ERM, IT and Internal Controls**

June 10, 2021

**The Role of the Information Security Officer**

June 11, 2021

**DIY Core Systems Selections**

June 15, 2021

**How to Re-Engage Your Team**

June 15, 2021

## SCHOOLS

**2021 Bank Compliance School**

May 24-27, 2021 | Bismarck, N.D., & Virtual

**Dakota School of Banking**

June 6-11, 2021 | Jamestown, N.D.

**National School for Experienced Ag Bankers**

June 21-24, 2021 | Spearfish

**Graduate School of Banking in Colorado**

July 18-30, 2021 | Boulder, Colo. & Virtual

**Graduate School of Banking in Wisconsin**

Aug. 1-13, 2021 | Virtual

**GSBC Workshop on Community Bank Investments**

Sept. 15-17, 2021 | Las Vegas, Nev.

**GSB Financial Managers School**

Sept. 20-24, 2021 | Madison, Wis.

**GSB Bank Technology Security School**

Sept. 27-Oct. 1, 2021 | Madison, Wis.

**SDBA IRA School**

Sept. 28-Oct. 1, 2021 | Sioux Falls

**GSB Sales & Marketing School**

Oct. 4-8, 2021 | Madison, Wis.

**GSBC Executive Development Institute for Community Bankers**

Oct. 17-20, 2021 | Broomfield, Colo.

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). Questions, contact the SDBA's Halley Lee at [hlee@sdba.com](mailto:hlee@sdba.com) or 605.224.1653.



**SDBANKERS**  
ASSOCIATION

Educate. Advocate. Grow.



# **AGRICULTURAL CREDIT CONFERENCE**

**July 21-22, 2021**

Ramkota Hotel & Conference Center  
Pierre, S.D.





# \$30,000,000

## State Bank of Cross Plains LOAN PARTICIPATION

### — A N N O U N C E M E N T —

High-performing BHG professional loans with a **4.25%** net rate to banks

#### LOAN POOL WEIGHTED AVERAGES:



**\$110K**  
LOAN AMOUNT



**730**  
FICO



**2.2**  
CASH FLOW  
COVERAGE



**105**  
MONTH TERM



**\$250k**  
INCOME

#### PROGRAM DETAILS:

- 3% reserve and original loan files held at State Bank of Cross Plains
- Includes standard BHG "May-Opt" Substitution
- Servicer will be State Bank of Cross Plains
- All individual loans and pool summary information available via secure portal

**ESTIMATE CLOSING:** June 1, 2021 | Commitment required – limited availability

**CONTACT:** Keith Gruebele, EVP, Institutional Relationships, [kgruebele@bhg-inc.com](mailto:kgruebele@bhg-inc.com)

**South Dakota Banker Association Endorsed Member**



**BANK GROUP**

**WHO IS BHG?** BHG is transforming the financial industry; leveraging the power of data, analytics, and cutting-edge technology to become not only the number one source for professional loans, but the creator of the largest community bank loan and product network in the country. Since 2001, BHG has originated more than \$7 billion in loan solutions to top-quality borrowers, which community and midsize banks can access via a state-of-the-art loan delivery platform. Building on nearly two decades of innovation, BHG and its family of brands now offer a full suite of financial solutions that span business, consumer, and SBA 7(a) loans, credit cards, collection services, risk management services, and point-of-sale financing with a focus in patient lending. BHG is partially owned by Pinnacle Bank (PNFP) and has headquarters in Davie, FL and Syracuse, NY.