Independent Bankers of Colorado

2016 - 2017 OFFICERS AND DIRECTORS

Chairman
Byron Maynes, Cortez

President
Harry Devereaux, Northern CO Market President, Guaranty Bank

President-Elect
John Sneed, President, FMS Bank

ICBA State Director
Chuck Johnston, President, North Valley Bank

District Directors

District A
Kyle Heckman, President, Flatirons Bank
John Ezell, Senior Vice President, Redstone Bank
Brandon Berkley, President, Berkley Bank
Tom Ogaard, President, Native American Bank, N.A.

District B
Randy Younger, President, First National Bank Hugo
John Sneed, President, FMS Bank
Shawn Osthoff, President, Bank of Colorado
Dan Allen, President, First FarmBank

District C
Quentin Leighty, CFO, First National Bank
Las Animas/Monument Branch
Megan Harmon, Branch President / COO, Eastern Colorado Bank
Andrew Trainor, Regional President, Legacy Bank
Tony Perry, President, Park State Bank & Trust

District D
Ed Merritt, Jr., President, Dolores State Bank
Mike Hurst, President, Del Norte Bank
P J Wharton, President, Yampa Valley Bank
Jay Rickstrew, Regional President, Alpine Bank

Advisory Board Members
Bill Mitchell, President, Bankers’ Bank of the West
Eric Budreau, Partner, Eide Bailly
CJ Juleff, Owner, CJ Juleff & Associates
Tennyson Grebenar, Lewis Roca Rothgerber Christie LLP

Staff
Barbara M.A. Walker, Executive Director
Maelynn Lewis, Administration Director, Secretary/Treasurer

ICB Legal Counsel
Thomas Bieging and John Burrus
Shapiro Bieging Barber Otteson, LLP

IBC Lobbyist
Mary Marchun, The Capstone Group

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Cover

Eastern Arapahoe County near Bennet, CO
by Bob Kissel
see more of Bob’s photosets at
http://www.flickr.com/photos/rekissel/sets
## Preferred Providers

IBC Preferred Providers are selected by bankers just like you, so give them special consideration when considering their proposals for your bank! To learn more about IBC’s Preferred Providers contact the IBC at 303.832.2000. Please note: IBC endorses the listed companies but not all products offered by the company.

<table>
<thead>
<tr>
<th>Preferred Provider</th>
<th>Contact Information</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preferred Providers</strong></td>
<td>Mary Ann Elliott-Supplies</td>
<td>Grow your customer relationship with mobile payments technology; highly competitive unbundled pricing; quick approvals and startups and high-touch training and support from Bankers’ Bank of the West’s Merchant Services Program.</td>
</tr>
<tr>
<td><strong>Deluxe</strong></td>
<td>Chuck Allor</td>
<td>Massive buying power and inventory expertise to help you consolidate, simplify, and save. By consolidating buying power you receive the best prices on the items you need. Use a single source to management inventory, a customized automated online ordering system and more!</td>
</tr>
<tr>
<td><strong>Harland Clarke</strong></td>
<td>Michael Palmer</td>
<td>Harland Clarke, a leading provider of best-in-class solutions, serves more than 11,000 financial institutions nationwide. Harland Clarke offers: Payment Solutions (checks, card services, forms, etc.); Integrated Multichannel Marketing Services and Security Solutions.</td>
</tr>
<tr>
<td><strong>IBT</strong></td>
<td>Steve Thomas</td>
<td>IBT’s Core Processing platform enables you to meet the specific challenges of the marketplace efficiently and effectively. IBT’s Core Processing with i2 Suite is the right way to do business for you and your customers, reducing costs, improving efficiencies and enhancing compliance.</td>
</tr>
<tr>
<td><strong>iHELP</strong></td>
<td>Jim Iannuzzi</td>
<td>iHELP loans help families cover the gap between the cost of college and other forms of financial aid a family receives. The iHELP Refinancing loan helps families combine multiple federal and private student loans into a fixed-rate or variable rate loan with one easy and affordable payment monthly.</td>
</tr>
<tr>
<td><strong>OnCourse Learning</strong></td>
<td>Craig Johnson</td>
<td>At OnCourse Learning, formerly BankersEdge, our high-quality training is specifically tailored to the complex needs of banking institutions. We now offer four simplified training options that have been designed with employee-specific responsibilities in mind. Our courses have been repackaged into topic-specific series, with more than 550 courses and growing.</td>
</tr>
<tr>
<td><strong>SBS CyberSecurity</strong></td>
<td>Tony Ferguson</td>
<td>SBS is your cybersecurity partner. Our offerings include: TRAC™ – Cybersecurity risk management software; Cyber-RISK™ – Automated FFIEC cybersecurity risk assessment software; IT and Network Security Audits; Consulting Services; Full Service Vendor Management; Role-Based Certifications; Vulnerability Assessments; Penetration Testing and More!</td>
</tr>
<tr>
<td><strong>S&amp;P Global</strong></td>
<td>Erick Morton</td>
<td>S&amp;P Global combines exclusive analysis and in-depth data in real time for the banking, financial services and insurance industries. From bank branch data and government assistance programs to executive compensation and league tables, S&amp;P is the final word in business intelligence on financial institutions.</td>
</tr>
<tr>
<td><strong>Travelers</strong></td>
<td>Janu Cambrelen</td>
<td>Offering a wide range of customized insurance protection, Travelers SelectOne® for financial institutions is designed to respond to the most recent trends in banking.</td>
</tr>
<tr>
<td><strong>Vantiv</strong></td>
<td>Heidi Shipp Saba</td>
<td>Turn your card program into a growth opportunity. With 40 years in payments and card processing, we can quickly relieve you of the regulation and compliance burden. In the end, working with Vantiv is a low risk, high return proposition because of our payments expertise and proven results. Vantiv drives the IBC’s 46 location ATM surcharge-free network.</td>
</tr>
</tbody>
</table>
**SUPPORT THE IBC’S ASSOCIATE MEMBERS!**

### Accounting/Compliance
- **Anderson & Whitney**
  970-352-7990
- **BKD, LLP**
  303-861-4545
- **Eide Bailly LLP**
  303-770-5700
- **FIS EGRC**
  720-325-4697
- **Fortner, Bayens Levkulich & Garrison, PC**
  303-296-6033
- **Garland Heart – Info Security | Compliance | Consulting**
  972-429-8200
- **Iverson & Associates, LLC**
  303-949-7702
- **Moss Adams LLP**
  503-471-1277
- **Stockman Kast Ryan & Co., LLP**
  719-630-1186

### Advertising/Equipment/Printing/Supplies
- **Deluxe Strategic Sourcing**
  800-992-0304
- **FF&S, Inc.**
  303-323-4341
- **Harland Clarke**
  800-525-8848

### Computer Products/Consulting
- **AccuSystems**
  719-583-8004
- **Computer Services, Inc.**
  970-212-7104
- **Garland Heart – Info Security | Compliance | Consulting**
  972-429-8200
- **SBS CyberSecurity**
  785-594-0503
- **SPC**
  800-338-3096

### Consulting/Marketing/Strategic Planning
- **Bank Strategies**
  303-618-0056
- **Oncourse Learning**
  866-806-9900
- **Bell State Bank**
  701-371-3355
- **Expert Business Development**
  610-771-2121
- **GLC Advisors**
  303-479-3840
- **Kasasa**
  877-342-2557
- **O’Connell Consulting Group**
  303-795-3539
- **The James Paul Group**
  330-806-2207
- **S&P Global**
  434-951-6948

### Correspondent Banking Service
- **Bankers’ Bank of the West**
  303-291-3700
- **Bell State Bank**
  701-371-3355
- **CenterState Bank**
  303-773-0441
- **The Independent Bankers Bank**
  972-650-6000
- **INTRUST Bank**
  800-732-5120
- **Pacific Coast Bankers’ Bank**
  888-399-1930

### Data Processing/EFT/ATM/Card Processing/Merchant Services
- **Bankers’ Bank of the West**
  303-291-3700
- **BMA Banking Systems**
  801-887-0122
- **Computer Services, Inc.**
  800-545-4274
- **D+H**
  800-815-5592
- **ICBA Bancard/TCM Bank**
  800-242-4770
- **IBT**
  512-606-1100
- **Jack Henry & Associates**
  417-235-6652
- **NuSource Financial LLC**
  952-942-9191
- **SHAZAM**
  515-288-2828
- **Vantiv**
  303-399-8929

### Insurance/Benefit Services
- **Bank Financial Services Group**
  303-489-1844
- **Central States Family of Omaha**
  303-290-8901
- **Equiass Alliance**
  469-252-1037
- **Financial Designs Ltd.**
  303-832-6100
- **ICBA Reinsurance**
  888-790-6615
- **Travelers**
  720-200-8416

### Investments/Funding and Lending Partners
- 1st Reverse Mortgage USA*
  303-854-3035
- **The Baker Group**
  405-415-7200
- **Colorado Enterprise Fund**
  303-860-0242
- **Colorado Housing and Finance Authority**
  303-297-7329
- **Colorado Lending Source**
  303-657-0010
- **FHLBank Topeka – Denver Office**
  303-893-3452
- **FTN Financial**
  800-456-5460
- **Gill Capital Partners**
  303-296-6260
- **Hayden Outdoors**
  970-674-1990
- **ICBA Mortgage**
  800-253-5356
- **ICBA Securities**
  800-422-6442
- **iHELP Private Student Loan Program**
  610-234-0592
- **Northland Securities Inc.**
  303-801-3380
- **Promontory Interfinancial Network**
  303-706-9265
- **Stifel Nicolaus**
  800-679-5446

### Law Firms
- **Coan Payton & Payne LLC**
  970-225-6700
- **Fairfield and Woods, PC**
  303-894-4416
- **Jones & Keller**
  303-573-1600
- **Lathrop & Gage LLP**
  720-931-3228
- **Lewis Roca Rothgerber Christie LLP**
  303-623-9000
- **Linquist & Vennum LLP**
  303-573-5900
- **Markus Williams Young & Zimmermann LLC**
  303-830-0800
- **Move White LLP**
  303-292-7946
- **Shapiro Bieging Barber Otteson LLP (IBC Counsel)**
  720-488-0220
- **Spencer Fane LLP**
  303-839-3838
- **Stinson Leonard Street LLP**
  303-376-8400

### Loan Review Services
- **Eide Bailly LLP**
  303-770-5700
- **Fortner, Bayens Levkulich & Garrison, PC**
  303-296-6033
- **Iverson & Associates, LLC**
  303-949-7702

### IBC Lobbying and Public Relations
- **The Capstone Group (IBC Lobbyists)**
  303-860-0555

*IBC Preferred Providers*
# 2017 IBC Training Schedule

## Next Generation of Bank Leaders On-Site Conference—Designed by Bankers for Bankers

<table>
<thead>
<tr>
<th>Convention</th>
<th>Wednesday – Friday, September 20 – 22</th>
<th>Vail Marriott Mountain Resort 715 West Lionshead Circle, Vail</th>
</tr>
</thead>
<tbody>
<tr>
<td>44th Annual Convention</td>
<td></td>
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</tbody>
</table>

## IT, Operations and Security

<table>
<thead>
<tr>
<th>Conference</th>
<th>Thursday and Friday, November 2 and 3</th>
<th>Denver</th>
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</thead>
<tbody>
<tr>
<td>IT and Operations Conference</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## NEW - IBC Webinar Programs

<table>
<thead>
<tr>
<th>Webinar Program</th>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing a Records Management Discipline Webinar</td>
<td>Tuesday, October 17</td>
<td></td>
</tr>
<tr>
<td>Succession Planning for the Bank’s Success Webinar</td>
<td>Tuesday, October 24</td>
<td></td>
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<tr>
<td>*Please note – all webinars will be held from 9:00 – 10:00am</td>
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<td></td>
</tr>
</tbody>
</table>

## IBC and Professional Bank Services Co-Sponsored On-Site Seminars

<table>
<thead>
<tr>
<th>Seminar</th>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Real Estate Lending Compliance</td>
<td>Tuesday – Thursday, September 12, 13 &amp; 14</td>
<td>Colorado Springs</td>
</tr>
<tr>
<td>2017 Bank Secrecy Act Two Day School</td>
<td>Thursday and Friday, September 14-15</td>
<td>Aurora</td>
</tr>
<tr>
<td>2017 ACH Processing Compliance</td>
<td>Thursday, October 12</td>
<td>Aurora/Denver</td>
</tr>
<tr>
<td>Managing Fair Lending Risk</td>
<td>Tuesday, October 3</td>
<td>Colorado Springs</td>
</tr>
<tr>
<td>CRA Compliance for Community Banks</td>
<td>Wednesday, November 1</td>
<td>Colorado Springs</td>
</tr>
</tbody>
</table>

## IBC and Financial Education & Development Co-Sponsored Webinar Offerings

### Auditing & Accounting

<table>
<thead>
<tr>
<th>Webinar</th>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>CECL Loss Estimation Methodologies: Using Your Bank’s Data History to Create Workable Options</td>
<td>Thursday, November 2</td>
<td></td>
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<tr>
<td>Regulation E Series: Auditing for Regulation E Compliance</td>
<td>Wednesday, November 8</td>
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### Collections

<table>
<thead>
<tr>
<th>Seminar</th>
<th>Date</th>
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<tbody>
<tr>
<td>Conducting a Collections Risk Assessment</td>
<td>Wednesday, December 6</td>
</tr>
</tbody>
</table>

### Compliance

<table>
<thead>
<tr>
<th>Seminar</th>
<th>Date</th>
<th>Location</th>
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<tbody>
<tr>
<td>BSA Compliance Series: Job-Specific BSA for Frontline: CTRs, SARs, CIP &amp; More</td>
<td>Tuesday, October 24</td>
<td></td>
</tr>
<tr>
<td>Preparing for the Impact of New Prepaid Card Rules Under Regulation E: Deadline April 1, 2018</td>
<td>Tuesday, October 31</td>
<td></td>
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<tr>
<td>OFAC Sanctions Compliance: Update, Expectations &amp; Best Practices</td>
<td>Tuesday, November 28</td>
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<tr>
<td>BSA Compliance Series: Job-Specific BSA Compliance for Lenders</td>
<td>Tuesday, December 5</td>
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<tr>
<td><strong>Director</strong></td>
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<tr>
<td><strong>Director Series:</strong> Rules &amp; Trends in Executive Compensation</td>
<td>Wednesday, September 27</td>
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<tr>
<td><strong>Director Series:</strong> Required Compliance for the Board &amp; Senior Management</td>
<td>Tuesday, November 21</td>
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<tr>
<td><em>Please note: Director Series is presented from 9:00 – 10:30am</em></td>
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<tr>
<th><strong>Frontline, IRA and New Accounts</strong></th>
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<tbody>
<tr>
<td><strong>Account Documentation Series:</strong> Minor Accounts: Ownership, Documentation &amp; Access</td>
<td>Tuesday, September 12</td>
</tr>
<tr>
<td>Step-by-Step SAR Completion: Dos &amp; Don’ts</td>
<td>Tuesday, September 26</td>
</tr>
<tr>
<td>When A Depositor Dies: Next Steps &amp; Best Practices</td>
<td>Thursday, September 26</td>
</tr>
<tr>
<td><strong>Account Documentation Series:</strong> Accepting Powers-of-Attorney on Deposit Accounts</td>
<td>Thursday, November 9</td>
</tr>
<tr>
<td><em>Please note: Session is from 9:00 – 10:30am</em></td>
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<thead>
<tr>
<th><strong>Human Resources</strong></th>
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<tbody>
<tr>
<td>Keys to Effective Employee Recruitment, Onboarding &amp; Retention</td>
<td>Tuesday, October 3</td>
</tr>
<tr>
<td>Avoiding Employee Job Misclassification Issues: Getting It Right!</td>
<td>Thursday, November 30</td>
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<thead>
<tr>
<th><strong>IRA</strong></th>
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<tbody>
<tr>
<td>Understanding &amp; Processing IRA Rollovers &amp; Transfers</td>
<td>Thursday, September 7</td>
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<table>
<thead>
<tr>
<th><strong>IT and Security</strong></th>
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<tbody>
<tr>
<td>Managing &amp; Mitigation Data Breaches: Fraud, Forensics &amp; Incident Response</td>
<td>Thursday, September 28</td>
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<table>
<thead>
<tr>
<th><strong>Lending</strong></th>
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</thead>
<tbody>
<tr>
<td>High-Risk Transaction Case Studies in Commercial Property Appraisals, Including HVCRE Considerations</td>
<td>Wednesday, September 13</td>
</tr>
<tr>
<td>Workout &amp; Liquidation of an SBA Loan</td>
<td>Thursday, September 14</td>
</tr>
<tr>
<td>Supporting Documentation for the ALLL: Current Rules &amp; Future Expectations Under CECL</td>
<td>Tuesday, September 19</td>
</tr>
<tr>
<td>Understanding Loan Participations &amp; Syndications Part 1: Recognizing the Distinction &amp; Determining the Best Solution</td>
<td>Thursday, September 21</td>
</tr>
<tr>
<td>Surviving a TRID Compliance Exam</td>
<td>Wednesday, October 4</td>
</tr>
<tr>
<td>Countdown to the New HMDA Rules Effective January 1, 2018</td>
<td>Thursday, October 5</td>
</tr>
<tr>
<td>Real Estate Series: ARM &amp; Balloon Payments: Clarifying the Confusion</td>
<td>Wednesday, October 11</td>
</tr>
<tr>
<td>Call Reports: Regulatory Capital Requirements</td>
<td>Thursday, October 12</td>
</tr>
<tr>
<td><em>Are You Ready to Launch the New Fannie Mae &amp; Freddie Mac Uniform Residential Loan Application by the January 1, 2018 Deadline?</em></td>
<td>Friday, October 13</td>
</tr>
<tr>
<td>Understanding Loan Participations &amp; Syndications Part 2: Documentation, Servicing, Administration &amp; Diligence</td>
<td>Thursday, October 19</td>
</tr>
<tr>
<td>Advanced Commercial Loan Documentation</td>
<td>Wednesday, October 25</td>
</tr>
<tr>
<td>Required Compliance for Commercial Loans Secured by Real Estate</td>
<td>Tuesday, November 7</td>
</tr>
<tr>
<td>Real Estate Series: Mortgage Loan Disclosure Timing Issues</td>
<td>Tuesday, December 12</td>
</tr>
<tr>
<td><em>Please note: Session is from 9:00 – 10:30am</em></td>
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<table>
<thead>
<tr>
<th><strong>Operations</strong></th>
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</thead>
<tbody>
<tr>
<td>Responding to Official Demands for Customer Funds: Subpoenas, Garnishments, Summonses &amp; Levies</td>
<td>Wednesday, September 6</td>
</tr>
<tr>
<td>Preparing for Reg CC Rules Changes Part 1: Impact, Detailed Changes &amp; Action Plan</td>
<td>Friday, September 8</td>
</tr>
<tr>
<td>ACH Specialist Series: RDFI Returns: 2 Day vs. 60 Calendar Days – Understanding the Difference</td>
<td>Wednesday, September 20</td>
</tr>
<tr>
<td>Preparing for Reg CC Rules Changes Part 2: Operations Systems, Audit &amp; Reporting Implications</td>
<td>Friday, October 6</td>
</tr>
<tr>
<td>1099 Reporting Part 1: Forms 1099-A &amp; 1099-C: Foreclosures, Repossessions &amp; Debt Settlements</td>
<td>Wednesday, October 18</td>
</tr>
<tr>
<td>ACH Specialist Series: Federal Government ACH Payments: Reclamations &amp; Garnishments</td>
<td>Tuesday, November 14</td>
</tr>
<tr>
<td>All About 1099 Reporting Part 2: Forms 1099-INT &amp; 1099-MISC: Vendor Payments, Prizes &amp; Interest on Deposit Accounts</td>
<td>Wednesday, December 13</td>
</tr>
<tr>
<td>Risk Management Series: ACH Risk Management &amp; Assessment: Risks, Controls &amp; Ratings</td>
<td>Thursday, December 14</td>
</tr>
<tr>
<td>Preparation Plan for CDD Changes to Beneficial Ownership Rules: Effective May 11, 2018</td>
<td>Tuesday, December 19</td>
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<table>
<thead>
<tr>
<th><strong>Security &amp; Fraud</strong></th>
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<tbody>
<tr>
<td>Robbery Preparedness for All Staff</td>
<td>Wednesday, November 29</td>
</tr>
<tr>
<td>Disaster Preparedness, Recovery &amp; Business Continuity</td>
<td>Thursday, December 7</td>
</tr>
<tr>
<td>New Security Officer Training: Responsibilities, Best Practices &amp; Skill-Building Tools</td>
<td>Wednesday, December 20</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th><strong>Senior Management</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beyond EMV: Trends in Payments &amp; What It Means for Community Banks</td>
<td>Tuesday, October 17</td>
</tr>
<tr>
<td>Risk Management Series: Establishing or Maturing Your Vendor Risk Management Program</td>
<td>Thursday, October 26</td>
</tr>
</tbody>
</table>
Making A Connection
[excerpts]

In founding the Federal Reserve more than a century ago, Congress recognized the importance of connecting the nation’s central bank to the Main Streets of America. The Federal Reserve Bank of Kansas City carries out this role through its president and its programs and activities throughout the Tenth District, nation and welcoming countries. Here is a glimpse at the recent activities of President Esther L. George and the staff of the Kansas City Fed.

[Page 32]
George met with Barbara Walker, center, executive director of Independent Bankers of Colorado, on April 13 at the Kansas City Fed’s Denver Branch. Also pictured with Walker and George is Kevin Moore, senior vice president of Supervision and Risk Management at the Kansas City Fed.

[Page 35]
Banking and Economy Forum for emerging bank leaders

High-potential emerging bank leaders attended a Banking and Economy Forum hosted in partnership with the Kansas City Fed Denver Branch, Colorado Bankers Association and Independent Bankers of Colorado in May. The forum addressed topics critical to bankers today. A panel of banking executives, moderated by Ashley Burt, far left, Denver Branch board director and President of Gunnison Bank and Trust, shared advice about their career paths.

[From left to right: IBC Members Ashley Burt, President of Gunnison Bank and Trust and former IBC Director; Megan Harmon, Branch President and COO of The Eastern Colorado Bank in Colorado Springs and IBC Director and presumptive IBC President-Elect; Tom Ogaard, President of Native American Bank and IBC Director; and Kyle Heckman, President of Flatirons Bank and IBC Director]
WE’RE UP TO BAT
FINE POINTS
By Camden R. Fine, President and CEO of ICBA

As summer comes to a close and we usher in the fall, so too come members of Congress following their August recess. They are ready to get back to work, reenergized from being home in their districts and having talked with many of you—community bankers who pledged to meet with your legislators while they took a break from Washington.

I want to sincerely thank those of you who reached out to and met with your members of Congress. You used this opportunity to showcase how your community bank makes a difference in the lives of your customers and makes your community a better place for all who call it home. Not only did you explain why what you do matters, you also demonstrated, through real-life examples, why the regulatory onslaught is an epidemic that needs to be stopped.

So as lawmakers make their way back to Capitol Hill, know that ICBA is following up on your efforts by working to advance the CLEAR Relief Act—our principal legislative path toward meaningful community bank regulatory relief.

The CLEAR Relief Act would help relieve community banks of many crushing regulatory burdens that hinder access to credit, allowing you flexibility to meet borrower needs and freeing up resources you can use to make loans and create jobs. Inspired by ICBA’s Plan for Prosperity platform, the bills promote regulations that are proportionate to the size and complexity of regulated institutions to help community banks serve their communities efficiently. They include relief from mortgage rules, the Volcker rule, the TILA-RESPA Integrated Disclosure rule, Sarbanes-Oxley requirements and more.

Companion bills exist in the House, with H.R. 2133 introduced by Rep. Blaine Luetkemeyer (R-Mo.), and in the Senate, with S. 1002 introduced by Sens. Jerry Moran (R-Kan.) and Jon Tester (D-Mont.).

Our goal this fall is to build unstoppable momentum for regulatory relief and for the CLEAR Relief Act specifically. But to do that, we again need community banks to stand up and be heard.

You all know that I’m a huge baseball fan, and advocacy is actually a lot like baseball when you think about it. We’re a team; we’re all in this together. We want to win the game. We want to win the series. But before we do that, it’s up to each and every one of us to leave the dugout and go up to bat, make a pitch or catch the ball. ICBA is right there with you, ready to step up to the plate.

ICBA and community banks are in a league of our own. That’s why we need the full support and commitment of every single community banker nationwide to build momentum for the CLEAR Relief Act in Congress.

So, as the summer comes to an end, we need you to carry on your mission. Contact your elected officials and urge them to cosponsor and advance this critical legislation in both the House and the Senate. ICBA’s Be Heard grassroots website (icba.org/beheard) makes it easy for you to ask your senator or representative to support this comprehensive regulatory relief legislation. ICBA has drafted letters that you can customize in order to share your individual bank’s experiences.

By taking action, you will help to support and advance the CLEAR Relief Act. Our path to regulatory relief is clear, and now is the time to act. So get up and go to bat, bankers. We all play a part in this great game we call advocacy.
ICBA Bancard & TCM Bank have payment solutions designed to meet the unique needs of community banks. From debit and credit card solutions to portfolio consultations, our customized offerings will do the work for you.

ICBA’s products and services are tailored to suit your needs. Developed for community banks by community bankers.
In keeping with the theme “Bank to the Future: Surveying the Next Five Years,” the 2017 Bank Operations Conference presented in August by Bankers’ Bank of the West included a dialog on the expectations of younger bank customers with an emphasis on people in the business sector in the range defined as millennials or late Generation X. The facilitated session engaged four panelists in business—two men and two women—in an informal and revealing discussion. They talked about their priorities and business needs, how they form networks of contacts, and how they choose professional services.

The four participants were quick to acknowledge they were speaking only for themselves, not for an entire generation. But by providing supporting details and examples, they gave community bankers more a good many “aha!” insights, as indicated on the conference feedback survey. For the benefit of those who weren’t at the conference, a few of the big takeaway tips from the panel discussion are distilled and paraphrased to summarize their responses below.

**Technology.** We want tools that save us time and make it easy for us to take care of business—like bill pay, mobile banking, remote deposit capture, and text alerts. That doesn’t mean we’ll be enticed by every new gimmick on the market, though. Rule of thumb: For us, the fewer transactional trips to the bank, the better. Keep it simple for us. (One business owner mentioned he hadn’t written a check in years.)

**Social Media.** Overall, we’re not looking for huge social media presence. Real content—say an accomplishment or a new program—can be worth blogging, though. Most of all, be authentic.

**Relationship.** Earn our confidence and deliver on your promises. We want a main contact at the bank who knows us, who’s competent and responsive. It’s okay not to know all the answers, but get back to us even if the answer is no. We appreciate coaching, and good advice is worth a premium. (A preference for quality in performance over lower price—“I know my banker will get it done right, so I don’t care that he’s not the cheapest”—was voiced at several points during the discussion.)

**Community.** Currently, there seems to be some backlash against faceless entities, and keeping money in the community does mean something. Also, actions speak louder than words—so it goes beyond just being a named sponsor of every cause and event.

**Business Development.** Know your business customers really well. Meeting over breakfast or a cup of coffee is very low-cost marketing, but it’s effective. The better you know your clients, the better you can serve them.

**Adding Value.** Build value and goodwill with your business customers by connecting them with one another. Find out what one client needs, and introduce him to another who can provide it. As business people, we make and depend on referrals. We expect our community banker to support us in developing business relationships.

Without a doubt, a different mix of business people in their 20’s and 30’s would probably offer different responses to the question of how to earn their loyalty. In fact, that’s a good reason to invite a few people from your own communities to discuss what they need—and encourage you to incorporate some of their ideas into your strategic plan.

With the aim of keeping community banks strong and relevant, Bankers’ Bank of the West supports its respondent partners by providing both high-quality solutions and value-added professional development opportunities. Our professional development initiatives include educational conferences, lender training, complimentary web-based training, access to affordable payments-related webinar courses, and facilitated peer-to-peer meetings to keep independent financial institutions informed and competitive.

For more information on BBW, its services, or upcoming professional development events, email conferences@bbwest.com or call Jeff Benson at 303-291-3700.
Mike Harvey
October 2016

Michael Harvey was born in Sayre, OK on July 30, 1945. Mike enlisted in the United States Marine Corps in 1966. He served as Lance Corporal in the Headquarters Company, 6th Marine Regiment, 2nd Marine Division at Camp Lejeune, NC. While serving in the Marine Corps, Mike was a Radio Relay Operator and received the National Defense Service Medal and Expert Rifle Qualification. He was honorably discharged from active duty in 1968. Mike began his banking career at the Federal Land Bank in Colby, KS. He became president of the Federal Land Bank in Dodge City, KS, and later in Yuma, CO. Mike moved to Lamar, CO where he continued his banking career. While serving as vice president of Valley State Bank, he attended the Graduate School of Banking at Colorado. He became president of the bank in 1993. Mike long dreamed of opening his own bank. That became a reality as he and his investor group built a new bank from the ground up and opened Community State Bank in Lamar in July 2008. He enjoyed growing the bank and considered the bank employees his family. He took pride in sponsoring many youth sports teams and community activities. Mike served on the Board of Directors and several committees of the Independent Bankers of Colorado.

John Seberg
August 2017

John Seberg, 81, received his wings July 30, 2017 with his loving wife by his side. He was born in Elwood, NE on December 8, 1935. He graduated from Elwood High School in 1953 and then continued his education at the University of Nebraska. John served in the First Infantry of the Army from 1955 to 1958. He then moved to Lakewood, CO in 1958. John loved banking, which was his professional career for over 50 years. He started at Jefferson Bank & Trust as a commercial lender, and he retired at Champion Bank in Parker as the president. John was very active in Rotary; he was a charter member of the Lakewood Foothills Club for over 50 years, and charter president of the Parker Colorado Rotary Club.

Betty Freedman
August 2017

Betty Freedman was a pioneer in women’s banking who helped shape many of Denver’s bedrock cultural institutions. She died at her home on Elm Street. She was 95. Born in July 1922 in Denver, CO Freedman left a lasting mark on the city, leveraging her wide network of social contacts to generate support for an array of civic causes, most notably the Denver Public Library and Denver Art Museum. She devoted more than 60 years of public service, largely without pay, to pioneer the Women’s Bank of Denver, which she helped found in 1978 with a group of other women. Today, the bank she helped start is known as the Colorado Business Bank, a multi-billion dollar venture that got off the ground with 50 women chipping in $1,000 each.
THE FIVE STEPS TO IMPLEMENTING CECL

As we pass the one-year anniversary of the current expected credit loss model (CECL), the financial institution industry has had time to digest the contents of CECL and its potential impact. While the implementation date for the new standard will be after December 2020 for smaller financial institutions, the timeframe between now and the implementation date should be used wisely. Planning early for CECL will result in better decision making and design of a CECL approach that better serves your financial institution.

Here are five important steps financial institutions should consider as they work through their implementation of CECL:

Implementation Committee: This is the group that will guide the institution through the process. They will need to educate themselves on the requirements of CECL, identify the options available, pick an approach that meets the entity’s needs, determine and gather information that will be needed for implementation, set time frames for completion of each critical phase, perform dry runs of the method selected and guide final implementation. Key personnel that should be considered include operations, IT, the senior credit officer and the chief financial officer. The institution should have started this process by now along with documenting their progress.

Review CECL Options: The standard does not dictate a particular model or method that must be used. The standard provides some basic guidelines along with examples, but otherwise it is pretty wide open. Some of the more common approaches being discussed include migration analysis, discounted cash flow, probability of default/loss given default (PD/LGD) and vintage analysis. The institution can use one method or multiple methods, but for smaller institutions one method would be preferable. Most CECL approaches for smaller entities will involve three parts:

1. Historical loss experience
2. Current conditions
3. Reasonable and supportable forecasted data

The historical loss experience is numerical with little judgement involved. Current conditions and reasonable and supportable forecasted data may start out with numerical data, but judgement will be needed to interpret the data and apply it to the institution’s historical loss experience.

Selecting a Method: This will prove somewhat challenging as there are several methods, and different versions of the same method, that could be used. Selecting the right one that fits your institution’s needs will take time. The method that is ultimately selected may be driven by data available, ease of use, cost, time commitment, what is most relevant, the availability of support and the complexity of your institution. Visiting with your

Continued on next page
THE FIVE STEPS TO IMPLEMENTING CECL
Continued from prior page

accountant, auditors or others knowledgeable on the topic will make the selection easier. For many smaller institutions, a vintage approach maybe more practical because the information needed is more readily available and the method is simpler to use.

Data Gathering: Some of the guidance being communicated on implementing CECL indicates institutions need to start gathering data. To a certain extent this is appropriate; institutions want to make sure historical data is not being purged, overwritten or replaced by new data. However, to begin collecting a lot of other data without selecting the CECL approach first may be wasted time, as some of the data collected may not be needed for the approach selected, or the appropriate data has not been gathered for the method chosen. Basic data that should be considered for early gathering include origination date and amount, prepayment dates and amounts, maturity date, date and amounts of write-offs, dates and amounts of recoveries, date restructured as a TDR and payment dates along with amounts.

Trial Runs: Once the method has been chosen and the data gathered, the institution should begin trial runs. This will identify weaknesses in the calculation process and data collection. Refinement of the approach may be needed based on initial calculations and as experience is gained.

By starting early in the implementation phase, financial institutions will be better prepared for implementing CECL by having early feedback as to the potential impact the new guidelines will have on their earnings and capital structure.

CONTACT

Eric Budreau, CPA
Partner
Eide Bailly LLP
303.586.8550
ebudreau@eidebailly.com

Clay Waller, CPA
Partner
Eide Bailly LLP
303.539.5920
CWaller@eidebailly.com
It may seem like you have to continuously reimagine ways to appeal to your customers with all the developments in technology, the varied options for personal interaction and customers’ changing needs. For all the changes though, many things remain the same – from the need for physical branches to predictable life events by age group. Understanding your customers’ expectations will allow you to better serve them, and by improving service you’ll increase customer satisfaction, loyalty, and retention.

Vantiv and Socratic Technologies asked consumers about their banking experience and expectations, and here’s what those 502 responders shared:

- When considering new financial institutions, free services with a minimal balance is by far the most important aspect of those measured; this is especially true among older generations.
- Millennials gravitate to larger national banks that are technology leaders and offer a variety of banking services and digital applications.
- Conveniently located bank branches and ATMs are among the top reasons for selecting a provider among all age groups.

Our research also provided insights into the type of financial accounts used by generation.

- Retirees (14%) are the least likely to have a mortgage or home loan compared to other generations
- Millennials (21%) are more likely to have auto loans compared to Boomers (12%) and Retirees (8%)
- Millennials (21%) are also more likely to have business accounts compared to other generations

In addition to giving your customers free services and convenient branch locations, providing a personal connection to your services through easy-access digital channels can give your institution the advantage needed to become their primary provider. A recent CEB customer experience survey noted that 57% of bank customers in the U.S. and Canada prefer digital channels.

Some key takeaways from CEB’s findings concerning digital customers:

- Historically, digital customers have tended to have more assets
- Digital customers of all ages are more likely to spread their balances across multiple providers
- Customers channel preference is in person for purchasing financial products (64%) but digital for learning about them (59%)

The CEB study found that providing tracking features such as the ability to monitor finances, avoid overdrafts, pay bills, and control spending, institutions increased customer loyalty by making such features available digitally, all from the convenience of their customers’ mobile devices.

Knowing how best to serve your customers is achieved by understanding how they prefer to manage their finances as well as what services will generate loyalty.

Where to start? Your customers hold the best information when it comes to their needs so start by asking them. Consider the events noted above and offer guidance to those groups most likely to be looking for a mortgage, starting a new business or planning for retirement. A personalized banking experience is critical for every customer – and for your institution.

Vantiv is a Preferred Partner with Independent Bankers of Colorado and are the engine behind the IBC SC Free ATM Network. As a leading provider of payment processing services and technology solutions, Vantiv works with financial institutions of all sizes to develop programs that simplify card and mobile payments.

For more information contact Heidi Saba at (303) 399-8929 or Heidi.Saba@vantiv.com

Source: Vantiv Socratic Survey - March 2017
Source: CEB (Gartner) 2015 Customer Experience Survey
Please Join IBC to Acknowledge

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IBC’s 2017 Legislative Awards Lunch
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Representative Tracy Kraft-Tharp

Spirit of Independence
Representative Lois Landgraf

Spirit of Independence
Representative Alec Garnett

Please RSVP with Barbara Walker today to join us for this free luncheon. This is not a political fundraiser. Barbara can be reached at 303.832.2000 or bwalker@ibcbanks.org
“As we express our gratitude, we must never forget that the highest appreciation is not to utter words, but to live by them.” John F. Kennedy.

In the articles I have crafted for this publication this year, I have been exploring how we can become better business people and, more importantly, citizens of the world in which we live. I produced this article from recent experiences involving the expression of gratitude to and the acceptance of gratitude from others.

To begin this inquiry, we should ask ourselves “How do I feel when I receive positive acknowledgment and gratitude from others?” Moreover, “How do I feel when I give positive acknowledgement and gratitude to others?”

Let’s face it, the gratitude and positive acknowledgement we receive feels good and makes whatever we are doing much more energized and powerful. I have noticed in my own life gratitude makes difficult times easier and seemingly impossible projects, well, possible.

“Spend more time doing things that make you forget about the time.” Charlotte Eriksson.

When we give positive acknowledgement to others, a flow of positive energy is produced and we reap the benefits, as well. This flow has been described by the world’s greatest thinkers as the most productive and creative state of mind in which to work. When one is in the flow state, time disappears and focus and energy abide. I think of the flow state as akin to catching the perfect wave or an epic powder run on a blue bird day. By expressing gratitude, we connect ourselves to each other and energize both the giver and recipient. For more on the benefits of the flow state, watch this TED Talk: https://www.youtube.com/watch?v=fX1eFJCsps last visited August 23, 2017).

In our current culture, gratitude is often a missing ingredient. We live with the myth we can do things by ourselves, without the help of others and that thank yous and expressions of gratitude are assumed or even weak. My request for the next month is for you to express and receive gratitude unabashedly. Notice the change in your energy state and that of others around you. I further request you bring gratitude forward so we can be an expression of continuing gratitude in our communities. With relatively little effort, you will gain a greater capacity to powerfully transact in the world.

“I don’t have to chase extraordinary moments to find happiness - it’s right in front of me if I’m paying attention and practicing gratitude.” Brene Brown.

Live in the extraordinary by expressing and practicing gratitude to yourself, others, your situation and your life.

Robert D. Lantz can be reached at 303-861-8888 or rlantz@cp2law.com.
GETTING NEW BOARD MEMBERS ON BOARD
by Jeff Kelly, Vice President of Governance, Risk and Compliance at OnCourse Learning, an Associate Member of the IBC

These days, one of the more challenging roles to fill within a financial institution is a seat on the board of directors. While board members play a vital role in an institution’s overall governance as well as provide significant fiduciary guidance, the process of identifying, evaluating and providing onboarding and ongoing training for these individuals is often overlooked.

With a board member’s personal reputation and assets on the line, it is more vital than ever to find community leaders who are not only well respected but have the wherewithal to guide the bank with integrity from a strategic perspective.

To take a deep dive into the evaluation, acquisition and training of a board member, we asked the principles of banking training and coaching company, St. Meyer & Hubbard — Bob St. Meyer, president, and Jack Hubbard, chief experience officer — to share their insights gleaned from 40 years of banking and sales experience.

Risk and Responsibilities
The challenges banks face in getting board members up to speed on their director role became apparent in their discussion of some of the key responsibilities of boards for financial institutions. Hubbard, who is board member of a Chicago area community bank, suggests three main director duties involve fiduciary, advisory and strategic oversight.

Fiduciary
“Clearly, the fiduciary responsibility of boards of directors is critical,” Hubbard said. “The buck stops there.” Many potential board members are reluctant to join a bank board because the accompanying liability of taking on the role, according to Hubbard. He cited the significant legal consequence that can occur if board members fraudulently or unwittingly approve unsound loans or look the other way when something unseemly takes place.

Advisory
The advisory role can be especially challenging for individual board members who do not have a background in banking or who are not able to keep up with the ever-changing banking laws and regulations, according to Hubbard.

How far a board member goes into the business of bankers is a legitimate concern. “Board members should not seek to run the bank day-to-day, but it is important to share their expertise and provide their perspective,” Hubbard said. “It isn’t possible to do without some working knowledge of the industry.”

Strategy
According to Hubbard, strategy is where diversity in experience is extremely important.

“It is absolutely vital, not only that banks get people involved from other industries but from other disciplines that can help from a strategic perspective,” Hubbard said. But that does not always happen.

“Often, banks bring someone onto the board because they do a lot of business with the bank or they are a big deal in the community,” Hubbard said. “That sounds good on the surface, but then they get into a full board or a committee meeting and they can’t contribute anything.”

Getting them up to speed
Board members are no different than new bankers. When they are brought onto the team, they need to be properly and effectively onboarded and trained similarly to any new employee joining the bank. It’s the only way to make each productive.

“You have brought on someone you believe has the requisite skills to help the bank progress,” St. Meyer said. “They may not know the jargon or the shorthand, and even reading the board reports might be a challenge.”

How a new board member is introduced to the information they need to become a successful contributor at board meetings is important. When a new board member joins the bank, Hubbard suggests the following ideas to ease the onboarding process:

- **Pre-meeting reading materials:** Provide some relevant and current information about the industry and high-level overviews of key laws and regulations before the board member’s first meeting and as laws and regulations are updated.

- **Strategic and tactical plans:** Share current plans and those from the past three years to help the board member understand where the bank has been and where it is going.

- **Job aides:** Provide a one- or two-page sheet of some of the abbreviations they might hear at meetings. For example, what is Reg H? What are some key lending ratios the bank is looking for? What are some policies and procedures such as CRA and ALLL?

- **A day with bankers:** Have the new member spend time in several departments to understand what each does and how they work in concert for the benefit of the bank and the customer. This also helps humanize the new board member.

Continued on next page
Bored? Or board engagement?
Engaging the board is the chairman’s responsibility. He or she is a meeting facilitator who needs to pull members into the conversation, according to Hubbard. Hubbard and St. Meyer said in order to establish productive and engaging board meetings, there needs to be trust between members and executives. This can take time to establish, and this trust has to be carefully managed.

“It’s one thing to have a board member learn that this is a relevant question to ask the leadership; It is another issue to understand when and how to ask those questions,” St. Meyer said.

“With all the changes in financial services, it is incumbent upon us as board members to stay current with industry trends,” Hubbard said. “It is up to the bank to provide board members with tools to stay informed and up to speed.”

7 Tips for Board Participation
1. Create a formal onboarding process for new board members.
2. Designate a banker buddy to help new board members better understand how to get things done and to build trust.
3. Survey or engage in a discussion with each member to gauge understanding on pressing topics.
4. Share regular communication with the board about essential banking topics through memos, articles or by uploading information to a board portal on your bank’s share drive.
5. Offer packets of relevant information and/or links to appropriate topic sources before meetings.
6. Present e-learning and self-paced learning opportunities on key topics.
7. Hold an annual one-day offsite meeting that combines business and social activities. This helps board members and bankers get to know each other better.

Banks can encourage participation by board members and foster a sense of collaboration among them and the bank through ongoing formal and informal education of the board members, according to Hubbard.

Creating an atmosphere of collaboration
One way to evaluate overall board engagement is if all board members are asking questions, making recommendations and actively participating in meetings. To assist with meeting focus, consider asking board members to leave their cell phones outside the meeting room.

Some questions to ask when this collaborative atmosphere is not apparent during board meetings are:
- Is the agenda engaging?
- Is the board packet full of one-dimensional reports or do the reports lead to insightful discussion?
- Does the chairman explain situations, policies and laws well enough for board members to make valid decisions?
- Are sales and marketing topics discussed? Are they at the top of the agenda to help the meeting start off with good energy? Is there an executive session at the end of the meeting where confidential topics can be discussed without management present?
- Does the bank ask board members to take an annual survey to assess the meetings, the information they receive and other topics?

Detecting training gaps
During the evaluation and onboarding process, it may become apparent that individual board members or the entire board could use training in certain areas. An uninformed board not only leads to poor execution, it can be a precursor to lawsuits or worse. St. Meyer & Hubbard sees training gaps in all areas within the board process.

“Lending is certainly the number one thing,” Hubbard said. “If you don’t understand what you are doing when evaluating and approving loans of any size, you are putting the bank’s capital at risk.” Hubbard suggests providing some level of credit training for directors to ensure they have adequate knowledge to actively participate in the loan approval process.

“If you could get board members to take an e-learning class or have someone come in and say ‘here are some important things you ought to know about making a loan and approving a loan,’ that would be beneficial,” Hubbard said. “All board members need is the basics so they can ask the right questions before the up or down vote is cast.”

OnCourse Learning Financial Services is a full-service education and regulatory compliance provider in the banking, credit union, MSB, mortgage, insurance and gaming industries. To learn more about how OnCourse Learning can help your organization remain compliant, please email Craig Johnson or by 803-238-1010.
HOW TO HIRE MILLENNIALS NOW
National Study Offers Insight on Attracting Millennials
Into the Banking Workforce
by Kedran Whitten, Chief Marketing Officer, CSI, an Associate Member of the IBC

Millennials continue to perplex a good portion of the American business population; we want to know what attracts and motivates them, and keeps them coming back for more. For the banking industry in particular, it really boils down to one simple question: How do we win this generation?

With that in mind, CSI, in partnership with The Center for Generational Kinetics, conducted a national study of 1,008 U.S. adults ages 21-65—the purpose of which was to form an accurate picture of banking trends as they relate to different generations, with a keen focus on what makes millennial customers tick.

But, the survey went a step further to examine millennials in the workplace and uncover their thoughts on pursuing a career in the banking industry. After all, financial institutions need to attract not only millennial customers, but also the millennial hire.

That’s with good reason: according to Pew Research, millennials—ages 20-36—have taken the torch from baby boomers not only as the country’s largest generation at more than 76 million, but also as the largest segment of the American workforce.

When it comes to hiring millennials, banks have a few hurdles to clear. According to CSI’s study, 91% of millennials believe that working at a financial institution is a respectable career choice (94% of both baby boomers and Gen X believe the same). But the majority of millennials aren’t preparing themselves for positions in banking.

Only one in three millennials would consider a job in banking
When we pressed a bit more and asked how likely survey respondents would be to accept a job at a bank, only one-third of them replied they’re likely or very likely to do so. Not bad, but it leaves obvious room for improvement. So, how can your financial institution ensure it will be staffed for the future?

For insight, we turned to Becky Hallman, assistant vice president and human resources director at River Bank & Trust, based in Prattville, Ala. The $809 million-asset bank with 10 offices across Alabama has an impressive record of attracting and hiring millennial staff: of its 146 employees, 60 of them—or 41%—are millennials.

Continued on next page
“My advice would be to get more involved with local schools and colleges, and to look into creating an internship program that would attract either high school seniors or college students who can be cross-trained in multiple areas of the bank,” Hallman says. “We stay in close contact with college advisors who can help place outstanding students nearing graduation in a particular position that we are looking to fill.”

While River Bank, a CSI NuPoint® core customer, seeks ultimately to place the right applicant in the right position, Hallman adds, “we also understand how important it is to attract these millennials because they can have a lot to offer, especially as it relates to technology and thinking outside of the box. The technology within banking in general is always changing at a fast pace, and it’s important for our employees to keep up with these changes.”

Attracting millennials to the hiring line

When it comes to factors that would excite millennials about accepting a job at a financial institution, they’re surprisingly traditional. According to CSI’s study, 42% of millennials said that after salary, traditional benefits like health insurance and retirement savings plans were the No. 1 way to steer them toward a career in banking.

That somewhat goes against the grain of what we hear about millennials, but Independent Banker concurs, especially if their additional needs are met: “But in the end, when it comes to employment, millennials want the same things as everyone else. They just have higher expectations and often ask instead of wish … that includes expectations of moving up quickly through an organization and having a clearly outlined career path.”

Indeed, 30% of millennials who responded to the survey named the ability to build a long-term career as important in their willingness to pursue a banking job. In addition, they look for the following when choosing a career path:

- **Paid time off.** Through competitive market research, learn what other organizations in the industry, and in your region, offer in terms of vacation time and sick leave. Be prepared to match, or exceed, what your competition provides.

- **Consistent hours.** While banks only have so much flexibility here, consider a scheduling plan that ensures each employee has at least some Saturdays/weekends free to promote a work-life balance. Also, determine whether offering flextime or working remote are options for your institution.

- **Interesting work.** Our study indicated that the perception of uninteresting work is a deterrent. When working with millennials, ensure they have the opportunity and flexibility to build on their natural strengths. Their idea of personally fulfilling work also includes plenty of opportunities to collaborate on projects.

“The study (results) relating to benefits was interesting, and really proves that while all generations rate retirement plans and health care most important, millennials are more laid back and interested in time away from work,” Hallman says. “While some businesses may view this as a negative millennial attribute, I firmly believe that lower stress levels and more family time make for a better employee all around. Having that work/life balance boosts teamwork and creates an environment of providing better customer service.”

Click [here](#) to learn more about our study results, and register for CSI’s webinar, *Banking Trends through a Millennial Lens*, on Sept. 14.

*Kedran Whitten is chief marketing officer for CSI. She has more than 20 years of marketing leadership experience, and her background includes driving revenue growth, customer satisfaction, brand awareness, product pricing and competitive positioning.*
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* The Bankers Foundation of Colorado is a charitable organization founded in 2001 and established to lend a hand to individuals and families in need of financial assistance. The BFC will make matching gifts (maximum amount $5,000) on behalf of sponsoring community banks and their corporate sponsors to provide charitable assistance to those with special needs in the communities they serve. Any requests that meet the BFC’s guidelines are welcome.

For more information, please visit us at www.bankersfoundationofcolorado.org.
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Thank you!
Getting a Slice of the $86 Billion P2P Pie
by Tina Giorgio, President & CEO, ICBA Bancard

Business Insider estimates that P2P mobile payments could represent $86 billion in 2018, but as I speak with community bankers from across the country, the common refrain I hear when I broach the topic of P2P is, “Why does my bank need a P2P solution when there is already an abundance of P2P solutions in the marketplace?”

While it’s true that consumers have a number of P2P options, as I referenced in my last blog post, the majority of consumers prefer to use financial solutions offered by their bank and would gladly make the switch. There is a twofold reason for this: security and privacy. Consistent with federal and state laws and regulations, banks have trusted procedures for protecting, storing and accessing customer data and are routinely examined to ensure compliance. Many nonbank P2P apps are more social than secure. They can access social media sites and features on the device such as cameras and contacts, in addition to accessing bank account login information. Some even post customers’ payment activities on social media sites. Nonbanks offering financial services are subject to the same laws and regulations as banks, but not the same oversight and examination.

Let’s take a look at what I consider some of the best-in-class P2P solutions in the marketplace today.

**Easiest Enrollment** – Square cash – While enrollment in Square cash is one of the quickest and easiest to complete, the service has limitations. Square cash holds your money in your Square cash wallet until you request the funds be transferred to your bank account. Transfers take one to two business days, unless you are willing to pay a 1 percent fee for immediate availability.

**Greatest Flexibility** – Paypal – Without a doubt, Paypal has the most flexibility and the most users. In recent months, Paypal’s partnerships with banks and the card networks allow it to offer the fastest availability without a fee (debit card). However, users do not have to transfer their money to their bank account (a process that can take at least a day). They can simply leave it in their Paypal account and use it for purchases.

**Speed** – Venmo – Owned by Paypal and geared toward millennials, who are adopting Venmo at double digit rates, Venmo is easy to navigate. Sending money is fast and it sends messages in social media about payments giving it appeal with millennials. (This is why it is coined a “Social Money App”). However, it still takes one to two business days for a Venmo transfer to be available, and it requires the user to immediately surrender the login credentials to their bank account.

**Biggest Potential Game Changer** – Zelle - According to Early Warning Systems, the bank owners of Zelle (short for Gazelle), their app will represent 60 to 70 percent of the U.S. DDA market. This could be the first P2P system with ubiquity thanks to the integration being built by FIS, Fiserv and Jack Henry, eliminating two of the biggest adoption hurdles – user fees (Zelle is free) and interoperability of existing apps. Couple that with near-time and eventually real-time payments, this one is sure to disintermediate the fintech solutions.

Of course, there are many other P2P solutions on the market – Dwolla, Amazon, Snapcash, Google, and Apple Pay (fall 2017) to name a few. P2P solutions are expanding into e-commerce, m-commerce, and small business applications, which should further increase their popularity.

Now is the time for community banks to embrace P2P. Even if your clients aren’t asking for it, they will use it, and they will thank you. Next month we will dive into The Clearinghouse’s Real Time Payments (RTP) system, the first new payments system “rail” in decades.

http://www.icba.org/bancard
Banking on Technology
By Glenn Martin, Regional Director, Promontory Interfinancial Network
an Associate Member of the IBC

As a fintech firm, we are always interested in what technologies banks are investing in. Recently, we surveyed financial institutions about where they allocate budgetary resources for technology. Below we share some of the key findings.

- **Current Priorities.** When asked what area of technology they are allocating the most budgetary resources to, banks ranked information security (36%) and online/mobile banking (36%) as the two top priorities by a wide margin. Data management/data mining and regulatory technology lagged behind. At the bottom of the list were fraud detection (5%), marketing/customer outreach (4%), and automatic underwriting/online lending (3%).

- **Investing Ahead.** Given the growing threat of hackers and concern about online security and privacy, it’s not surprising that banks are shifting their technology investments to some degree. When asked whether they expected their investment in technology to change over the next two years, banks listed fraud detection (78%) and information security (77%) as their top priorities for significant or moderate increases in funding. The listing of fraud detection as a major target for investment going forward signals an important shift for some banks from their current spending patterns.

  Interestingly, a majority of respondents (56%) indicated they plan on maintaining current spending levels for automated underwriting/online lending.

- **Artificial Intelligence.** In the banking sector, the movement toward using AI has been rather slow compared to other industries. Yet, according to our data, the pace of adoption may be quickening. Fifty-four percent of respondents stated that they expect to see AI systems become a familiar part of American banking in less than five years. About 10 percent think it will happen in two years or less. Breaking the numbers down by asset size, larger banks believe AI will be integrated into the banking sector sooner than smaller-sized institutions. However, approximately 50% of community banks believe the integration of AI at their institutions will happen in five years or less.

- We hope you find this information helpful. For more details, view the full Bank Executive Business Outlook Survey report at [www.promnetwork.com/business-outlook-survey](http://www.promnetwork.com/business-outlook-survey).

**About Promontory Interfinancial Network**

Chosen by more than 3,000 financial institutions nationwide, Promontory Interfinancial Network is the leading provider of FDIC-insured deposit placement services. Banks can use the company’s solutions—Insured Cash Sweep, or ICS; CDARS; Promnet Repo; IND; Yankee Sweep; Bank Assetpoint; and Residential Mortgage Network—to build multi-million-dollar relationships, reduce collateral requirements, purchase funding, manage liquidity, and buy or sell loans. Visit [promnetwork.com](http://promnetwork.com) to find out how Promontory Network can help your bank to manage its balance sheet more profitably.

**About the Author**

Glenn Martin is a Regional Director at Promontory Interfinancial Network. Promontory provides unique balance sheet and liquidity management services, including CDARS®, ICS®, IND®, Yankee Sweep®, Bank Assetpoint®, and Residential Mortgage NetworkSM for members of its nationwide network of banks. [www.promnetwork.com](http://www.promnetwork.com)

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BECOME A SOCIAL MEDIA SUPERSTAR
By Patrick Dix/SHAZAM’s Vice President of Public Relations
SHAZAM is an Associate Member of the IBC

When I speak in front of a group of bankers, I often request for a show of hands when I ask, “How many of your banks are on social media?”

The response is pretty consistent. About half of all institutions have no social media program at all, and the ones that do tend to say they know they aren’t using it the way they could.

The fact is, your customers are on social media. People of every demographic category are talking online, and sharing the positive and negative about their lives. And don’t make the mistake of assuming it’s just the younger consumers — teenagers and people in their 20s — using social media.

Since 2010, social media use among senior citizens has tripled. As of October 2015, 65 percent of all U.S. adults use some social media site. That’s 159 million people. What’s more, people between the ages of 55 to 64 engage with a brand’s content the most. No matter how big or small your community, some of them are out there right now ready to connect with you.

Where do I start?
Don’t worry, you don’t have to be a Snapchat, Instagram or YouTube expert right away. It’s OK if you’ve never used Pinterest, LinkedIn or Tumblr before. More than likely, you’re not alone in this.

One of the easiest, and frankly most effective, places to start is by creating Facebook® or Twitter® pages for your bank. That’s where the majority of the people you want to connect with are found.

There are 1 billion Twitter users worldwide, including 60 million active users in the U.S.

While these numbers are impressive, it’s important to remember Facebook is still the social media champion. Facebook is the most used and visited site across all demographics and the strongest for brand loyalty.

What do I say?
Now that you know a good place to start with social media apps, how should you use your business’ social media page?

It’s simple. Treat social media like you would any interaction with a customer. Use the opportunity to engage with them about a product they may not be using. Take the opportunity to educate them on how to minimize fraud, or talk about your community and how you’re supporting the organizations in it.

As you share information your cardholders need and use, you will see your audience build. That extra connection brings with it brand visibility, cardholder loyalty, stronger relationships and more.

While this may all sound a little daunting, it doesn’t have to be. You don’t have to have 100,000 followers overnight. Every post doesn’t have to make a huge impact.

Start with something simple. Post photos of your employees at a community event. Give a week’s worth of tips on saving for college. From there, experiment and see what your customers and your community respond to the most.

What comes next?
With reasonable time and effort, your social media pages can become a place your cardholders count on for valuable information, expert opinions and trusted resources.

With a little luck, your posts may also draw the attention of local print or broadcast media who could do anything from re-posting your content, to asking for your expert opinion in a story. It’s just one more way to build a strong brand in your community.

About Patrick Dix, Vice President, Public Relations
Patrick Dix is a veteran news anchor and reporter who manages the SHAZAM Network’s public relations efforts. Patrick serves as the main company spokesman and uses his expertise to lead all social media channels, write articles for trade associations, create press releases for the network and provide media training to financial institutions. Patrick joined the SHAZAM Network in 2015 after a 25-year career as a broadcast journalist. For the last 16 years, Patrick served as the senior news anchor on the No. 1-rated network morning newscast in Des Moines, Iowa.

About SHAZAM
The SHAZAM Network, founded in 1976, is a national member-owned financial services and payments processing company. SHAZAM provides choice and flexibility to community financial institutions throughout the U.S. SHAZAM is a single-source provider of the following services: debit card, core, fraud, ATM, merchant, marketing, training, risk and automated clearing house (ACH). To learn more, visit shazam.net and follow @SHAZAMNetwork.
Industry Insights
Root Cause Analysis – How Internal Audit Can Help
by Matt List, Partner, BKD, an Associate Member of the IBC

Errors or irregularities may be identified as part of the procedures performed by your internal audit team. One of the key ways an internal auditor can add value to your institution is to perform a root cause analysis on any identified errors or irregularities.

A root cause analysis is the process of identifying why an issue occurred (versus only identifying or reporting on the issue itself). An issue is considered a root cause if its removal from the problem fault sequence prevents the final undesirable event from recurring. Performing a root cause analysis has these benefits:

• Insights into root cause analysis make it potentially useful as a pre-emptive method
• Can be used to forecast or predict probable events before they occur
• Adds insight to improve the long-term effectiveness and efficiency of the business process
• Issue may have a higher probability of occurring without a root cause analysis

A core competency for delivering insights is the ability to identify the need for root cause analysis and, as appropriate, actually facilitate, review and/or conduct a root cause analysis. Internal audit—due to independence and objectivity—can be the ideal group to analyze issues and identify root causes.

In circumstances where the root cause of an issue is a result of actions or inaction of management, it’s critical to use an objective party to investigate and report back to senior management.

The goal should be to identify the root cause and identify the solution to prevent recurrence at the lowest cost in the simplest way. Resources spent on root cause analysis should be commensurate with the impact of the issue or potential future issues and risks.

More complex issues may require a greater investment of resources and more rigorous analysis. It also may require an extended amount of time and effort. You may not have all the skill sets needed for the issue identified. Your chief audit executive (or similar position) should make the final call on which issues to perform root cause analyses and which personnel should conduct them.

In addition to complex issues, management may be hesitant to perform a root cause analysis. You should anticipate these potential barriers:

• Business management may be reluctant to support internal audit’s role in the Continued on next page
root cause analysis.

- Business management may resist conducting a root cause analysis due to necessary time and resource commitment from their staff. Management may be focused on a short-term fix to immediately maintain compliance or return the business process or transaction to its correct state.
- Determining the true root cause may be difficult and subjective. In these circumstances, value provided by internal audit is the independent and objective evaluation and presentation of various data and analyses from which management may draw a conclusion on the most probable root cause.

Five practical steps to performing a root cause analysis:

1. Define the problem
   - What do you see happening?
   - What are the specific symptoms?
2. Collect data
   - Proof a problem exists
   - How long has the problem existed?
   - What is the problem’s effect?
   - Know all the details of the problem before you can look at the contributing factors
   - Look at data from all perspectives (customers, insiders, etc.)
3. Identify possible causal factors
   - What sequence of events led to the problem?
   - What conditions allow the problem to occur?
   - What other problems surround the occurrence of the central problem?
   - Identify as many causal factors as possible
     - Use tools:
       - So what?
       - Five whys
       - Cause-and-effect diagrams
4. Identify the root cause(s)
   - Use same tools in Step 3 to identify the causal factors
   - Dig deeper
5. Recommend feasible solutions
   - Get chief audit executive’s (or similar position) feedback and guidance
   - Do not take ownership of implementation (management function)

Matt List, Partner
Contact your BKD advisor for more information.
www.bkd.com
Loyal or Lazy?

By Lauren O’Connell, past director of the IBCEF and president of O’Connell Consulting Group, Inc., a professional marketing firm that specializes in developing customized marketing solutions for community banks to help them acquire new profitable customers and motivate existing customers to buy more and refer your bank more often. O’Connell Consulting Group is an Associate Member of the IBC.

Are your best customers loyal to you and your bank – or just lazy?

As you know, it takes a lot of energy for your business customers to find a new lender and move their accounts, especially if you’ve done a good job selling them your sticky products. So do they stay with you because they’re loyal, or do they stay because they don’t think there’s a better alternative out there – and it’s too much work to find out?

2017 continues to be an interesting year for growing, credit-worthy businesses as both big and independent banks ramp up their calling efforts to win loans and deposits. Credit-worthy business customers looking for financing can just sit back and let the bankers do the work as they are wooed by promises of better terms, rates, and more attentive service.

In fact, your competitors are out there right now, calling on your best customers – and potentially in more frequent contact than you are.

If you’re like most bankers, you don’t have time to speak with each customer, yet you want to convey how important they are to you and remind them why they should stay with you. Segment and prioritize your customers into groups starting with the ones you know merit a personal visit. Now go visit them and keep doing so throughout the year – you know your competitors are calling on them too!

For second-tier customers, you’ll need a more efficient approach – one that hopefully takes them from their current status to a more loyal and profitable contributor to your bottom line. Think through what makes sense for you given your resources and customers, and then execute.

And for your less profitable but valued customers – think about inexpensive ways to show them you appreciate their business.

Are your best customers lazy or loyal? Now’s the time to find out.

And if you need help developing and executing a practical and effective retention plan, Lauren can be reached at lauren@oconnellconsultinggroup.com.
3 SECRETS OF MARKETING SEGMENTATION REVEALED

And the 3 “ics” you must consider

by Keith Brannan, Chief Marketing Officer, Kasasa, an IBC Associate Member

On its surface, the principle of marketing segmentation is simple: divide your potential audience into smaller groups so you can deliver a tailored message just to that group. Segmentation opens up a world of benefits for your institution and for your target audience. By delivering relevant messages to consumers, you build trust and garner an improved response — raising the effectiveness of each dollar spent.

If it’s so simple, what makes segmentation such a challenge among community financial institutions? Especially in the age of technology, often the simplest things belie the complex infrastructure, analytics, and dependencies required for success.

The 3 hoops you must jump through

Community financial institutions face three distinct challenges on the road to effective marketing segmentation:

1. Acquiring the right data
   First you need access to the data, meaning you either need to collect it yourself, purchase access, or work with a partner that has access. Realistically, the latter two options give you the greatest reach, but lead to the second issue.

2. Developing the expertise to optimize your strategy
   Not all marketers have the experience and skills necessary to manipulate the data effectively. Building your own segments can be a daunting task. While separating “past account holders” from “current account holders” is a good start, when you begin prospecting for new account holders, things get tricky, fast.

3. Finding time to implement and maintain the program
   Even a marketer who is skilled at utilizing segmentation still needs time to build out relevant campaigns, deploy, manage, and report on performance, as well as any other responsibilities. Many institutions lack the staffing resources to really devote the necessary time to proper segmentation.

Segmentation is a game of scale, and it pays to play with a partner who can leverage resources and technology that are out of reach for most community banks.

The 3 ‘ics’ you should expect from a good marketing segmentation model

When evaluating segmentation models, there are 3 key factors to examine:

1. Geographics — where they live.
2. Demographics — who they are (i.e. gender, income, age, etc.).
3. Psychographics — what behaviors, attitudes, and social value groups they exhibit and what motivates them to respond.

Ideally, you will build on insights you know about the consumer characteristics that are the best fit for your institution’s goals, budget, and brand.

Once you have access to the right data, implementation is your next step. Consider partners who can help you establish a fully cross-channel automated marketing strategy to keep up a conscious conversation with your targeted consumers.

Real world marketing segmentation examples

Community financial institutions bear a heavy operational burden with constrained resources and staff; at Kasasa we’re always looking for ways to lighten your load. In our segmentation model, we’ve analyzed and identified groups of consumers who have a high likelihood of choosing a community financial institution. Each segment or “cohort” is designed to let you quickly choose categories that fit your goals — and select the right mix of marketing channels.

Here are just a handful (there are a dozen total) of the cohorts that Kasasa clients can choose from:

- Super Suburbans
- Expanded Accumulating Families
- Middle America Families
- Country Comfortable Couples
- Single Strivers

Invested for the long haul

Community financial institutions that partner with Kasasa get exclusive access to a multi-million dollar marketing ecosystem that can be customized and implemented with a nominal amount of effort. You can deploy proven creative assets in an “always-on” environment — and everything is built on top of detailed segmentation models, ensuring that your message is delivered to consumers who are 1.5 - 3.5X* more likely to choose an account or service at your institution.

If you’d like to learn more about how Kasasa’s segmentation can enhance your marketing plan, contact us for a free consultation.

*Kasasa Analytics
Patch Management: The Basics

Written by: Dan Klosterman, Information Security Consultant - SBS CyberSecurity, LLC, an IBC Preferred Provider

What is patch management?
Patch Management refers to the process of acquiring, testing, and implementing patches (software updates) on computing hardware across your network. Patch Management might include operating system (OS) patches and updates for Microsoft, Apple, or Linux, or third party software applications such as Chrome, Firefox, Adobe Flash, or Java. Patch Management may also include patches and updates for more specialized software (such as your Teller or Payroll applications) or firmware updates for your network hardware (routers, switches, or printers).

Who needs to be concerned with Patch Management?
If you have a system with software, you NEED to be patching religiously. Not staying up-to-date on patches will leave your systems vulnerable to known attacks that can be prevented with proper patching. It is the equivalent of leaving your doors unlocked in an unsafe neighborhood, and the internet is most certainly not a safe neighborhood.

Many of the recent large-scale cyber-attacks, such as NotPetya and WannaCry, target specific vulnerabilities in Windows. In fact, much of the damage caused by WannaCry in May of 2017 could have been prevented by proper patch management, as Microsoft had issued patches (MS17-010) for the root SMB vulnerability (EternalBlue) back in March. The NotPetya attack utilized the same EternalBlue vulnerability to spread, meaning many systems were still not patched more than 3 months after the original patch was released.

These examples illustrate not only the importance of patching critical and high-risk vulnerabilities, but also how doing so in a timely manner may protect your organization from an attack. If the organizations affected by the EternalBlue vulnerability had rolled out the patch in a reasonable time frame (in this case, within the month), they could have reduced much of the impact from the WannaCry and NotPetya attacks.

How does Patch Management work?
The patch management lifecycle starts by scanning their environment for needed patches, which includes identifying specific vulnerabilities and the systems which need to be updated. This type of scan is most frequently referred to as a vulnerability assessment (VA). A VA scan will generate a list of unpatched systems with vulnerabilities and the correlating patches/updates/fixes to mitigate the vulnerability.

After identifying missing patches, but before rolling updates out to the whole environment, organizations should test patches on a limited subset of systems or a separate test environment. Installing the patches on a test environment, whether physical or virtual, allows you to identify any potential issues before patches or updates are rolled-out to the production environment. Identifying issues before production roll-out will decrease the likelihood that operations are impacted due to faulty patches or certain applications not working properly after being updated.

Once missing patches have been identified and tested, patches can be installed on vulnerable systems. Patching can be done manually via Windows Update or in-app patching, but most enterprise-wide patches are typically deployed on a large scale with a patch management software solution.

Finally, after patches have been rolled out and installed, the process repeats itself as the next scanning-phase begins. This next iteration of scanning will identify if the previous patches were installed correctly, and identify any new vulnerabilities that may need to be patched during the current cycle.

Continued on next page
Where do I start?
Focusing on your most vulnerable systems (typically devices running Windows operating systems, as well as highly-used third-party programs like Adobe Flash, Adobe Reader, and Java) is one of Patch Management’s key concepts. Starting with your most risky (vulnerable) devices allows you to allocate time and resources where they will be best utilized and provide the most risk mitigation in the most efficient manner.

Depending on the size of your organization and the amount of systems and software that need to be kept up-to-date, you may want to utilize a third-party patch management solution. Numerous software applications are available to automate your patching process and allow you to schedule automatic update cycles, test patches on certain designated systems, review and approve patches prior to installation, and review reports to identify patching coverage across your environment. For Microsoft patching specifically, Microsoft includes a tool called WSUS (Windows Server Update Services) with all Windows Server operating systems. WSUS may be sufficient in environments with limited third-party systems, but it is recommended that you consider additional patch management software if other third-party applications like Flash, Adobe, or Java are regularly used.

How SBS Can Help
As discussed above in the patch management life cycle, to verify your patch management process is operating effectively, you’ll want to periodically test your patch levels by performing a Vulnerability Assessment. A Vulnerability Assessment should scan your network devices for all known vulnerabilities arising from unpatched software or misconfigured systems. SBS offers Vulnerability Assessments as a service, in addition to other network security testing such as Penetration Testing (geared towards obtaining unauthorized access rather than identifying all vulnerabilities) and Social Engineering (testing your people instead of your technology controls). Check out SBS CyberSecurity’s network security offerings here: https://sbscyber.com/auditing/network-security-testing.

The SBS Institute also offers a Certified Banking Vulnerability Assessor (CBVA) certification course, which provides education regarding the network testing process, including how to utilize industry tools to perform Vulnerability Assessments in your own organization. Check out the SBS CBVA certification program here: https://certification.sbscyber.com/store/130608-cbva-certified-banking-vulnerability-assessor.

In addition, Microsoft offers a free tool called Microsoft Baseline Security Analyzer (MBSA) that may perform a limited scan for strictly Microsoft updates. You can download MBSA here: https://technet.microsoft.com/en-us/security/cc184924.

For additional information security updates or assistance with anything information security related, please visit us at www.sbscyber.com and let us know how we can help!

Sources
3 LOAN IMAGING FAILS (& HOW TO PREVENT THEM)
by Alan Wooldridge, President, AccuSystems, an IBC Associate Member

More than half of all banks (69% based on our research) now use some type of imaging platform for their commercial loan files. The benefits are obvious: reduced risk, greater accessibility, and streamlined lending decisions.

Unfortunately, not every bank is successful with the transition away from paper loan files. In this article, we’ll look at three common imaging fails - and how your bank can try to avoid them.

FAILING TO QC
At face value, the concept of scanning and archiving loan files seems simple enough. Take out your paper documents, run them through a scanner, and save them in the correct location. What could go wrong? As with any other process at your bank, there’s plenty of room for error. For example, some scanners create more legible images than others. Likewise, some of your team members are more detail oriented than others. Match your least reliable employee with a low-quality scanner, and you’re destined for loan imaging failure.

Some banks try to overcome these challenges by centralizing all imaging through a single person or department. Although possible, centralization is infeasible for most banks – in particular, those with many branches and lenders. A rigorous quality control (QC) process is therefore especially important in a decentralized scanning environment. When selecting your loan imaging system, be sure to pick a tool that has built-in QC checkpoints for de-centralized teams, as to ensure image readability, placement, and expiration dates.

FAILING TO CONTROL FILE NAMING & PLACEMENT
You want an imaging system that’s flexible enough to accommodate your ideal document structure. Too much flexibility, however, and you’ll find yourself dealing with a new problem: file naming and placement inconsistencies. Such inconsistencies make it almost impossible to find anything, thereby defeating the main motivator for a paperless workflow. Before turning users loose in your document management system, you must create clear guidelines. Hold your team accountable for failing to play by the rules.

Better yet, look for a software platform that simplifies the process for end users. For example, our AccuAccount tool eliminates user file naming (or renaming). Instead, users scan directly into the correct customer or account, and the software ensures files are placed and named appropriately.

FAILING TO LINK IMAGING WITH TRACKING
Document tracking is a major pain point for community banks today – even for those that have gone “paperless.” Just because you scan and index loan documents into an electronic hierarchy, it doesn’t mean that exception headaches magically become a thing of the past.

When talking to imaging vendors, be sure to ask about their document tracking solutions. Some systems have built-in ticklers that are based on document activity. As new documents are scanned in, exceptions should be automatically cleared by the system – rather than being manually cleared by an administrator. This approach provides more accurate exception reporting and, in the long run, minimizes unnecessary friction with customers.

BE AN IMAGING SUCCESS STORY; NOT A FAILURE
Loan imaging technology is transforming how banks structure their commercial operations. If you’re thinking about making the switch to a paper-free workflow, it’s time to plan for success.

Alan Wooldridge, President of AccuSystems
alanw@accusystem.net
accusystem.com
Looking for a job or employee in COMMUNITY BANKING?

Check out ICBA’s nationwide career center careers.icba.org

Post Jobs Online Quickly and Easily
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Set Up an Email Resume Alert
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The IBC Legal Hotline

**Free Legal Advice for IBC Member Banks**

As a member of the Independent Bankers of Colorado, your bank can receive free legal advice through our Legal Hotline. Attorneys at the law firm of Shapiro Bieging Barber Otteson LLP staff the Legal Hotline as a benefit to member banks.

**Member banks can defray a significant amount of their IBC membership dues by taking advantage of this exceptional free member bank service!**

Member banks are permitted to contact Shapiro Bieging Barber Otteson LLP on simple legal-related questions involving the member bank.* Services provided through the Legal Hotline include responding to inquiries on the following issues:

- Regulatory
- Consumer Audit
- Compliance
- Uniform Commercial Code
- Uniform Consumer Credit Code

Shapiro Bieging Shapiro Otteson will also review agreements and provide recommendations in conjunction with the Legal Hotline.

* Shapiro Bieging Barber Otteson reserves the right to charge the member bank for services required to respond to complex or time consuming inquiries. This will not be done without prior notice to the member bank.

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Contact the IBC for additional information at 303.832.2000.
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First National Bank of Durango

Joshua Fulenwider  
TBK Bank, SSB  
La Salle

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The Dolores States Bank

Lori Bowers  
First National Bank of Durango

Pennie DeClark,  
Citizen’s Bank of Pagosa Springs
2017 Graduating Seniors!  Freshmen Class of 2018!

Graduating Colorado Seniors continued

Melody Conner, First National Bank Durango

Justen Powell, American Bank of Commerce Colorado Springs

Angie Dominguez, First National Bank of Durango

Joshua Fulenwider, TBK Bank, SSB, La Salle

Rebecca Harmon, TBK Bank, SSB, Lamar
IBC’s 46-ATM SURCHARGE FREE NETWORK!

The Independent Bankers of Colorado’s alliance of community banks offers your customers access to 46 surcharge-free ATMs throughout Colorado and in Kansas.

As a member of the Independent Bankers of Colorado, you waive surcharges to the customers of banks belonging to our network, while retaining the option to charge non-member customers who use your ATMs.

Our alliance means that community bank customers will remain with their community-based banks, yet be able to access a broad choice of surcharge-free ATM locations.

**LOCATIONS**

<table>
<thead>
<tr>
<th>Location</th>
<th>Bank Name</th>
<th>Address</th>
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<tbody>
<tr>
<td>Brighton</td>
<td>Valley Bank &amp; Trust</td>
<td>4900 E. Bromley Lane</td>
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<tr>
<td>Brighton</td>
<td>Valley Bank &amp; Trust</td>
<td>30 N. 4th Avenue</td>
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<tr>
<td>Buena Vista</td>
<td>TBK Bank</td>
<td>725 Hwy 24</td>
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<td>Buena Vista</td>
<td>TBK Bank</td>
<td>438 US Hwy 24 S</td>
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<td>Canon City</td>
<td>Legacy Bank</td>
<td>1010 Royal Gorge Blvd.</td>
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<td>TBK Bank</td>
<td>801 Flying Circle</td>
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<td>Fairplay</td>
<td>TBK Bank</td>
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<td>The State Bank</td>
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<td>FMS Bank</td>
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<td>First American State</td>
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<tr>
<td>La Junta</td>
<td>The State Bank</td>
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For information about how your bank can join our network, please call Heidi Saba at 303-399-8929 or heidi.saba@vantiv.com!