

THE TENNESSEE BANKER

MEMBER FEATURE

John McDearman

*Meet the incoming CEO
of Wilson Bank & Trust*

PAGE 10

PLUS

- Q&A with Robert Bradley, Credit Committee Chairman
- Financial PSI on cybersecurity

PHOTO RECAPS

- *Women in Banking*
- *Appraisal & Banking Conference*
- *Trust & Wealth Management Conference*
- *Leadership Luncheons*
- *UT Tailgate*



Financial PSI is thankful
for the more than **100** banks
that we are able to call **clients**
and **friends**.

**We hope that you and your family
have a wonderful holiday season!**



1-800-456-5191

1-615-244-5100

FinancialPSI.com

**211 Athens Way, Ste 100
Nashville, TN 37228-1383**

A wholly owned subsidiary
of the Tennessee Bankers Association



**TENNESSEE BANKERS
ASSOCIATION** Service Since 1899

Bank Building For Lease

Donna Hicks

615-828-3662

donna.hicks125@yahoo.com



Gallatin Plaza, 240 W Broadway, Gallatin, TN
4,075 sq ft , \$13 per sq ft rent + nets.
22,487 traffic count

The bank has 2 drive through lanes and an ATM lane and is move in ready for a bank.

Public Remarks

A++ location with incredibly high traffic count. Formally leased as a bank and move in ready. Lease rate for this property is one of the lowest in Gallatin with excellent exposure near the square. Building has lots of parking in front and on side. Well maintained, new roof, and fresh parking lot stripping. This will be a NNN lease. Call Agent for a tour and more info.

Private Remarks

Low rent factor, high traffic count at 22,487, prime location in the fastest growing community in Mid TN!!!



Additional Space For Lease

6,154 sq ft, in-line store front, Gallatin Plaza
Base Rent \$8 plus \$1.94 Nets (current cost)
22,487 traffic count

Near historic Gallatin Square and in one of the fastest growing areas in the Mid-State area. Accessible ingress/ egress. Space is broom clean and move-in ready. The rent factor is below market value and won't last long!



IN THIS ISSUE

November/December 2019 | Volume 107 | Number 6

10 MEMBER FEATURE

Learn about John McDearman, Wilson Bank & Trust's incoming CEO, and outgoing CEO Randall Clemons



26 TBA'S YEAR IN REVIEW

A look back at the highlights of TBA's government relations, education, and communication efforts in 2019

26



44 RECAP OF TBA'S LEADERSHIP LUNCHEONS

TBA staff met with members and legislators in seven cities across the state



MORE IN THIS ISSUE

6. From the Executive Office—Colin Barrett:
Include TBA in your 2020 resolutions

7. TBA Online

8. On the Hill—Amy Heaslet:
Looking forward to the 111th General Assembly

16. Event Recap: *Women in Banking Conference*

20. Q&A with Robert Bradley,
Credit Committee Chairman

22. Event Recap: *Appraisal and Banking Conference*

32. TBA Endorsed Partner—Brian Mobley,
Financial Products and Services, Inc.:
Cybersecurity must protect from more threats than data breaches alone

34. TBA Endorsed Partner—Cindy Prince,
Compliance Alliance: *Overdraft practices—a repeat offender*

36. TBA Endorsed Partner—Josh Miller,
KeyState Captive Management LLC:
The growth of bank captives

38. TBA Endorsed Partner—Hank Helton,
Pathway Lending: *The case for affordable multi-family rental housing*

40. Event Recap: *Trust & Wealth Management Conference*

44. Event Recap: *Young Bankers Division Leadership Luncheons*

48. ABA Washington Update—Rob Nichols,
ABA: *Redefining 'Banker'*

50. Guest Column—Jim Vaughn, Mauldin &
Jenkins CPA, LLC: *Upside down thinking on efficiency: Do you have your priorities backwards?*

52. Guest Column—David Carlson, Haberfeld:
Upside down thinking on efficiency: Do you have your priorities backwards?

54. Guest Column—Andrew P. Russell, Sound Payments Inc.: *Leadership in the financial industry*

56. Guest Column—Jeff Harjo, BKD CPAs & Advisors: *Housing finance reform: To be announced*

58. Guest Column—Allen North, Federal Reserve Bank of St. Louis: *Housing finance reform: To be announced*

60. Event Recap: *Young Bankers Division UT Tailgate*

62. New Associate Members

64. People on the Move/Bank Notes/Community Corner

68. Employment Opportunities

69. Featured Event

70. From the Vault

71. TBA Professional Development Calendar



16



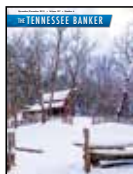
20



22



32



ON THE COVER

COVER PHOTO: A historic cabin in the snow at Cades Cove in Great Smoky Mountains National Park.
SHUTTERSTOCK, Robert Bohrer



OFFICERS

MOTT FORD, Chairman
Commercial Bank & Trust Co., Memphis

CHRIS HOLMES, Chairman-Elect
FirstBank, Nashville

ALLEN McCLARY, Vice Chairman
UBank, Jellico

STAFF

ADMINISTRATION

COLIN BARRETT, President/CEO

STACEY LANGFORD, Executive Vice President/
Chief Operations Officer

STEVE CURTIS, Vice President
of Information Technology

SHARON JUSTICE-McCRAY, Vice President
of Human Resources/Facilities

PENNY L. POWLAS, Vice President
of Administration

T'LANIE LUU, Member Services Specialist

SANDRA JOHNSON
Training Center Coordinator

CAROLINE LATHAM, Government Relations/
Membership Manager

ACCOUNTING/INSURANCE

ANGELA D. GRIFFIN, CPA, CGMA
Executive Vice President/CFO

MIKE AILINGER, Senior Accountant

SHEMEKA GREER, Accounts Receivable Clerk/
Accounts Payable Clerk

LEGAL/GOVERNMENT RELATIONS

AMY HEASLET, Executive Vice President/
General Counsel

EDUCATION

MONIQUE WHITE
Director of Education

SHEENA FRECH
Director of Education

COMMUNICATIONS

TYLER NELSON, Vice President
of Communications

MATT RADFORD, Vice President
of Creative Services

LILA GRIFFIN, Proofreader

LACY YORK, Communications Assistant

CONTRIBUTORS

KEITH MILES, Partner,
McNeely Pigott & Fox Public Relations

ROGER SHIRLEY, Editorial Director,
McNeely Pigott & Fox Public Relations

The Tennessee Banker (ISSN 0040-3199) is published bi-monthly by the Tennessee Bankers Association, 211 Athens Way, Ste 100, Nashville, TN 37228-1381; telephone 615-244-4871. Advertising rates available upon request. Subscriptions: \$40.00 per year for TBA members; \$55.00 for nonmembers; single copies, \$6. Tennessee residents add 9.25% sales tax. Periodicals postage paid at Nashville, TN. POSTMASTER: send address changes to The Tennessee Banker, 211 Athens Way, Ste 100, Nashville, TN 37228-1381.

Copyright © 2019, Tennessee Bankers Association; all rights reserved. The Tennessee Bankers Association disclaims all responsibility for opinion expressed in addresses, papers, or communications published in The Tennessee Banker unless such opinion has been endorsed by the Tennessee Bankers Association.



COLIN BARRETT
President/CEO,
Tennessee Bankers
Association

Include TBA in your 2020 resolutions

THREE THINGS TO DO THIS MONTH

1.

Use the 2020 Professional Development Directory to identify education programs for your employees. Visit TNBankers.org/calendar to see a digital version.

2.

Be sure to get your BankPac contributions in before the end of the year. To learn more, contact Caroline Latham at clatham@TNBankers.org.

3.

Thank your bank's vendors, our associate members, for their involvement with TBA.

Whether or not we make a formal declaration, many of us make New Year's resolutions.

Eat better. Get regular exercise. Spend more time with the family. Don't eat a bowl of cereal right before bedtime. And while that last one might just be me, we all set goals to live happier, healthier, and more meaningful lives this time of year.

In 2020, there will be many opportunities within the TBA to achieve goals for your bank and the overall industry. So as you budget both your time and resources, here are a few resolutions I hope you will consider in the year ahead.

Attend TBA Credit Conference

TBA's *Credit Conference* continues to grow as the largest gathering of Tennessee bankers each year. The credit committee, led by Bank of Tennessee's Robert Bradley, has developed a strong, credit focused program for the February 13-14 event. The highlight of this year's program is FDIC Chairman Jelena McWilliams, who will join us for a discussion on the direction of the FDIC under her leadership. Additional topics will include fintech, hemp, the economy, and more. Contact Monique White at mwhite@TNBankers.org or visit www.TNBankers.org/credit for up-to-date program information.

Increase Your Political Engagement

While it might seem that Washington stops during a presidential election year, there are many issues at play that can have a significant impact on our industry. In September, the House passed the SAFE Act, legislation allowing financial institutions to bank marijuana related businesses (MRBs) in states that have legalized it for recreational and/or medicinal purposes. While Tennessee is one of the 17 states that has not legalized it, the legislation would be helpful to us as it also clarifies a bank's ability to serve industrial hemp companies and officially ends "Operation Chokepoint."

Our efforts are now in the Senate where Senate Banking Chairman Mike Crapo (R-ID) has indicated his interest in moving this forward while Speaker Mitch McConnell continues to have concerns. Additional legislative efforts, including credit union taxation, BSA/AML reform, and a "stop and

study" of CECL, will continue to be priorities.

In order to make your voice heard on these and other issues, plan to join us for our annual *Washington Conference* May 4-6. This is a great opportunity to engage with legislators and regulators while spending time with peers from across Tennessee.


Closer to home, all eyes will be on the race to replace retiring Senator Lamar Alexander. Former Ambassador to Japan (and former Pinnacle bank director) Bill Hagerty and Vanderbilt surgeon Manny Sethi will face off in the Republican primary. On the Democrat side, James Mackler, a decorated soldier, will likely be the nominee. These candidates are crisscrossing the state already, and I encourage you to get to know them.

Participate in Financial Literacy Week

During this year's inaugural *Financial Literacy Week*, 72 banks participated by educating students, elderly, and their communities at large by participating. While our banks are helping Tennesseans daily, this is an opportunity to highlight those efforts in a collective manner. In 2020, the dates will be April 6-10. Assign someone from your bank to coordinate your efforts, and invite legislators and community leaders to join you. For more information and resources for your bank, please visit www.TNBankers.org/finlitweek.

Register for the TBA Annual Meeting

In 2020, the TBA returns to one of its most popular Convention destinations, The Breakers in West Palm Beach, Fla. This beach resort will once again provide the perfect backdrop for networking and education as the TBA celebrates its 130th anniversary. The room block is now open, and I hope you will be able to join us.

In addition to the above, the TBA will continue providing government relations, education, and products and services that you expect from your Association. If I can help you in achieving any of your bank's resolutions, please reach out. 

-Colin

TBA Online

We're on social media. Follow us for the latest in all TBA news, events, and much more.



tnbankers, Sept. 13, 2019

Today during our annual Service Lunch, we celebrated seven amazing people for their years of dedication/service to our member banks. Congrats to FPSI's Ted Fizen (15 years), Brandi Speakman (15 years), TBA's Angela Griffin (15 years), T'Lanie Luu (10 years), Amy Heaslet (10 years), Lacy York (5 years), and Matt Radford (5 years)! We appreciate your hard work!



VISIT **TNBANKERS.ORG**

Read the latest magazine at
TNBankers.org/news/tennessee_banker

This simple and intuitive design allows you an interactive digital experience that works beautifully on desktops, tablets, and mobile devices.



TBA WEBINARS

Register for these webinars and more at
TNBankers.org/calendar

Robbery Preparedness: Meeting Your Annual Compliance Requirement **November 19**

With robbery, the best defense is always proper preparation. The goal and focus should be implementing procedures and training that deter robbers. In this fast-paced webinar, you will learn ways to protect yourself and your workplace from multiple robbery methods and how to make your institution a less desirable target. Learn the latest FBI robbery statistics, how to best assist law enforcement, and which details are important to investigators. You must understand the actions employees should and shouldn't take during a robbery.

ACH Error Resolution: Returns, Authorizations, WSUDs, Stop Payments & More **December 4**

Your financial institution deals with ACH challenges every day, but is your staff prepared to deal with all situations? This program will address these challenges and explain how to handle them according to ACH rules. Case studies and scenarios will demonstrate how to respond knowledgeably when faced with ACH errors.



AMY HEASLET
Executive
Vice President/
General Counsel,
Tennessee Bankers
Association

STAY UP-TO-DATE

Stay up-to-date through *This Week* and our legislative update calls during session. TBA also invite member banks' in-house counsel to join our Bank Lawyers Committee. Contact Amy Heaslet to learn more at aheaslet@TNBankers.org.

Looking forward to the 111th General Assembly

As we near the start of the second session of the 111th General Assembly on January 14, 2020, I am cautiously optimistic that we will have yet another successful session. TBA's government relations team will return to Capitol Hill prepared to tackle several issues on the horizon—updating the state's banking laws, further enhancing our trust laws, and ensuring the homestead exemption is not significantly increased.

TBA's advocacy efforts don't start and stop with the legislative session. During the off-session months, rarely did a week pass that we were not talking face-to-face with a state legislator—whether in district with their local banker or in Nashville at TBA or another legislative event—discussing issues we expect to contend with in 2020. These conversations outside of the pressure of the legislative session offer an ideal time to drill down into details of our issues and make sure they understand not only what our position is, but also why.

At the top of our legislative agenda is amending our state's banking laws. Thanks to an involved group of bank lawyers—both in-house and outside counsel—we will push legislation that updates and amends some of Tennessee's banking-related laws. Some of those laws haven't been revised in more than 30 years.

Although we are still in the process of drafting the legislation, several of the changes we plan to pursue will streamline the requirements around mergers and acquisitions, and will repeal outdated laws on interstate branching given that federal law has removed all restrictions on.

The legislation will update existing banking

laws by removing geographical restrictions on who may serve on a bank's board and reducing the length of time for how long a bank must retain records of its board and shareholders' meeting minutes.

We greatly appreciate the input from the bank lawyers who brought these issues to us. We look forward to working on this legislation and further enhancing the strength of Tennessee's banking industry and the laws that govern it.

Another area that we are committed to focusing on is our trust laws. Over the years, TBA, in partnership with top trust legal experts and Commissioner Greg Gonzales and the Tennessee Department of Financial Institutions, has passed comprehensive and innovative updates to our trust laws. The result is that Tennessee has become a leading jurisdiction for trust business.

Our goal is to preserve Tennessee's status as a preeminent trust jurisdiction. To do so, we annually review our laws and compare them to other states. This year is no different. TBA's ad hoc committee on trust laws met over the summer and began crafting legislation to make meaningful changes. Although still in process, we expect this legislation will further improve our trust laws and bring increased business to Tennessee's trust industry.

The last priority issue that we know heading into session is continuing to oppose efforts to significantly increase the state's homestead exemption. Last session, the Tennessee Home Builders Association brought legislation that originally called for an increase in the exemption from \$5,000 per person to \$1 million. Al-

though we strongly opposed such a significant increase, we recognized that there was strong sentiment among legislators to look at a reasonable increase. After pulling data regarding the average Tennessee home value and household income and the homestead exemptions in surrounding states, we determined an increase up to \$35,000 was reasonable and justified.

After significant push back from TBA and other groups in opposition to a drastic increase, the House Judiciary Committee adopted our amendment for an increase to \$35,000. Upon its adoption, however, the House sponsor asked that bill be deferred until 2020.

We will continue our support for a reasonable increase in the homestead exemption up to \$35,000 and will strongly oppose an increase for any amount above that.

Though we will begin session with these priority issues at the forefront, several other issues will surface in the coming months—most likely ones that could have harmful unintended consequences on the banking industry. We will engage with those issues and continue to keep you informed about them. 🇺🇸

"At the top of our legislative agenda is amending our state's banking laws. Some of those laws haven't been revised in more than 30 years. Another area that we are committed to focusing on is our trust laws. And the last priority issue that we know heading into session is continuing to oppose efforts to significantly increase the state's homestead exemption."

LEGISLATIVE RECEPTION

Wednesday, February 12, 2020
5:00–7:00 p.m.
\$50 per person

Network with members of the Tennessee General Assembly and peers at this annual event the night before TBA's *Credit Conference*.

NEW LOCATION!
Renaissance Nashville Hotel
611 Commerce St, Nashville

Register at TNBankers.org



TENNESSEE BANKERS
ASSOCIATION *Service Since 1890*



Wilson Bank & Trust CEO Randall Clemons (left) is set to retire at the end of the year and president John McDearman (right) will become the new CEO.

PHOTO: SUBMITTED BY WB&T



‘Right Person, Right Time’

At Wilson Bank & Trust, the future is now as John McDearman readies to take the helm.

STORY BY ROGER SHIRLEY

PHOTOS SUBMITTED BY WB&T

Wilson Bank & Trust’s transition to the next generation of leadership is the result of a well-planned, well-executed succession plan first announced in 2014. There were no search committees or outside consultants. There was no hand-wringing over whether to bring in an experienced outsider with fresh perspectives to take the helm.

There was just the steely focus of outgoing chairman and CEO Randall Clemons and former President Elmer Richerson to set their retirement calendars in stone, stick to the timeline, and ensure that the transition wasn’t disruptive to the bank’s culture, its business model, or the long-term plan to remain a growing independent bank.

Continued on next page



Wilson Bank & Trust outgoing CEO Randall Clemons (left), incoming president John Foster (middle), and incoming CEO John McDearman (right).

When he retires at the end of the year, Clemons, 67, is ceding his chief executive title at the widely held private bank, which now boasts \$2.7 billion in assets and a nine-county footprint with 28 full-service branches that includes the lucrative Nashville market.

"This is going to be John's bank to run," Clemons said referring to John McDearman, a Lebanon native who returned home from Chattanooga in 1998 to join WB&T, initially as a commercial lender and then as a branch manager.

"I'm not going to keep an office here," Clemons said, "but I'll still be involved in some business development and will be available to John if he wants to talk about anything."

McDearman, who will assume the CEO position on Dec. 31, smiled. "I'll have him on speed dial."

No Philosophical Changes

The top leadership team was rounded out in early October when McDearman announced that longtime WB&T banker John Foster will succeed him as president at the end of the year. Foster began his career at the bank's Gladeville branch office about the same time as McDearman came on board.

"John Foster has proven himself as a very capable leader and decision maker," McDearman said, "and he is a natural fit for the president's role." He most recently was chief consumer and community banking officer, supervising the regional presidents in charge of each geographical region of the bank.



McDearman family, L to R: wife Kathy, children Mark and Mia, John McDearman (not pictured are his sons JC and Eli, both students at the University of Tennessee).



John McDearman's four guiding takeaways from Randall Clemons

- 1. Strike when the iron's hot.**
"When there's an opportunity, you have to be agile enough to go for it without slowing everything else down."
- 2. Set the tone on priorities.**
"Here's the biggest thing we need to work on today, this month, this quarter, this year."
- 3. Hit problems head on.**
"Go ahead and take care of it, and move on. Know it may not work out perfectly, but you can deal with those situations as they come."
- 4. Be decisive.**
"Stand firm when you need to stand firm."

Getting the new leadership team in place is the culmination of a process that began in earnest five years ago. The top priority, Clemons said, was to avoid the pitfalls that some businesses experience when a change in the top leadership does not come with a smooth transition.

"Many times there's a major change in the thinking philosophy of the next management group, and Elmer and I and the board didn't want to see anything torn apart that's been built up over these 32 years," he said. "So we set out on a mission to make sure that didn't happen, and we've accomplished that in selecting our incoming CEO and president. We know their beliefs are our beliefs, and we know they have the ability to take the bank to even greater levels than we've been able to."

Clemons is well known inside the bank for being decisive, and he took that mindset into his decision to retire.

"As you get older and think about retirement, I'm a firm believer that if you don't have a set date and time to do that, as it gets closer, you extend it out and extend it out. And we also felt that it was important that we have time to do the proper succession planning and, in John's case, allow him to have time to work with me and Elmer, who decided to retire two years before me."

When Richerson retired as president, McDearman was elevated to that position from executive vice president, and it was clearly signaled that he was the CEO-in-waiting.

Longtime Career Goal

Clemons first met McDearman when he came to a visitation to pay respects to his father, John McDearman II,

after his death in 1996. The elder McDearman was a well-known banker who worked for First Federal Savings and Loan, but Clemons didn't know his son.

"He really impressed me, and as we were leaving the funeral home, my wife said, 'You need to hire him.' And that's when the seed first got planted."

McDearman says he remembers distinctly Clemons calling him "out of the blue" to ask if he was interested in working for a community bank. At the time, McDearman was a branch manager for Bank of America in Chattanooga. "My wife's family was in Chattanooga, we really liked the area, and there was potential for advancement in my career. So we were pretty settled," he said. But the idea of coming back home intrigued him.

"I came in to meet with the executives at Wilson Bank on a Sunday. As it turned out, the interview was much less about my skills than about who I was as a person, because that's what they considered most important. That's a unique perspective, and it made a real impression on me. I'm glad to say it's a philosophy we still use now. That was a big reason I wanted to be part of this team, even when there were opportunities to go to larger organizations or bigger cities."

For McDearman, 49, taking over Wilson Bank is the fulfillment of a longtime career goal to one day run a bank; but being able to do that in his hometown and with a bank he has deep admiration for makes it even more special.

Continued on next page

Clemons not heading to the porch rocker

Randall Clemons is proud of the bank that he and others have built since it opened on May 11, 1987.

"We've been profitable since the first month," he said, adding that Wilson Bank & Trust's growth has been almost exclusively organic. "We bought only one office and that was early on. It had \$2 million in deposits."

Clemons started his banking career working at Smith County Bank in Carthage his freshman year at Cumberland University. After graduating from Tennessee Tech, he worked at People's Bank in Lebanon for 13 years before leading the launch of Wilson Bank & Trust, and he's been a fixture in Lebanon and the surrounding area since—and not just at the bank.

While he is firmly committed to retirement, he will still have plenty of things to spend his time on. In addition to remaining at WB&T as a director, Clemons will continue to be an active member in the community.

Clemons has long been a driving force behind the Wilson County Fair—"we're the 30th largest fair in the nation," he says—helping organize it and serving as treasurer before being named president.

And he will continue spending time at the Granville Museum, located in his small hometown east of Lebanon. The avid classic car collector has some of his collection on display at the museum, where he serves as president. "We have taken our historic town and restored it. I'm heavily involved in the museum and what the town is doing."



Randall Clemons, grandson Kolby Jordan, and Delaine Freeman Smith at the Wilson County Fair.

"I remember before coming to work here being able to see the bank from a perspective of the heart. The bank hosted an event called Love Lights a Tree with the American Cancer Society that memorialized people that had passed away from cancer," McDearman said.

"I got to experience their involvement in the community and the things they are willing to do for people that others are not. Being back home, I did realize the value of being in the community where you grew up and having so many people come up and say, 'I know your mom or your dad or your sister, and the impact they made.' And so I realized I was going to have a real opportunity to make an impact here."

"But, I was never promised anything," McDearman said. "Randall just gave me the opportunity, and from that point I felt like it was my job to take advantage of it."

From Clemons's perspective, there was little doubt the bank had found its future CEO, even before the five-year succession planning phase was revealed in 2014.

"We saw talent in John from the time that we hired him," Clemons said. "And you try to look for talent and bring them into your organization and then you let them see what they can do with it. And John was able to excel. He was able to work with other employees. He was a known leader. He became involved in the community. He did everything that the CEO of the bank should be doing at some point. So he was a proven commodity."


"He was in the right spot at the right time," Clemons said, "and by us being able to plan ahead and look internally at our different options, we were able to meet our goal of promoting from within."

Ready to Go

In addition to effecting a smooth transition of leadership, WB&T's announcement of plans so far in advance was meant to calm any fears about the bank's future that may otherwise have arisen from within important constituencies—namely the bank's 500-plus employees, its customers, and its shareholders, which now total just over 4,300 (with none holding more than 3%). It was also meant to send a strong signal that Wilson Bank intends to remain an independent bank.

The extended time McDearman spent as executive vice president working alongside Clemons and Richerson, and then as president, also is allowing him to take the reins with a team intact and a ready-to-go operational plan.

"A big focus the past two years has been on getting the right people in right spots, to make sure we had the strongest management team that we could possibly have, and that we had a continuing strategic plan," McDearman said. "And I've had the opportunity to see first-hand the way the bank's history and our way of doing things have been totally ingrained in our people."

"This is what we do. This is how we do it. This is why we've been successful. This is what we will continue to do. Yes, we have to evolve as a company, like all companies do, but we know what our core is, and that is not going to change." 



Today's
bank **leaders**
teaching
tomorrow's
bank **innovators.**

2020 SESSION MAY 25–JUNE 5

“My decision to attend GSBLSU and commit to the three years of learning was one of the best choices I have made in my own personal and professional development.”



Angie Lewis

Group Executive, Enterprise Risk
Synovus® Bank • Columbus, GA



GRADUATE SCHOOL of BANKING
AT LOUISIANA STATE UNIVERSITY

(225) 766-8595 | BATON ROUGE, LOUISIANA | WWW.gsblsu.org



WOMEN IN BANKING CONFERENCE RECAP

October 16, 2019

TBA Barrett Training Center, Nashville

THANK YOU SPONSORS



BUTLER SNOW









ABOVE: TBA's Sheena Frech presents Women in Banking chairman Ashley Dennis with an engraved clock for her year of service on the committee.

PHOTOS BY MATT RADFORD

Q&A with Robert Bradley



*Chairman, Credit Committee, Tennessee Bankers Association
Executive Vice President/Chief Risk Officer,
Bank of Tennessee, Johnson City*

Robert Bradley first started working at Bank of Tennessee in 1995 as an intern after his sophomore year of college. After graduation and working in public accounting, he rejoined the bank as controller. Since then, he's held a number of roles, including credit analyst, commercial lender, credit officer, and now chief risk officer. As the Credit Committee chairman, he has been hard at work with his fellow committee members preparing for one of TBA's most anticipated events—*Credit Conference*. Bradley spoke with *The Tennessee Banker* about his career, the banking industry, and *Credit Conference*, which takes place February 13 and 14, 2020.

MORE ABOUT CREDIT CONFERENCE

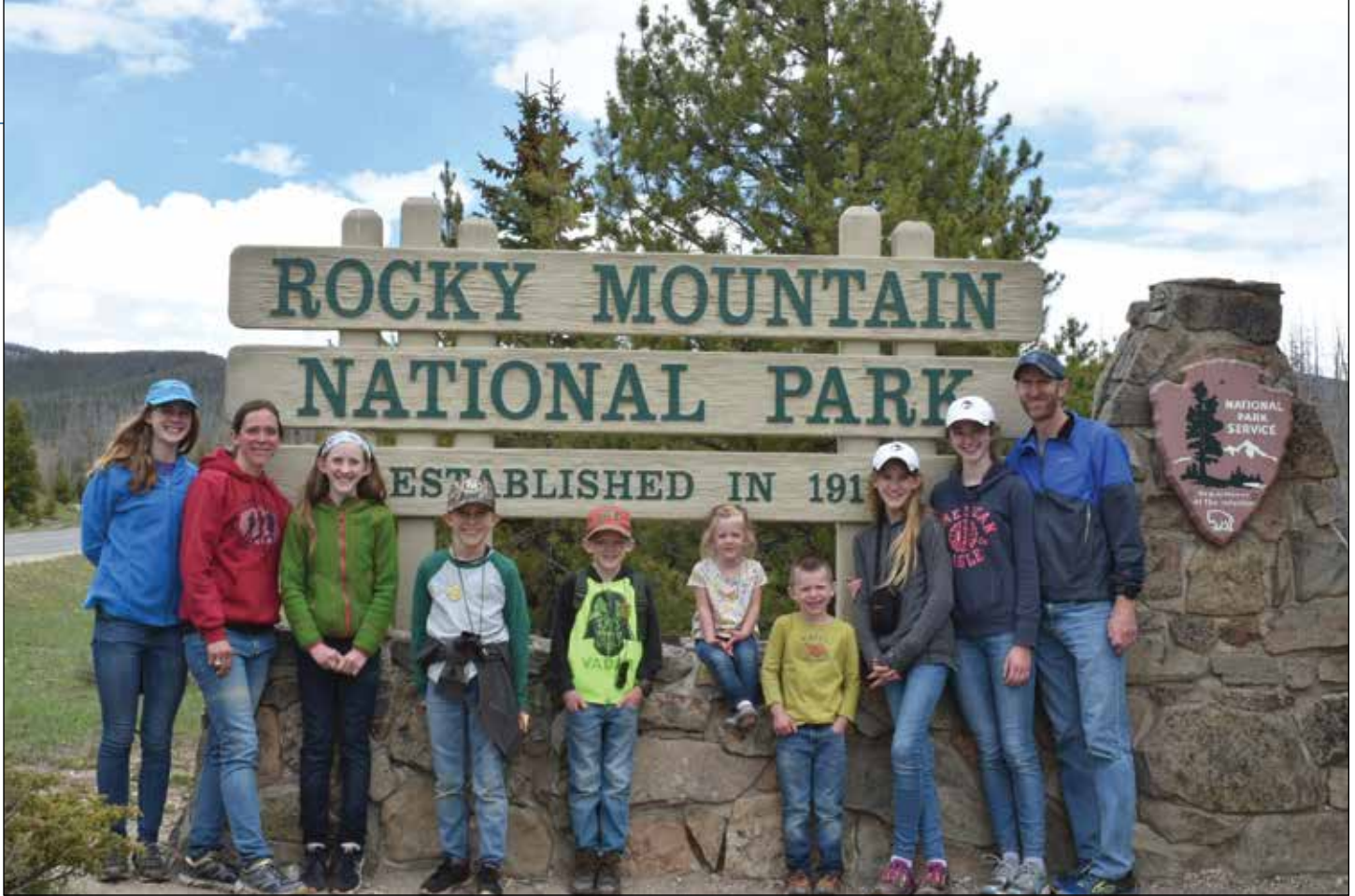
The Tennessee Banker Association's *Credit Conference* is the premier educational and networking event for commercial loan officers, loan support personnel, and both senior and executive-level management. Join more than 600 peers as we'll help navigate through today's economic and regulatory environment to help prepare you for lending challenges that lay ahead. Register now and book your room at TNBankers.org/credit.

During your career you've transitioned from lending to corporate risk management, which changes the lens through which you view times of economic prosperity. As this recovery cycle continues on, what do you see as the leading principle bankers need to keep in mind to ensure they fare well in the next downturn?

In banking, we have a lot of adages that have been proved out over time. One of those is that your best loans are made during bad times, and worst loans are made during good times. We've had nearly 10 years of good times, and now have a generation of borrowers and lenders who have never experienced an economic contraction. Ten years of easy money policy from the Fed, low interest rates, and extremely low cap rates have fueled growth in the banking sector that has far outstripped the pace of GDP growth. The fundamentals of credit risk management are timeless, and the five C's of credit always prove out. The other thing that bankers need to keep in mind is that just because you can doesn't mean you should.

How does your bank approach innovation and fintech when it comes to enhancing the borrowing experience and the bank's ability to efficiently serve a diverse customer base?

The reality is that the financial sector is no more immune to the disruption of technology than any other industry. It took a little longer for that disruption to be felt in the financial services area, but it's now here in full force. If community banks don't embrace the fintechs and find ways to partner and innovate, we will become the next Blockbuster or Borders. Bank of Tennessee has always tried to be near the leading edge of technology. One of the surprising things that we have experienced is that customers in our more rural markets tend to be at least as willing to adopt new technologies as those in our more urban markets. A large part of adoption is how it is rolled out and promoted, and I think that is a key for any bank introducing new capabilities—make sure you put the resources and promotion behind your technology initiatives to make them successful.



Speaking to the bankers who haven't attended Credit Conference before, what would you say to encourage them to participate this year?

The *Credit Conference* is the most highly attended TBA conference with good reason. It's not just about loans and credit, although that is certainly the focus. We don't merely have top-notch speakers and timely topics. I can't emphasize enough the value of the networking that takes place. Getting to know bankers from across the state that have a wide variety of experience and knowledge has made me a much better banker over the years. I've found that while we may be competitors in a lot of ways, we also look out for one another and want each other to succeed. We can learn from each other to be better equipped to compete with our real competition—the credit unions.

The 2020 Credit Conference will feature several highly regarded speakers, including FDIC Chairman Jelena McWilliams. If there was one regulatory issue that you could have resolved or changed immediately without pushback, what would that issue be?

Do I have to limit myself to just one? One of the things that I know the banking industry is grappling with right now relates to marijuana/cannabis and the conflict between federal and

state laws. The SAFE Banking Act provides some legal protection for banks, but doesn't eliminate the risk of possibly having a customer put behind bars, and then being unable to continue the business. This is a serious issue with a lot of ripple effects. In my own opinion, Washington needs to follow the 10th amendment and leave the decision on marijuana up to the states. That is the best solution and would move MRBs out of the murky shadows and give them full access to the banking system.

As a parent, it is always enjoyable to hear children weigh the various options for future career paths—as a father to 8, surely you may get one banker out of the bunch who wants to follow in your footsteps, has anyone expressed interest?

At this point, banking may not be passed on to the next generation in the Bradley family. My older daughters who have thought about and started discussing careers are interested in nursing and teaching. From the comments some of my kids have made, apparently the biggest draw to my job is talking on the phone and spinning in my chair! 🌀

Credit Committee Chairman Robert Bradley with his family, Bonnie (15), his wife, Sarah, Callie (12), Forrest (10), Jackson (8), Emily (3), Patrick (6), Cora (13), and Madeleine (17).

Appraisal and Banking Conference Recap

October 15, 2019 | TBA Barrett Training Center, Nashville, Tennessee



**PRESENTED
BY**



**Tennessee
Chapter**











2019

Year in Review

Our 2019 Year in Review offers a summary of the Tennessee Bankers Association's highlights and accomplishments. Here's a glimpse of how TBA government relations, education, and communication efforts elevate your membership benefits.



TBA's government relations team is trusted, respected, and dedicated to promoting and preserving the pro-banking environment in Tennessee. TBA saw continued legislative success in 2019, including:

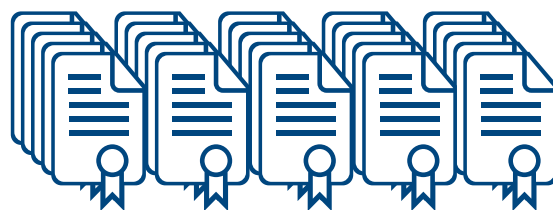
- Passed legislation establishing Tennessee Financial Literacy Week
- Passed comprehensive legislation to update Tennessee's trust laws
- Supported bills that created an Elder Abuse Task Force and established new criminal penalties for elder abuse
- Defeated legislative efforts to significantly increase the homestead exemption

On a national level, we advocated for the House passage of The Safe Banking Act (H.R. 1595), the Corporate Transparency Act (H.R. 2513), and FASB's delay of CECL.



Bankers gather in Washington D.C. for TBA's 2019 Washington Conference.

Monitor, Track, Act



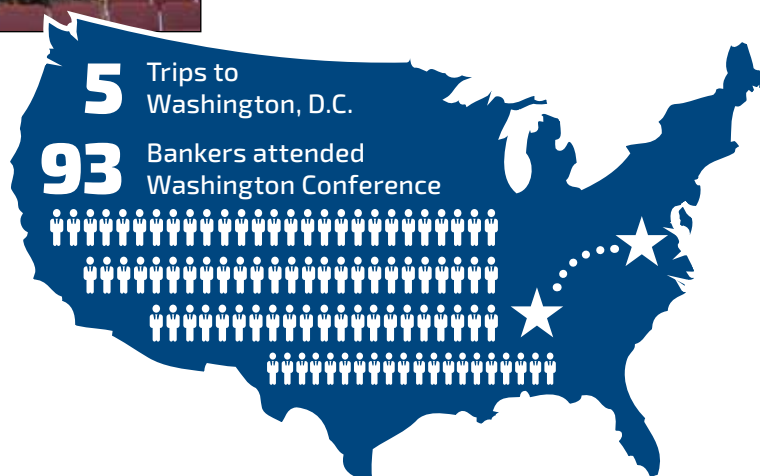
1,543 Bills reviewed by TBA

109 Bills identified as having a direct or potential impact on the industry

46 Bills passed with a direct or potential impact on the industry

17 Bills actively lobbied on

60 Bankers attended Young Bankers Day on the Hill which included 19 office visits with legislators





TBA BANKPAC

BankPac continues to reach new milestones and reigns as one of the top-contributing business PACs in the state. This success is possible thanks to the generous support of TBA's member banks and associate members.

\$215,857

98 contributors including
TBA member banks, TBA associate members,
and TBA staff during the past 12 months
(10/31/2018–10/28/2019)



BankPac chairman Pete Williston and TBA's Amy Heaslet deliver BankPac checks to Rep. Clark Boyd (left) and Sen. Mark Pody (right).

\$105,250

contributed by BankPac at the federal and state levels to candidates, parties, caucuses, and PACs so far in this election cycle



PROFESSIONAL DEVELOPMENT/EDUCATION

TBA is the leading provider of high-quality, cost-effective professional development training for Tennessee banks. Our education opportunities provide an invaluable opportunity to network with peers and stay current on important issues affecting our rapidly changing industry.

- Launched new *Appraisal and Banking Conference* on October 15.
- TBA partnered with ABA to provide trust related education, and we now offer more than 65 courses, certificates, and webinars.

3,349

 Registrations to TBA live events

539

 Attendees to Annual Meeting

631

 Attendees to Credit Conference

139

 Webinars offered

163

 Students graduated from

SOUTHEASTERN SCHOOLS

29

 Graduated The Southeastern School of Advanced Commercial Lending

43

 Graduated The Southeastern School of Consumer Lending

46

 Graduated The Southeastern School of Commercial Lending

45

 Graduated The Southeastern School of Banking

First-year students at TBA's *Southeastern School of Banking* in July.



DEVELOPING TALENT

To remain competitive, banks continue to focus on recruiting and developing the next generation of bankers. TBA spent much of 2019 cultivating relationships and engaging with young bankers and students about the positives of the industry.

108 Banks participating in Young Bankers Division events—*Day on the Hill, Leadership Convention, and Leadership Luncheons*

54 students from **6** schools represented at *Credit Conference*



MARKETING AND COMMUNICATIONS

Through TBA communications, we keep bankers informed, delivering critical industry information to members about legislative and regulatory changes as well as the conferences, education programs, and products and services that are available to our members.



1,511

Facebook followers
[/TNBankers](#)



2,677

Twitter followers
[@TNBankers](#)



391

Instagram followers
[tnbankers](#)



1,409

LinkedIn followers
[tennessee-bankers-association](#)



ENDORSED PARTNERS AND ASSOCIATE MEMBERS

Our Endorsed Partners and Associate Members provide banks with superior products and services. Our partners are industry leaders who share our high standard for quality service.

220 Associate Members

19

Total
Endorsed Partners





HEADLINES

Each Sunday evening, TBA sends its e-newsletter *This Week*, which covers government relations developments, regulatory announcements, education programming, and timely association and industry news. The following timeline is a look back at some of the top stories from 2019.

January 21

Tennessee Rep. John Rose to Serve on House Financial Services Committee

House leaders selected new members for the House Financial Services Committee, including John Rose (Tenn. – Dist. 6). Rose joined Rep. David Kustoff (Tenn. – Dist. 8) as the second member of Tennessee's Congressional delegation to serve on the committee.

February 4

Tennessee Bankers Meet with Freshmen Congressmen in Washington

TBA staff and Tennessee bankers from Congressional Districts 2, 6, and 7 participated in the Freshmen Fly-In. The group met with Senator Marsha Blackburn, Rep. Tim Burchett, Rep. John Rose, and Rep. Mark Green plus key members of their newly formed legislative policy teams.



March 17

Luetkemeyer Warns of CECL's Negative Consequences

Rep. Blaine Luetkemeyer (R-Mo.) warned of the negative consequences that the FASB's current expected credit loss standard could have on community banks and consumers if implementation moves forward.



March 24

TBA's Financial Literacy Week Signed into Law by Governor Lee

The Association's bill to designate the first week of April as Tennessee *Financial Literacy Week* was signed into law by Governor Bill Lee on Friday, March 22.

April 14

TBA Successfully Amends Homestead Exemption Legislation, Deferred to Next Year

After weeks of TBA's government relations team and bankers urging lawmakers to oppose a significant increase in the homestead exemption, members of the House Judiciary Committee adopted a TBA-supported amendment and deferred the measure until next year.

April 21

Financial Literacy Week a Success

Thanks to you, Tennessee *Financial Literacy Week* was a success! From April 8-12, hundreds of bankers held events across the state to a variety of groups for one purpose—help build and support financially literate citizens. Thanks to your unique skill set, you promoted healthy and competitive economies, stronger families, and launched Tennessee's future prosperity.

Continued on next page

April 28

Senate, House Unanimously Pass TBA's Trust Legislation

TBA's comprehensive legislation to update and amend the state's trust laws (SB 699 / HB 676) passed on the House floor by a unanimous vote. Two days later, the Senate took up the legislation, passing it. The legislation is the product of a TBA working committee of trust members and is intended to keep Tennessee as one of the leading trust jurisdictions in the country.

May 5

Rose, Casten Bipartisan Resolution to Support Combating Elder Financial Exploitation

U.S. Representatives John Rose (TN-06) and Sean Casten (IL-06) won House passage of H. Res. 328, their bill to support combating elder financial exploitation.



June 20

Mott Ford Installed as 2019-2020 TBA Chairman

Delegates to the 129th Annual Meeting of the Tennessee Bankers Association, held at The Ritz-Carlton Grande Lakes in Orlando, Fla., elected new officers and directors. Mott Ford, chairman and CEO of Commercial Bank & Trust Co. in Memphis, was installed as the new chairman of the TBA, accepting the gavel from 2018-2019 chairman John Muse, chairman, president and CEO of Farmers State Bank in Mountain City.



July 21

Congressman Kustoff Cosponsors Bill to Delay and Study CECL

Congressman David Kustoff has signed on to cosponsor H.R. 3182, a bill that would delay the standard so that a quantitative impact study can be conducted to determine the full implications CECL will have on the availability of credit in communities nationwide.

August 25

General Assembly Elects House Speaker in Special Session

The General Assembly met in a special session, where the House elected Rep. Cameron Sexton (R-Crossville) as the Speaker.



September 15

Delegation of Tennessee Bankers Urges Lawmakers to Study Credit Unions and CECL

TBA traveled with a small delegation of bankers to discuss the need to continue pressure on passing a CECL stop and study bill along with in-depth dialogue about the tax impact from credit unions purchasing banks, along with their increased commercial lending practices.



May 12

TBA's Barrett Urges Reps. Kustoff, Rose to Support Key Banking Legislation

TBA's Colin Barrett urged Reps. Kustoff and Rose to support two pieces of legislation, H.R. 2513 and 2514, which if passed, would greatly benefit Tennessee banks. H.R. 2513 would require corporations and limited liability companies to disclose all "beneficial owners" to FinCEN at the time the company is formed. H.R. 2514 creates a much-needed feedback loop between law enforcement agencies and the banks that invest significant resources in BSA compliance.

May 19

TBA Hosts Successful 2019 Washington Conference

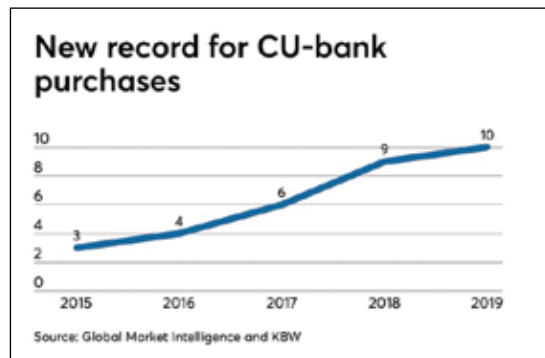
More than 90 bankers attended TBA's annual *Washington Conference*. Led by TBA's Government Relations Committee Chairman Mike Edwards, President/COO, Paragon Bank, highlights of the conference included hearing from Federal Reserve Governor Michelle Bowman and FDIC Chairman Jelena McWilliams as well as senior staff members from FinCEN, CFPB, FFIEC, and the OCC.



July 28

Disturbing Trend—Credit Unions' Buying Banks Has Come To Tennessee

The purchase of a Kentucky community bank by a Tennessee-based credit union is part of a growing trend in the industry that ultimately hurts taxpayers and local communities, said TBA President Colin Barrett in a media release. "Ultimately, the losers in this transaction are the Tennessee and Kentucky taxpayers who are indirectly providing the financing for this deal."



August 16

TBA's Leaders in Banking Excellence Dedication

TBA honored FirstBank's Doug Cruickshanks, Bank of Ripley's Craig Fitzhugh, and CapStar Bank's Claire Tucker as they were inducted to the *Leaders in Banking Excellence*.



September 22

Area College Students Learn About Banking Industry

MTSU and University of Tennessee-Martin students visited with TDFI Commissioner Greg Gonzales, Colin Barrett, and Tennessee banking leaders to learn about careers in the banking industry.



September 29

House of Representatives Passes SAFE Banking Act

By a bipartisan vote of 321 to 103, the House passed the SAFE Banking Act, a bill that would provide clarity to financial institutions seeking to serve legitimate cannabis businesses. 🇺🇸





Cybersecurity must protect from more threats than data breaches alone



BRIAN MOBLEY
President,
Financial Products
and Services, Inc.

MORE FROM FINANCIAL PSI

Financial Products and Services, Inc. is the wholly owned insurance subsidiary of the Tennessee Bankers Association. If you are interested in finding out more about Financial PSI or the products available, please contact Brian Mobley at 615-244-5100 or bmobley@financialpsi.com.

In the last decade, the cyber threat landscape has changed. While the loss or disclosure of personal or sensitive data used to be a company's primary concern in assessing their cyber risk, businesses are increasingly facing threats to their ability to conduct normal operations. Malicious threats like malware, ransomware, spyware, and scareware are on the rise, but businesses can not ignore unintended disclosure and human error risks. Business interruption, cyber extortion, loss of critical operational data, and electronic crime present cumulative risks that financial institutions must address.

Where are cyber related claims coming from?*

- The financial services sector accounted for 20% of claims submitted.
- Third parties were listed as the cause for 14% of claims submitted in the financial services sector.
- Business email compromise was the cause for a claim 27% of the time for financial institutions.
- Hackers or malware account for 59% of claims for financial institutions.
- The average cost of notifications and credit /ID monitoring was \$497,000 for the financial services sector.
- The average cost of forensic expenses was \$373,000 for the financial services sector.
- 75% of claim payouts were spent on crisis services such as notifications, credit/ID monitoring, public relations and forensic expenses.

Businesses must protect themselves on all fronts. They must have access to a comprehensive set of solutions created to protect

their business from the dangerous world of cyber risks. Policies vary widely, but they should include most, if not all of the following risks:

- Media liability covers claims alleging libel or slander, invasion of privacy, and other intentional torts.
- Business income and extra expense covers income you lose and expenses you incur due to the full or partial shutdown of your computer system because of a hacker attack, virus, or other insured peril. These losses aren't normally covered under the business income and extra expense that is available under a commercial property policy.
- Loss of data covers the cost of restoring or reconstruction data that was lost or damaged due to a virus, hacker attack, or other covered cause of loss.
- Cyber extortion covers the costs associated with an extortion threat, including ransomware. For example, an extortionist installs ransomware on your computer system, and then refuses to release your data unless you pay him a sum of money.
- Crisis management covers the cost of hiring legal, public relations, or computer forensics consultants to help mitigate the loss and restore your company's reputation.
- Associated costs covers costs you incur to notify customers impacted by your data breach as required by law. Some policies cover the cost of providing credit monitoring to affected customers.

Obtaining a quote for cyber liability insurance is relatively simple. The application is likely to include detailed questions about




your firm's computer system and its security policies. Here are examples of the types of information insurers will need before they can issue a policy:

- **Network Security**—What types of security measures does your firm have in place? Does it have a firewall, anti-virus and malware protection, intrusion detection software, a secure password system, etc.? Does it update software regularly?
- **Responsible Person**—Who is responsible for network security?

Security Policy—Do you have a written physical and network security policy?

- **Employees**—Do you conduct background checks on all new hires? Do you train workers regularly on data security?
- **Remote Access**—Do employees, customers, or others access your system remotely? If so, what system is in place to authenticate users?

- **Sensitive Data**—What types of personally identifiable information do you collect, transmit, or store? How many records containing such information do you handle each year? Do you encrypt the data? How do you control access to sensitive data?
- **Data Backup and Storage**—Do you back up your data daily? Where are the backups stored?
- **Outsourcing**—Do you outsource any computer functions, such as data storage, to others?

If your bank already has a cyber liability policy, it may be wise to review it for any potential gaps in coverage. With this rapidly changing exposure it makes sense to stay up to date with broadest coverage available. 

**Information provided from NetDiligence 2016 and 2017 Cyber Claims Study as well as the Beazley Breach Briefing 2019*

It's important to review your cyber liability policy for potential gaps in coverage.

PHOTO: SHUTTERSTOCK



Overdraft practices— a repeat offender



CINDY PRINCE, CRCM
Compliance Specialist,
Compliance Alliance

MORE ABOUT COMPLIANCE ALLIANCE

Not just a compliance solution, Compliance Alliance is a regulatory bank compliance advisory that works in partnership with your institution. Comprehensive and all-inclusive, C/A mitigates your organizational consumer and federal compliance risk while lifting the burden of your day-to-day regulatory compliance efforts. To learn more, email info@compliancealliance.com or visit www.compliancealliance.com.

Overdrafts—the topic that never seems to go away when it comes to compliance.

Banks have actively used overdraft programs for at least the last 15 years and despite the fact that the agencies have continued to issue guidance, overdraft practices continue to be dinged for unfair and/or deceptive acts or practices by the regulatory agencies.

So, what is the problem with overdraft practices that make them such a thorn in everyone's side? We all know that an overdraft occurs when a consumer does not have sufficient funds in their account to cover a transaction, debit, or withdrawal, and that a bank will charge an overdraft fee when they pay these transactions, debits, or withdrawals that result in an overdraft. The problem comes in with how you determine what balance your processing system utilizes to determine when these overdraft fees will be accessed.

Does your system look at the ledger balance or does it look at the available balance to make that determination? If it looks at the available balance, does it ensure that any transaction authorized against an earlier available balance does not incur an overdraft fee, even if the transaction settles at a later time when the account has a negative available balance?

Let's take a look at an example. Your customer, Kelly Consumer, has an account balance of \$100. She goes shopping at the mall and makes a purchase for \$75. That transaction would authorize and lower her available balance to \$25. Then she treats a friend to lunch and spends \$30, which will now authorize against an insufficient available balance and lower her available balance to -\$5.

If the first transaction settled after the second transaction had posted, and if the bank's payment system assessed overdraft fees at final settlement, you would need to be sure that your system did not charge an overdraft fee for the \$75 since the balance was sufficient to cover the \$75 at the time it was authorized. If an overdraft fee is charged, when it would not have been charged on a ledger balance settlement, then beware. This could likely be seen as an unfair act or practice.

Another problem is knowing what your disclosures state versus what your practices actually are. Make sure that you are disclosing how your system assesses overdraft fees correctly, and in a language that the consumer can reasonably understand so that it is clear when an overdraft fee will be charged. Providing incorrect or insufficient disclosures could be seen as a deceptive act or practice.

Identify and manage your bank's UDAP risks by taking the following steps:

- Refrain from assessing unfair overdraft fees on POS transactions once they have already authorized based on sufficient available funds
- Review disclosures to ensure that the bank does not provide incorrect information to consumers
- Review overdraft guidance and be sure you have implemented best practices, such as setting limits on the overdraft fees charged to consumers
- Exercise appropriate vendor management. Remember, ultimate responsibility lies with your bank—not the vendor. 🇺🇸

PREPARE. EDUCATE. DEVELOP.

In response to the mounting pressures placed on the banking community, Bank Director has created a board education membership program. Unlike other training programs, it is not a one-time learning opportunity, but rather an ongoing collection of resources in-person, in-print and online.

BankDirector. Strong Board. Strong Bank.
BankDirector.com

INTERESTED?

Call our Bank Services department at 615.777.8461, or email us at bankservices@bankdirector.com.

Investors Title

INNOVATIVE BY INSTINCT

Delivering Financial Results to our Affiliated Members Since 1992!

A Proven History in the Volunteer State

- 20 years of partnership
- Over \$16 million in dividends paid to our member banks
- Over \$39 million in title insurance policies written
- Two successfully established title insurance agencies in Tennessee



Let us help you earn fee income through the sale of title insurance. **Call us today!**

Norma Carroll – Investors Title
865.384.7846 | ncarroll@invtitle.com





The growth of bank captives

More banks in Tennessee form captive insurance companies and look to Tennessee as the preferred domicile



JOSH MILLER
CEO,
KeyState Captive
Management LLC



BENJAMIN WHITEHOUSE
Senior Counsel,
Butler Snow LLP

MORE FROM KEYSTATE

Tennessee Bankers Association and 28 other state bankers associations have endorsed KeyState's Bank Captive Program for their members. Banks with an interest in exploring whether a captive insurance company is a good fit for their institution should contact Josh Miller at jmiller@key-state.com.

There is no avoiding it. Cyber security and reputation protection are among today's significant, emerging risks, thus creating exposures for banks of all sizes. At the same time, commercial insurance carriers are pushing banks to higher deductibles, so significant gaps remain in coverage and exclusions in commercial insurance policies. This creates unfunded risks, which must be evaluated as a part of any bank's enterprise risk management process.

To address the concerns, banks throughout the country are forming captive insurance companies to cover these unfunded risks. A captive is a legally licensed, limited purpose, property and casualty insurance company, which can write customized policies for related entities. The largest growth has been among financial institutions with \$1 billion to \$5 billion in assets.

"Our first member bank joined the Bank Captive Program in 2015 and the TBA now has five members that have captive insurance companies," said Colin Barrett, CEO of Tennessee Bankers Association. "We are also very pleased that the Tennessee Department of Commerce and Insurance has developed a robust and business friendly approach to regulating captives. It allows Tennessee banks to keep their captives in-state."

Michael Corbett, director of captive for the State of Tennessee, was asked about the Insurance Department's commitment to growing captive insurance in Tennessee. "We have made captive insurance a priority in Tennessee by ensuring that our statutory and regulatory approach is business friendly and innovative. We are encouraged by the number of Tennessee banks that have formed captives or are considering the formation of

a Tennessee captive to insure risks that are not currently covered by their commercial policies."

Identifying and Addressing Your Bank's Unfunded Risks

It is important to recognize that the captive structure does not typically replace a bank's commercial insurance program. Instead, it allows a bank to more formally self-insure risks that are currently unfunded or that the bank has considered retaining. Typically, the captive augments commercial policies in the following ways:

- Covers the bank's commercial deductible layers, including specific deductibles for more catastrophic losses such as flood, windstorm, and hail damage
- Provides "difference in conditions" coverage for existing commercial policies like cyber risk, which primarily relate to sublimits and exclusions on the commercial policy form
- Increases coverage levels on existing policies (excess layers)
- Identifies other currently unfunded risks where commercial insurance is not available to the bank, such as reputation risk


Federal and State Statutes and Regulatory Framework

Along with benefits received from enhancing a bank's risk management process, Congress approved a small business incentive for mid-size companies that form their own insurance companies to insure these currently unfunded risks. Through the incentive, banks can form their own captive insurance companies and then make an election under Section 831(b) of the Internal Revenue Code. This "small captive" provision allows companies

to pre-fund for potential future risks on a tax advantaged basis, provide an incentive to set money aside for future potential claims, and create a mechanism for companies to formalize their current self-insurance program.

Recent federal legislation demonstrated Congress' renewed intent to support mid-size businesses utilizing captive insurance companies to create a contingency plan for unfunded risks. In the December 2015 Appropriation Bill, Congress increased the annual allowable premium limit for small captives from \$1.2 million to \$2.3 million in 2019, which now adjusts annually with CPI. This increase has spurred additional interest for banks that with plans to grow beyond \$2 billion in assets. As a bank and its unfunded risks grow, it can increase its captive insurance coverage. Since 2016, the IRS has required an additional filing requirement for certain captive insurance companies that make the Section 831(b) election, their insureds, and their owners. Banks forming captives should consult with their tax advisors to fully understand the new filing requirement.

Captive insurance programs are fully supported in Tennessee by a robust professional association, full commitment from the Tennessee Department of Commerce & Insurance, and the Tennessee General Assembly. Since modernizing Tennessee's captive law in 2011, the law has been further updated on four occasions to respond to demands for new innovations and flexibility from captive insurance owners. Tennessee's captive insurance law allows bank owners to create customized solutions tailored for the bank's risk management needs uninhibited by traditional insurance company underwriting requirements or burdensome government regulations that shouldn't apply when the owner and the insured are one and the same.

Forming a captive insurance company is not a good fit for every financial institution. In most cases, the Federal Reserve has determined that this solution can only be implemented by holding companies that are well managed and well capitalized. Financial institutions evaluating a captive typically have over \$1 billion in assets. 



Financial security.

HELPING YOUR
CUSTOMERS ACHIEVE IT
IS IMPORTANT **TO YOU.**

FRANKLIN  MADISON

LEARN MORE AT: [FRANKLIN-MADISON.COM](https://franklin-madison.com)



The case for affordable multi-family rental housing



HANK HELTON

Chief Stakeholder Officer,
Pathway Lending

MORE ABOUT THE AUTHOR

Hank Helton, Pathway Lending's chief stakeholder officer, has earned recognition for his affordable housing expertise nationally and throughout Tennessee. Helton has overall responsibility for loan fund deployment and development at Pathway Lending, the largest community development financial institution headquartered in Tennessee with over \$100 million in loans outstanding. Contact him at Hank.Helton@PathwayLending.org.

Individuals and families who have stable, decent, and accessible housing options fare better in finding employment, achieving economic mobility, performing in school, and maintaining overall health.

Because increasing and preserving affordable housing provides a stable foundation that helps more families climb the economic ladder, access to affordable housing has wide-ranging, positive impacts on our economy.

These impacts are felt broadly across communities. Investing in affordable rental housing builds family wealth, bolsters economic productivity, creates jobs, and encourages further development activities. For each dollar invested in affordable housing infrastructure, local economies can leverage public and private resources to lift resident earnings and local tax revenue while creating and retaining jobs.

Affordable housing development also benefits local businesses through increased patronage created by the sale of construction materials and new neighborhood customers with more disposable income.

Despite these positive impacts and economic returns, investments in affordable rental housing supply and rental assistance have not kept pace with demand. With more households renting than ever before, rents are rising across Tennessee. More than one in four households pay more than they can afford on housing—more than a third of their incomes—and approximately 15% of households spend more than half their incomes on housing.

Rising rents are not just an urban problem—demand and intense competition for affordable units have driven up rental prices in rural communities where the relative lack of available rental options worsens the challenge. A small pool of developers and builders, decreasing home values, high rental prices, and low inventory make solutions hard to grasp in these communities.

By design, the traditional model for affordable rental housing developments, involving new construction or substantial renovation, aims to provide rents considered affordable to families making 80% or less than a community's median family income. The financing stack involves a permanent mortgage, tax credits (federal or state), and two or three other sources of capital or subsidy. Without subsidies, developers face significant barriers to building homes that low- or extremely low-income families can afford. Communities across the state need other viable models to match the speed and scale of the housing affordability challenges they now face.

An emerging approach referred to as naturally occurring affordable housing NOAH—defined as existing housing that is currently affordable for moderate-income families without any public subsidy—represent a promising avenue for meeting the housing affordability challenge. Often found in older suburban and rural communities with established infrastructure—streets, sewers, sidewalks, schools, and other neighborhood services already in place, NOAH offers developers and financial institutions an attractive investment opportunity that preserves existing affordable housing that might




otherwise convert to market-rate housing.

As an endorsed partner of the Tennessee Bankers Association and its member banks, Pathway Lending offers safe, sound, and profitable community development investment solutions that can support financing of emerging opportunities like NOAH and traditional financing models leveraging public and private resources alike.

Financial institutions can make CRA-eligible loans or investments in Pathway Lending's Affordable Multi-Family Housing Loan Fund, which provides financing for new construction or the rehabilitation of affordable multifamily rental properties (four or more units) in communities across Tennessee. Projects can include the renovation or adaptation of older buildings like motels or small-scale apartments as well as larger properties and developments at risk for conversion to market-rate housing. Pathway Lending also offers partnership opportunities to TBA member banks through the Affordable Multi-family Loan Consortium. Under this model, partner banks in the Consortium can

participate in these historically low-risk loans while Pathway Lending sources, underwrites, originates, and services the credits.

Regardless of the financing approach or development model, the scale of Tennessee's affordable housing challenges calls for additional players, such as private sector financial institutions and public agencies, to play a larger role in crafting long-term solutions. The economic development of the state and its communities—and the quality of life for individuals and families who make Tennessee their home—all depend on it. 

With more households renting than ever before, rents are rising across Tennessee. Investing in affordable rental housing builds family wealth, bolsters economic productivity, creates jobs, and encourages further development activities. The scale of Tennessee's affordable housing challenges calls for additional players, such as private sector financial institutions and public agencies, to play a larger role in crafting long-term solutions.

PHOTO: SHUTTERSTOCK

TRUST AND WEALTH MANAGEMENT CONFERENCE RECAP

TBA Barrett Training Center, Nashville | October 17 & 18, 2019

THANK YOU SPONSORS



REICH & TANG









LEFT: Outgoing Trust Committee chairman Chuck McDonald receives a plaque for his year of service from past chairman Jamie Nicholson.



Young Bankers network, meet legislators at Leadership Lunches

**THANK YOU
TO OUR
STATEWIDE
SPONSOR**



**2020 YOUNG
BANKERS
EVENTS**

March 11
Day on the Hill
State Capitol, Nashville

April 5-7
Leadership Convention
The Hutton, Nashville





1. Senator Jon Lundberg (R-Bristol), met with bankers in Kingsport.

2. Knox County Mayor Glenn Jacobs talked with TBA members in Knoxville.



Visit TNBankers.org
for more photos

PHOTOS BY CAROLINE LATHAM



1.



2.



1. In Nashville, TBA hosted a panel of legislators made up of (left to right) Rep. Jason Hodges (D–Clarksville), Rep. Clark Boyd (R–Lebanon), Rep. Johnny Garrett (R–Goodlettsville), Rep. Bob Freeman (D–Nashville). Pictured with TBA's Stacey Langford and Young Bankers Division chairman Sam Short. **2.** Adam Milligan, Jack Matthis of Alexander Thompson Arnold CPAs, statewide sponsor for Leadership Luncheons, Rep. Chris Todd (R–Humboldt), and Carrie Schiedegger at the Jackson luncheon.

PHOTOS BY CAROLINE LATHAM



2.



3.



4.

3. In Chattanooga, Senator Todd Gardenhire (R-Chattanooga) spoke to attendees. **4.** Rep. Kevin Vaughan (R-Collierville) was the guest speaker at the Memphis luncheon.

PHOTOS BY CAROLINE LATHAM

Redefining ‘banker’



ROB NICHOLS
President/CEO,
American Bankers
Association

What does it mean to be a banker today? Those of you reading this column have a good idea of the variety of jobs held by the 2 million women and men who work for America’s banks. But many would-be bankers don’t. That lack of awareness can be an obstacle to recruiting talent in an increasingly tight job market, particularly among younger generations whose “bank” is their smart phone and who therefore may have less personal exposure to actual bank employees.

To address that, ABA’s Emerging Leaders Council recommended a series of profiles of real-life bankers in a range of roles and at

various stages in their careers. They believed that no one can be a better ambassador for careers in banking than those who are currently finding success and fulfillment in banking roles.

They were so right. Visit aba.com/CareersInBanking and you’ll see what I mean.

There you will find video profiles of several talented individuals who are proud to be bankers and who will make you proud, too.

They work in functions ranging from digital strategist to agribusiness lender and from head of retail banking to communications director. They also work at banks of all sizes, some in big cities, others in small towns. And no matter what role they serve in, these bankers believe the opportunity, impact and rewards associated with their jobs are hard to beat.

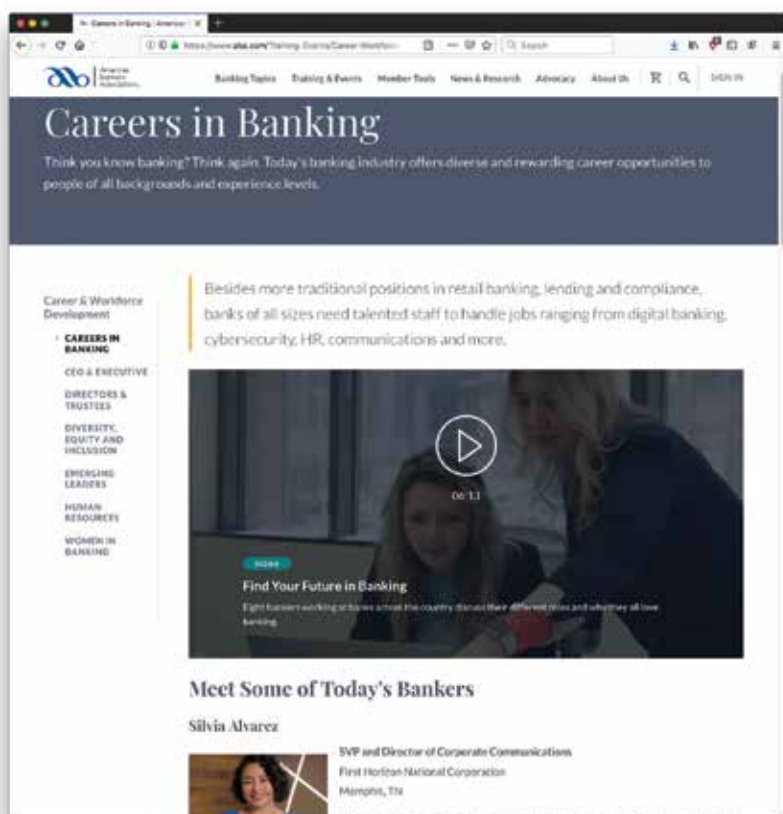
“It’s a satisfying feeling at the end of the day to be driving down the road and see a new building or a new business or someone out with a new farm machine and know they came to you to help with that,” says Tyler Stevenson, commercial and agribusiness lender with First National Bank of Omaha.

“Banking is wonderful because you get to see the impact that you have on the community around you.... That gratification is enough to just say, wow—I’m doing something important,” says Julio Figueroa, who within five years advanced from teller to security officer at Windsor Federal Savings.

These individuals and the others profiled came to banking by different paths. Two transitioned into banking after serving in the military. One started as an intern and quickly found he had tremendous professional growth potential. Yet another spent time in the fashion business.

Their backgrounds, roles and testimonials shatter banker stereotypes and show what it really means to be a banker in today’s modern world.

We couldn’t have asked for more compelling



aba.com/CareersInBanking

spokespeople for our industry. When we asked these banking leaders to describe their careers in one word, they answered with adjectives like, “life-changing,” “impactful,” “fulfilling,” “incredible” and “entrepreneurial.”

Our job now is to let the world hear their stories, and we’re counting on you, the state associations and social media to help. Please consider showing the collective or individual videos to job applicants at your bank and at local job fairs. Share them with local colleges and career placement offices, and encourage your employees to do the same.

These videos, combined with all that banks individually and collectively have to offer—including training, professional development and community involvement—make a compelling case for banking as a career choice. And the more we can help talented individuals find their future in banking, the more we, too, will be rewarded. 🇺🇸

“Banking is wonderful because you get to see the impact that you have on the community around you... That gratification is enough to just say, wow—I’m doing something important.”



UPDATED

**ABA
SMALL BUSINESS
BANKER CERTIFICATE**

Better engage your small business customers and gain insight into building productive, long-lasting relationships with the ABA Small Business Banker Certificate.

Register now!

aba.com/SmallBizCertificateTN



To sell or not to sell?

Evaluating investment options for community banks



JIM VAUGHN, CPA
Partner,
Mauldin & Jenkins CPA, LLC

MORE ABOUT THE AUTHOR

Jim Vaughn, Certified Public Accountant, is Mauldin & Jenkins' Partner-in-Charge of the Chattanooga office and leads the firm's efforts in Tennessee. As a financial institution specialist, he provides a variety of services to banks and thrifts including auditing, accounting, SEC reporting, tax, and consulting services. Contact Jim at jvaughn@mjcpc.com.

Community banks often make attractive acquisition targets, which leads board members at these institutions wondering if it's time to put the bank on the market or accept an offer currently on the table. Observing the sales price of other financial institutions can make selling an appealing prospect at first glance. However, responsible stewardship mandates a careful analysis of selling versus continued ownership in terms of overall investment value before reaching a final decision.

Board members at community banks often become enthusiastic about selling when they see the compelling figures from transactions in the sector:

- Average Price to Book (%)
US Financial Institutions M&A Summary, 2018
165.41
- Median Price to Earnings (x)
US Financial Institutions M&A Summary, 2018
25.32

Prioritize specifics over generalizations

Average selling prices don't tell the whole story, of course. It's important to approach any potential sale with a clear understanding of the factors that drive pricing within the banking space. The bank's financial position plays a meaningful role in pricing; historic earnings and access to adequate capital can affect the selling price either positively or negatively.

Geography also has a significant impact on the price of an individual bank. Does the location offer growth potential through proximity to a large pool of its typical banking customers? Is it convenient to enter and exit relative to main thoroughfares and traffic flows? How many competing institutions are nearby? And as with any business, relative brand strength and reputation within the community the bank serves factor into the sales price as well.

In addition to an awareness of pricing factors, board members should adopt a realistic stance in regard to net sales revenue. Just listening to the talk at investment bank conventions can create a perception that the selling price will deliver an exceptional financial windfall. These conversations frequently omit mention of all the associated transaction costs that reduce net sales revenue. After deducting taxes and investment banker fees from the total, the price often seems less thrilling. Consider too the reinvestment and liquidity risks of taking stock in a transaction, and how the sale may affect the community and employees when assessing potential financial gain.

Compare return on equity for selling versus holding

Another element to bear in mind is the bank's return on shareholder equity in relation to the returns that might be generated by investing these funds in a publicly traded




stock. The difference in ROE over time may not support the argument for selling, especially in light of the higher level of risk that comes with a sale, transactional costs and impacts to community and bank staff. It is notable that the average ROE for all FDIC-insured institutions outperforms the market overall and the national bank in the example below.

- Return on Equity (ROE): 11.983
- Wells Fargo (WFC): 5.6444
- US Stock Market (Russell 3000 Index): 10.195

Again, the individual performance of one community bank can't be surmised from the averages but definitely merits an in-depth analysis and comparison to alternate investment options.

Always seek professional guidance

The decision to sell demands a thorough analysis of multiple interrelated factors. Bank board members and financial sector valuation specialists should work together to identify the path of maximum value, determine appropriate strategies, and facilitate optimal outcomes. 

Endnotes

- 1 S&P Global Market Intelligence for all deals in 2018
- 2 S&P Global Market Intelligence for all deals in 2018
- 3 FDIC SDI--All Institutions-National
- 4 S&P Global Market Intelligence for 10-year period ended 8/15/2019--Annual Average Return
- 5 For period ended June 30, 2019 (5 years average annual return)

It's important to approach any potential bank sale with a clear understanding of the factors that drive pricing within the banking space. The bank's financial position, geography, net sales revenue, and return on shareholder equity play meaningful roles in pricing.

PHOTO: SHUTTERSTOCK

Upside down thinking on efficiency: Do you have your priorities backwards?



DAVID CARLSON

Senior
Executive Vice President,
Haberfeld

MORE ABOUT HABERFELD

David Carlson is a senior executive vice president at Haberd, a data-driven consulting firm specializing in core relationships and profitability growth for community-based financial institutions. David can be reached at 402-323-3600 or dcarlson@haberd.com.

Many financial institution executives spend considerable time thinking about strategies to improve efficiency in order to improve overall profitability. The efficiency ratio is the ratio of noninterest expenses (less amortization of intangible assets) to net interest income and noninterest income, so it is effectively a measure of what you spend compared to what you make. The very name—efficiency ratio—makes us think about how efficient we are with those precious income dollars. If a financial institution has a high efficiency ratio, they are simply spending too much of what they make, right? That is exactly what the name implies (emphasis on the spending side of the equation). But this is just a ratio of two numbers, and as we all know, there are two ways to bring the ratio down—reduce costs or increase revenues.

The focus across industry press and conference best practices is generally aimed at strategies to cut expenses—using technology, looking at staffing levels, increasing productivity, etc. Although this advice is sound, what happens when a financial institution has already cut what can be cut AND it is still struggling with efficiency? It is sometimes difficult to save your way to prosperity.

For many financial institutions, the focus should also be on the bottom portion of the equation—increasing revenues. Let's look at an institution that has \$500 million in assets, a good return at 1% ROA, and a reasonable efficiency ratio of 60%. Their key metrics would look something like Fig. 1.

Now let's assume the FI can improve its efficiency ratio by 5% through revenue increase or expense reduction (Fig. 2).

It shouldn't be surprising that increasing revenues provide better performance even though this sometimes seems like a counter-intuitive approach. Many financial institutions have cut expenses almost to the bone and can't materially improve their efficiency ratio by further reducing costs. They need to take a step back and realize some fundamental business dynamics that are often ignored in our industry.

Most community financial institutions still have tremendous excess capacity, meaning they could serve significantly more customers without significantly increasing expenses. The answer to improving the efficiency ratio is to fill excess capacity with brand NEW profitable customers.

How do other businesses look at the issue of excess capacity—for example a manufacturing company?


- The facility is running at 50% of the capacity it was built to produce
- The factory has done everything it can to be as efficient as possible—evaluate staffing levels, implement technology solutions, etc.
- Management's major goals and objectives are still focused on improving profitability by further evaluating already efficient processes and selling more to current customers

The manufacturing company analogy is very similar to the situation being faced by community financial institutions. They have branches currently attracting 30% - 50% of the new customers they were built to serve each year and it is getting worse as transaction volume continues to decline in branches. Most financial institutions have used technology

and staff reductions to become more efficient; however, they still spend much of their time, effort and energy focusing on cost reductions and additional efficiency enhancement.

When a community financial institution starts welcoming significantly more new customers per year, fixed costs do not substantially change—no new branches have been built, no additional employees have been hired. Actual data from hundreds of community financial institutions illustrates the impact on actual expenses is just the marginal costs—generally an additional \$30 - \$50 per account per year (even if we must mail a paper statement). Conversely, the same data base shows the average annual contribution of each new account per year is between \$250 - \$350.

When comparing clients that have embraced this strategy to the overall industry over a three-year period of time (2014 to 2017), their improvement in efficiency ratio was 63% better. This has been accomplished by significantly increasing the number of new customers coming in the front doors of existing branches.

There is only so much blood in a turnip. Controlling costs, embracing technology to reduce process costs and evaluating staffing are all things financial institutions should be doing; however, if they have already become very efficient in these areas, the focus must shift to driving revenue. Most financial institutions have tremendous excess capacity in their existing branches today. The solution is to start filling them up. 

Financial Metric	5% Efficiency Ratio Improvement by	
	Revenue Increase	Expense Decrease
Assets	\$500,000,000	\$500,000,000
Efficiency Ratio	55%	55%
Revenues (Net-Interest and Non-Interest Income)	\$13,636,364	\$12,500,000
Non-Interest Expense	\$7,500,000	\$6,875,000
Net Income	\$6,136,364	\$5,625,000
ROA	1.23%	1.13%
Net Income Impact	\$1,136,364	\$625,000
\$500,000 more if the improvement is achieved by adding revenue		

FIG. 1

Financial Metric	Before	5% Efficiency Ratio Improvement by	
		Revenue Increase	Expense Decrease
Assets	\$500,000,000	\$500,000,000	\$500,000,000
Efficiency Ratio	60%	55%	55%
Net-Interest and Non-Interest Income)	\$12,500,000	\$13,636,364	\$12,500,000
Non-Interest Expense	\$7,500,000	\$7,500,000	\$6,875,000
Net Income	\$5,000,000	\$6,136,364	\$5,625,000
ROA	1.00%	1.23%	1.13%
Net Income Impact		\$1,136,364	\$625,000
\$500,000 less if the better efficiency ratio is achieved by reducing expenses!			

FIG. 2

Leadership in the financial industry

Value over money, others before self



ANDREW P. RUSSELL,
MAJ/AR/USAR,
President,
Sound Payments Inc.



ABHAY V. TRIVEDI, PH.D.
President,
Dr. Trivedi & Associates

Leadership is many things to many people; however, the universal agreement is that leadership is not about you but how one could help others achieve their very best. It is about empathy, passion, care, motivation, integrity and discipline. Leaders also need to be fearless when it comes to vision. There is no progress unless one can dream. In the financial world the focus now needs to be shifted to how the “individual” is best served, which means providing the very best service and opportunities for current and future needs. Steve Jobs and the iPhone’s impact on the digital industry is a perfect example. It set the playing field for everyone.

As one of the most advanced countries in the world, the United States not only needs to pave the road for innovation and services that satisfy the needs of the everyday consumer of banking but do it with a passion that provides the very best services that add value to small businesses.

The military is far from a homogenous or monolithic society. The military consists of a diverse collection of organizations, roles, cultures, and people from all walks of life. Within the military there are a multitude of professions that have their own culture and aspect of leadership. At the same time, there are deeply entrenched “codes” of behavioral order (deep structures) that extend beyond the official work environment.



Through generations of military training and customs, the same principles of leadership have sustained the test of time:

- Know yourself and seek self-improvement
- Be technically and tactically proficient
- Seek responsibility and take responsibility for your actions
- Make sound and timely decisions
- Set the example
- Know your people and look out for their well being
- Keep your subordinates informed
- Develop a sense of responsibility in your subordinates
- Ensure the task is understood, supervised, and accomplished
- Build the team
- Employ your unit in accordance with its capabilities

Many of these principles have been used through time by the most successful corporate leaders, but the difference is how it has been referenced over time or the buzz or trendy word used for it at the time.



Successful companies ensure they have the right people in the right seats, developing and supporting their team members to ensure contribution to the overall success.


PHOTO: SHUTTERSTOCK

In times past, senior executives and board of directors in mid-to-large size companies had a simple goal for themselves and their organizations: Stability, and very little change. Stakeholders traditionally have been satisfied with modest growth. In times past, this was easily accomplished due to undeveloped markets and healthy margins.

Successful companies develop a culture that just keeps moving all the time. This presents most senior leaders with an unfamiliar challenge. In major transformations of their enterprises, they and their advisors conventionally focus their attention on devising the best strategic and tactical plans to win market share. But to succeed, they also must have an intimate understanding of the human side of change management—the alignment of the company’s culture, values, people, and behaviors—to encourage the desired results. This is most important with the current and constantly changing demographical composition of our workforce.

Long-term organizational or enterprise-wide transformation has four characteristics: Scale (the change affects all or most of the organization), magnitude (it involves significant alterations of the status quo), duration (it lasts for months, if not years), and strategic importance.

Today, organizations will not survive just by implementing temporary cost reduction solutions that involve eliminating personnel to add dollars to the bottom line. The successful companies of the future will ensure that they have the right people in the right seats, developing and supporting their team members to ensure preparation and contribution to the overall success, fostering and developing leadership beyond technical skills, and a culture of continuous improvements. A culture of continuous improvement seeks to improve processes, eliminate waste, but most importantly, it seeks to innovate and create new ways to generate revenue. Today, companies must diversify their revenue streams, become innovators, create value at every turn, have an up-to-date risk-reward business model, and focus on building relationships for life with their clients.

In conclusion, the financial industry might have a different role to play than say a consumer industry, an automotive industry or an IT industry, but the objectives of leadership are always the same: Do the right thing, people first before profits, integrity at all levels, and success never at the cost of compromising ethics. 

Housing finance reform: To be announced



JEFF HARJO
Managing Director,
BKD CPAs & Advisors

MORE ABOUT BKD

Financial institutions across the country depend on BKD as their CPA and advisory firm of choice. Client services include: regulatory compliance, including Dodd-Frank requirements; internal audit services; loan review services; audit and tax services; IT risk assessment; strategic planning; and merger and acquisition services. Learn more at www.bkd.com.

GSE reform plans that could disrupt liquidity must be handled with care.

Government-sponsored entities (GSE) Fannie Mae and Freddie Mac have been under U.S. government conservatorship since the recession in 2008. The government guarantees more than 60% of home loans in America through mortgage-backed securities (MBS) issued by these and other agencies (agency MBS). In March 2019, the Trump administration directed the Treasury to develop a plan for ending the GSE conservatorship.

Blueprint for GSE Reform

In September 2019, the Treasury released its blueprint for ending the GSE conservatorship. The American Bankers Association (ABA), Independent Community Bankers of America (ICBA) and Mortgage Bankers Association (MBA) all released their statements, mostly supporting the Treasury plan. Key provisions include:

- Continued accessibility to the mortgage market for borrowers of all income levels
- Explicit guarantees, fully priced and transparent, for all MBS issuers
- Appropriate capitalization and liquidity standards for Fannie Mae and Freddie Mac
- Consistent regulation, including underwriting standards, for MBS participants
- Preservation of the Federal Home Loan Bank advance programs
- Preservation of the to-be-announced (TBA) market and “cash window”

TBA Securities

The housing markets have long benefited from a trading convention unique to the agency MBS, called TBA forward trades, or TBAs. Also known as lender swaps, TBAs are the most common type of mortgage securitization transaction, and recently accounted for over 90% of agency MBS trades.

They are called TBAs because the particular securities being traded are not known at the time of the trade—the particular securities are to be announced just before delivery. In fact, the loans underlying the securities in many cases have not yet been originated. Only agency MBS, including those issued by the GSEs, are TBA eligible.

The GSE Advantage

Agency MBS and TBAs are made up of GSE conforming loans and are exempt from SEC registration requirements. In a TBA trade of an agency MBS, only six general parameters—price, par, coupon, issuer, maturity and settlement date—must be known at the trading date. A mortgage lender originating high volumes of GSE conforming loans can lock interest rates, hedge their interest rate risk and sell loans into agency MBS pools using TBAs. Smaller lenders that do not use TBAs, still benefit from the GSE advantage by using the GSE cash window.

Contrast that with private-label securitizations (PLS), which require compliance with SEC rules and significant loan-level disclosures. A hangover from the 2008 recession all but eliminated the PLS market. PLS account for only a small share of the housing finance market today.

Level the Playing Field?

Community banks are insisting that any GSE reform plan ensure a level playing field so that banks of all sizes can participate in the housing markets. To address this, the Treasury plan would prohibit volume-based guarantee fees by MBS issuers. The Treasury plan also calls for any new guarantor of single-family mortgages be required to establish a cash window that offers smaller lenders the ability to sell mortgages, with or without servicing rights retained.

However, the Treasury plan also suggests the GSEs be put on a more level playing field with PLS issuers and new guarantors, potentially requiring more loan-level disclosures for all MBS issuers, including the GSEs. If not handled with care, this could be disruptive to liquidity.

When discussing the level playing field concept, be careful what you ask for. The preservation of the TBA market and cash window will depend on how the GSE reform is implemented.

Good Delivery

In June 2019, the GSEs finalized their uniform mortgage-backed security (UMBS), which replaced the former separate Fannie Mae and Freddie Mac TBA-eligible securities with this single security. Many community bankers favor perfecting the UMBS single security model and keeping what works for the GSEs, to ensure the TBA market and cash window stay open.

The Treasury and industry have recognized the importance of preserving the cash window for MBS transactions, but there are some details to be worked out. Bankers should consult with their trade associations and representatives to express their views. 🏠

This article is for general information purposes only and is not to be considered as legal advice. This information was written by qualified, experienced BKD professionals, but applying this information to your particular situation requires careful consideration of your specific facts and circumstances. Consult your BKD advisor or legal counsel before acting on any matter covered in this update. Article reprinted with permission from BKD CPAs & Advisors, bkd.com. All rights reserved.

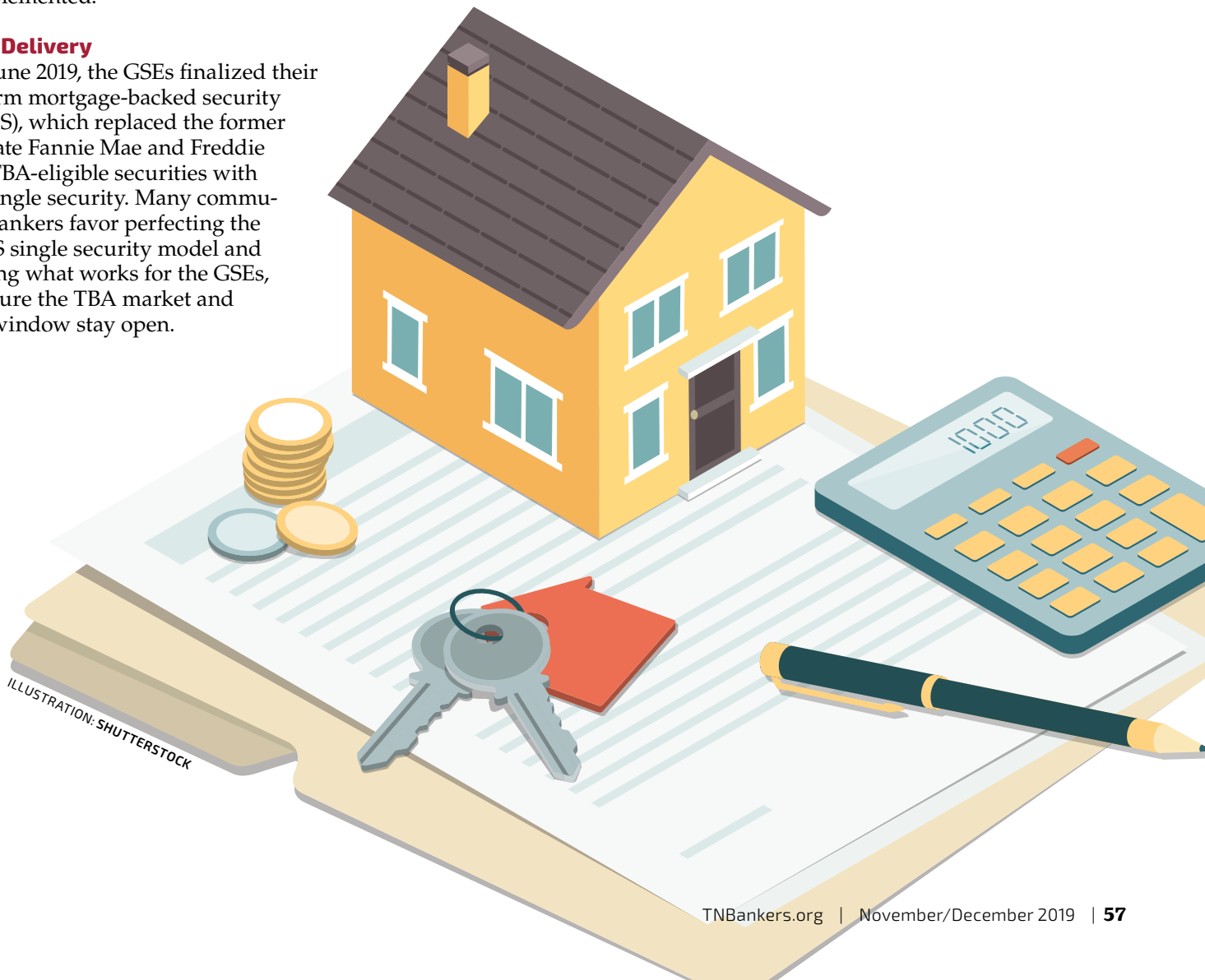


ILLUSTRATION: SHUTTERSTOCK

Cybersecurity risk: Does it keep you up at night?

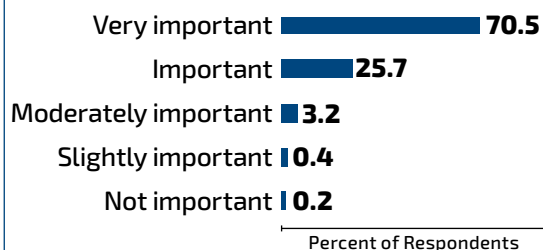


ALLEN NORTH
Assistant Vice President
in the Supervision Division,
Federal Reserve Bank
of St. Louis

The risk that bankers currently fear the most is cybersecurity risk, according to the 2019 CSBS National Survey of Community Banks, which was released during the annual Community Banking in the 21st Century research and policy conference this October.

Of the nearly 600 bankers nationwide that responded to the 2019 survey, 96% of them cited cybersecurity risk as a top risk, topping credit risk (84%), market risk (70%), consumer compliance risk (64%) and Bank Secrecy Act compliance risk (63%).

HOW IMPORTANT IS CYBER SECURITY RISK TO YOUR BANK?



Source: 2019 CSBS National Survey of Community Banks

In addition, in the “Five Questions for Five Bankers” supplement to the 2019 survey, Tennessee bankers said they are taking cybersecurity risk “very seriously” and have discussed with the Tennessee Department of Financial Institutions the idea of holding forums across the state with executives of banks, including the heads of information technology (IT) departments, concerning the resources needed to combat this growing risk.

For many bankers the task of determining whether their banks are secure is daunting, and the prospects for an attack or breach are high.

Regulatory Resources

There are a number of traditional regulatory resources available to banks as they continue to evolve their cybersecurity risk management strategies. For instance, in April, the Federal Reserve issued information technology guidance for banks that included guidance on cybersecurity, the process by which an organization protects and secures its systems, media, and facilities that process and maintains information vital to its operations. It referenced SR 16-14, the FFIEC Information Technology Examination Handbook – Information Security Booklet and SR 15-9, the FFIEC Cybersecurity Assessment Tool for Chief Executive Officers and Boards of Directors.

The St. Louis Fed's Cyber Talk Series

Given the growing technical complexity surrounding cybersecurity, a bank can often find it difficult to find a starting point for implementing a cybersecurity framework, let alone discuss the status of the bank's cybersecurity posture with its board of directors. In the six-part online video series, “Cyber Talk,” senior examiners from the Federal Reserve Bank of St. Louis outline a methodical approach that banks of all sizes and complexities can use to implement the critical controls that will ensure their information is secure and safe from cyberattacks. The goal of the videos is to provide banks with the necessary tools to answer the increasingly-important question, “How is the bank doing in terms of cybersecurity?” The list on the next page highlights some of the key points discussed in the video to establish a firm cybersecurity foundation.

Clearly this process cannot be completed overnight. It will likely involve a multi-phased, multi-year set of projects, and require routine check points and board engagement. Most importantly, bank management should strive to establish the baseline critical controls considered as basic cyber hygiene. Your bank's cybersecurity posture should improve with each additional control once these basic controls are established. We encourage you to view the videos from the Cyber Talk series and share them with your board as a great way to inform and engage regarding this key risk. 📺

HOW TO IMPLEMENT A CYBERSECURITY FRAMEWORK



1. Identify the right framework for your institution.

- Consider the resources that are available to your bank.
- Consider the current maturity level of your IT security program.
- Interview staff on their knowledgebase of frameworks and identify their level of understanding in this space.
- Consider the training resources that would be necessary depending on the framework that is chosen.

2. Educate executive staff and your Board of Directors.

- Executive staff and the board need to understand the value of the framework once it is implemented.
- Realistic expectations and milestones on framework implementation need to be established.

3. Perform the technical control gap analysis.

- Perform an assessment of the cybersecurity controls currently in place across the IT estate.
- Compare the identified controls against those listed in the chosen framework.
- Determine whether your institution meets the requirements of "basic cyber hygiene." If it does not, work on those controls first as they represent the most critical aspect of the cybersecurity program.

4. Fill the identified technical control gaps.

- Formulate an information security strategy and identify the projects necessary to increase the cybersecurity posture of the institution.
- Draft project plans that directly satisfy the controls noted within the chosen framework.
- Determine the resources (staff hours and budget) needed to execute the project plans and educate the board on how this plan will improve the bank's cybersecurity posture.

5. Report on implementation success.

- In a report, identify the controls that the bank is moving forward to implement in its current phase.
- As critical controls are added, provide the capital expenditure for each, and visually report on the increase in the cybersecurity posture as the controls are implemented and the bank begins to satisfy basic cyber hygiene.



PAID VACATION

MEAL BREAKS

SOCIAL SECURITY

PERKS & BONUSES

HEALTH INSURANCE

PAY RAISE

TBAs 2019 Compensation and Benefits Survey Now Available

Determine how your bank compares to its peers in critical areas such as lending, consumer banking, operations and risk management, and compensation.

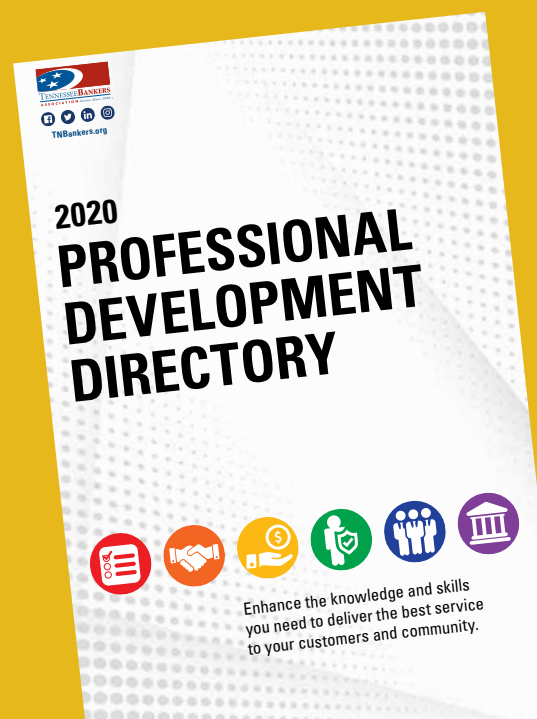
Order online at TNBankers.org/products/online-store

TBA's 2020 Professional Development Directory NOW AVAILABLE!

The TBA PDD is a handy reference guide to all the TBA live programs scheduled to date for 2020—including conventions, conferences, forums, regional workshops, banking schools, and webinars.

This year, we are introducing career tracks to help you choose the appropriate education options for your staff members. The six tracks are Compliance, Commercial Lending, Retail Banking/Consumer Lending, Operations/IT/Human Resources, Management/Executive, and General Banking. Look for the color-coded tracks as you browse the directory.

Register online at TNBankers.org/calendar



New Associate Members

The following companies have joined the Tennessee Bankers Association as associate members. TBA's associate members deliver valuable products and services that help Tennessee's financial institutions serve their customers. In addition, they provide considerable support to TBA efforts and programs. You will find a complete list of TBA associate members on the TBA website at TNBankers.org. If you have questions about TBA's associate members, please contact Stacey Langford at slangford@TNBankers.org.

CONSULTANTS



RWG Consulting

1829 Thompsons Station Rd W
Thompsons Station, TN 37179-9256
Phone: 615-417-8911

www.reynoldswilliams.com

Cory Browell - cbrowell@reynoldswilliams.com



Browell

RWG is a national consulting firm that helps clients stay ahead of the game in the ever-changing financial services industry. Our clients range from both community banks to multi-billion dollar regional banks. As our clients will tell you, we're more than banking consultants. We're banking experts. Our backgrounds include positions as bank presidents, credit administration officers, lending officers, credit review managers and bank examiners. We come to you with experience-driven solutions, an encyclopedic knowledge of best practices and the eagerness to roll up our sleeves and work side-by-side as your partner. We provide expert advice in the areas of loan review, portfolio management, credit risk, concentration management, loan risk rating assessment, credit administration, commercial real estate and C&I credit analysis, loan policy, problem loan management, due diligence and stress testing solutions.

LENDING



Plexus Capital, LLC

4242 Six Forks Rd, Ste 950
Raleigh, NC 27609-6088
Phone: 919-256-6343

www.plexuscap.com

Kel Landis - klandis@plexuscap.com



Landis

Plexus Capital focuses on investments and partnerships with middle market businesses that need capital for growth. Whether the need for capital is driven by new market opportunities, a transition of ownership or strategic acquisitions, the Plexus team has the capital and experience you need.

Form 3526, required to be published annually by the U.S. Postal Service.

INOVA Payroll

John Thompson - jthompson@inovapayroll.com



Thompson

UNITED STATES POSTAL SERVICE®		Statement of Ownership, Management, and Circulation All Periodicals Publications Except Circulation Publications	
1. Publication Title The Tennessee Banker		2. Issue Date 5/3/18 8/16/18	
3. Frequency Quarterly		4. Annual Subscription Price \$12.00	
5. Number of Issues Published Annually 4		6. Annual Subscription Price \$12.00	
7. Issue Frequency Quarterly		8. Issue Date 5/3/18 8/16/18	
9. Issue Frequency Quarterly		10. Issue Date 5/3/18 8/16/18	
11. Issue Frequency Quarterly		12. Issue Date 5/3/18 8/16/18	
13. Issue Frequency Quarterly		14. Issue Date 5/3/18 8/16/18	
15. Issue Frequency Quarterly		16. Issue Date 5/3/18 8/16/18	
17. Issue Frequency Quarterly		18. Issue Date 5/3/18 8/16/18	
19. Issue Frequency Quarterly		20. Issue Date 5/3/18 8/16/18	
21. Issue Frequency Quarterly		22. Issue Date 5/3/18 8/16/18	
23. Issue Frequency Quarterly		24. Issue Date 5/3/18 8/16/18	
25. Issue Frequency Quarterly		26. Issue Date 5/3/18 8/16/18	
27. Issue Frequency Quarterly		28. Issue Date 5/3/18 8/16/18	
29. Issue Frequency Quarterly		30. Issue Date 5/3/18 8/16/18	
31. Issue Frequency Quarterly		32. Issue Date 5/3/18 8/16/18	
33. Issue Frequency Quarterly		34. Issue Date 5/3/18 8/16/18	
35. Issue Frequency Quarterly		36. Issue Date 5/3/18 8/16/18	
37. Issue Frequency Quarterly		38. Issue Date 5/3/18 8/16/18	
39. Issue Frequency Quarterly		40. Issue Date 5/3/18 8/16/18	
41. Issue Frequency Quarterly		42. Issue Date 5/3/18 8/16/18	
43. Issue Frequency Quarterly		44. Issue Date 5/3/18 8/16/18	
45. Issue Frequency Quarterly		46. Issue Date 5/3/18 8/16/18	
47. Issue Frequency Quarterly		48. Issue Date 5/3/18 8/16/18	
49. Issue Frequency Quarterly		50. Issue Date 5/3/18 8/16/18	
51. Issue Frequency Quarterly		52. Issue Date 5/3/18 8/16/18	
53. Issue Frequency Quarterly		54. Issue Date 5/3/18 8/16/18	
55. Issue Frequency Quarterly		56. Issue Date 5/3/18 8/16/18	
57. Issue Frequency Quarterly		58. Issue Date 5/3/18 8/16/18	
59. Issue Frequency Quarterly		60. Issue Date 5/3/18 8/16/18	
61. Issue Frequency Quarterly		62. Issue Date 5/3/18 8/16/18	
63. Issue Frequency Quarterly		64. Issue Date 5/3/18 8/16/18	
65. Issue Frequency Quarterly		66. Issue Date 5/3/18 8/16/18	
67. Issue Frequency Quarterly		68. Issue Date 5/3/18 8/16/18	
69. Issue Frequency Quarterly		70. Issue Date 5/3/18 8/16/18	
71. Issue Frequency Quarterly		72. Issue Date 5/3/18 8/16/18	
73. Issue Frequency Quarterly		74. Issue Date 5/3/18 8/16/18	
75. Issue Frequency Quarterly		76. Issue Date 5/3/18 8/16/18	
77. Issue Frequency Quarterly		78. Issue Date 5/3/18 8/16/18	
79. Issue Frequency Quarterly		80. Issue Date 5/3/18 8/16/18	
81. Issue Frequency Quarterly		82. Issue Date 5/3/18 8/16/18	
83. Issue Frequency Quarterly		84. Issue Date 5/3/18 8/16/18	
85. Issue Frequency Quarterly		86. Issue Date 5/3/18 8/16/18	
87. Issue Frequency Quarterly		88. Issue Date 5/3/18 8/16/18	
89. Issue Frequency Quarterly		90. Issue Date 5/3/18 8/16/18	
91. Issue Frequency Quarterly		92. Issue Date 5/3/18 8/16/18	
93. Issue Frequency Quarterly		94. Issue Date 5/3/18 8/16/18	
95. Issue Frequency Quarterly		96. Issue Date 5/3/18 8/16/18	
97. Issue Frequency Quarterly		98. Issue Date 5/3/18 8/16/18	
99. Issue Frequency Quarterly		100. Issue Date 5/3/18 8/16/18	

11. Annual Subscriptions, Mergers, and Other Security Interest Changes of 10% or 1% (Percentage or Ratio of Total Amount of Bonds, Mortgages, or Other Securities). If none, check box ☒ None

12. Complete Mailing Address

13. Complete Mailing Address

14. Complete Mailing Address

15. Complete Mailing Address

16. Complete Mailing Address

17. Complete Mailing Address

18. Complete Mailing Address

19. Complete Mailing Address

20. Complete Mailing Address

21. Complete Mailing Address

22. Complete Mailing Address

23. Complete Mailing Address

24. Complete Mailing Address

25. Complete Mailing Address

26. Complete Mailing Address

27. Complete Mailing Address

28. Complete Mailing Address

29. Complete Mailing Address

30. Complete Mailing Address

31. Complete Mailing Address

32. Complete Mailing Address

33. Complete Mailing Address

34. Complete Mailing Address

35. Complete Mailing Address

36. Complete Mailing Address

37. Complete Mailing Address

38. Complete Mailing Address

39. Complete Mailing Address

40. Complete Mailing Address

41. Complete Mailing Address

42. Complete Mailing Address

43. Complete Mailing Address

44. Complete Mailing Address

45. Complete Mailing Address

46. Complete Mailing Address

47. Complete Mailing Address

48. Complete Mailing Address

49. Complete Mailing Address

50. Complete Mailing Address

51. Complete Mailing Address

52. Complete Mailing Address

53. Complete Mailing Address

54. Complete Mailing Address

55. Complete Mailing Address

56. Complete Mailing Address

57. Complete Mailing Address

58. Complete Mailing Address

59. Complete Mailing Address

60. Complete Mailing Address

61. Complete Mailing Address

62. Complete Mailing Address

63. Complete Mailing Address

64. Complete Mailing Address

65. Complete Mailing Address

66. Complete Mailing Address

67. Complete Mailing Address


68. Complete Mailing Address

69. Complete Mailing Address

70. Complete Mailing Address

71. Complete M

[illegible]



UNITED STATES POSTAL SERVICE®
MAIL PERMIT NO. 3511
NEW YORK, NY 10108

Statement of Ownership, Management, and Circulation

Periodicals Publications Except Requester Publications

1. Publication Title: Electronic Copy Circulation

2. Issue Date for Circulation Data Below:	3. Average No. Copies Each Issue During Preceding 12 Months	4. No. Copies of Single Issue Published Nearest to Filing Date
a. Paid Electronic Copies		
b. Total Paid Print Copies June 15/04 = Paid Electronic Copies June 15/04		
c. Total Print Distribution June 15/04 = Paid Electronic Copies June 15/04		
d. Paid or Paid-Plus Distribution (June 15/04 divided by 3 = 100)		

☐ Indicate that 60% of all my distributed copies (paid and print) are paid over a nominal price.

5. Publication of Statement of Ownership

☒ If the publication is a general publication, on publication of this statement is required; NOT be printed

☐ Publication not required

6. Date of this publication: 01/15/04 Issue of this publication

7. Signature of Editor, Publisher, Business Manager, or Owner

[Signature] President & CEO, Editor

Date: 01/15/04

I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or be subject to civil penalties (including civil penalties).

People on the Move

Have information from your bank about promotions or branch news?
Send it to Lila Griffin at lgriffin@TNBankers.org.

BKD, Nashville, has named **Jeff Harjo** as managing director.



HARJO

CB&S Bank has named **Mike Weber** as Tennessee Regional President.



WEBER



SLATER

LOREANT

First Advantage Bank, Nashville, has promoted **Josh Slater** as assistant vice president/relationship manager, and has named **Emanuel Loreant** as vice president and commercial relationship manager and **Clark Bradley** as relationship manager.

First Freedom Bank, Lebanon, has promoted **Tatum Jones** to personal banker. **First Freedom Bank, Mt. Juliet**, has promoted **Rebecca Jennings** has been promoted to bank officer/credit analyst and **Tucker Worley** has been promoted to bank officer/relationship manager.



HARRISON



MALIN

First Tennessee Bank, Nashville, has promoted **Matthew Harrison** to senior vice president, team lead, and private client relationship manager for FTB's medical private banking office. **Rob D. Malin** was named senior trust officer and estate planning counsel for the bank's recently expanded trust division in Nashville.



DEMERE



RYAN

FirstBank, Memphis, has named **Patrick Demere** and **Paul Ryan** as senior relationship managers.

Franklin Synergy Bank, Franklin, has named **J. Myers Jones III** as CEO.

Gullett Sanford Robinson & Martin, Nashville, has named **Miller K. Hunt** as staff attorney.



HUNT



PARSONS



MILLER



SCHUETZE



JOHNSON



DECKER



BOWLES

LBMC, Brentwood, has promoted **Abby Parsons, CPA**, and **Scott Miller**, to managers in the audit division. **Jacob Schuetze, CPA**, **Ryan Johnson, CPA**, and **Michael Decker, CPA**, were promoted to senior managers in the audit division. **Jimmy Bowles, CPA, CIA, and CISA**, was named as manager in the audit division.

Mountain Commerce Bank, Knoxville, has named **Bryan Bentley** as vice president and portfolio specialist; and **Kelsey Innes** as assistant vice president and branch manager at the bank's Bearden office.

Pinnacle Financial Partners, Nashville, has named **Sam Belk** a senior lending officer and manage a team of middle-market commercial financial advisors, and **Joe Dillingham** a financial advisor.

Bank Notes



BYRD

MORGAN



GERARD

FLUHARTY

SmartBank, Murfreesboro, added four new team members: **Brad Byrd**, senior vice president, relationship manager; **Freda Morgan**, vice president, relationship manager; **Bob Gerard**, vice president, relationship manager; and **Richard Fluharty**, vice president, relationship manager.



GREEK

BEASLEY

WIGGINS

Synovus Mortgage Corp. has named **James Greek** as director of private wealth management in Nashville and Middle Tennessee. **Katherine Beasley** and **Todd Wiggins** each were named as a mortgage loan originator.

Triumph Bank, Nashville, has named **Ellen May** as senior vice president. 🇺🇸



MAY

After the merger of **BB&T Corp.** and **SunTrust Banks**, the combined bank will be divided into two regions: Eastern Tennessee Region from Knoxville led by BB&T **Christian Corts**; while **Johnny Moore** of SunTrust Corp., Memphis will lead the bank's Western Tennessee Region, including Memphis, from Nashville.

Heritage Bank, USA, Hopkinsville, KY., with branches in Cheatham, Houston and Montgomery Counties, Tennessee, was acquired by and has changed their name to **First Financial Bank, N.A., Terre Haute, Ind.**

Britney Campbell of **Clarksville's Legends Bank** has earned a certified financial marketing professional certification from the ABA.



CAMPBELL

Nashville, Tenn.-based FB Financial Corp. agreed to acquire **Scottsville, Ky.-based FNB Financial Corp.** in a cash-and-stock deal valued at around \$51.9 million. FNB Financial unit Farmers National Bank of Scottsville will merge into FB Financial unit FirstBank.

Brentwood, Tenn.-based Reliant Bancorp Inc. agreed to acquire **Ashland City, Tenn.-based Tennessee Community Bank Holdings Inc.** in a cash-and-stock deal valued at around \$37.2 million. The parties currently expect to consummate the transaction in the first quarter of 2020. **Reliant Bancorp Inc.** has also agreed to acquire **Clarksville-based First Advantage Bancorp** in a cash-and-stock transaction valued at \$123.4 million. First Advantage Bank will merge with Reliant Bank following the closing of the deal, which is expected in the second quarter of 2020.



Citizens Bank & Trust Co. of Grainger County celebrated their 100th anniversary in September and October by serving lunch on Fridays at each of their locations.



Citizens National Bank celebrated the grand opening of their new Seymour location. 🇺🇸



Community Building

If your bank's Facebook page has highlights from community involvement, tag @TNBankers in the post to possibly get it published in *The Tennessee Banker* magazine.



Commercial Bank and Trust, Paris, held their annual 2nd Annual CBTC Retirees Ice Cream Social. The CBTC retirees enjoyed delicious frozen treats and then toured the new Trust Department.

Memphis' First Horizon and the Nashville Sounds jointly have announced that the Sounds' ballpark, now known as First Tennessee Park, will be renamed First Horizon Park, with signage changes scheduled for January.



First Tennessee Bank again sponsored the annual Brent Peterson Golf Classic (Sept. 9), a fundraiser for the Predators Foundation and the Peterson Foundation for Parkinsons. Participating First Tennessee executives included Middle Tenn. market president Carol Yochem and senior financial advisor Bryan Bell (pictured second and fourth from left).



First Tennessee's Rutherford County market president **Yolanda Greene** was recognized by United Way of Rutherford & Cannon Counties and given the 2019 Carl Quakenbush Volunteer of the Year Award.



Macon Bank & Trust, Lafayette, held their annual Day of Hope in September and made a donation to Sherry's Run of \$7,219.75 to benefit those affected by cancer. The event featured a kid's zone, music, craft booths, silent auction, and more.



Paragon Bank spent their Day of Service with Catholic Charities of West Tennessee, and the team assembled a total of 1,000 food bags and 1,000 hygiene bags for the homeless.

National Breast Cancer Awareness Month in October is a chance to raise awareness about the importance of finding breast cancer early. Several member banks showed their support.



Bank of Lincoln County



Bank of Perry County



Citizens Tri-County Bank, McMinnville



F&M Bank, Clarksville

STRONGER TOGETHER

BOLI, Executive Benefits, and a Whole Lot More

NFP is more than just risk assessment, BOLI, and executive and director benefits. With the power of Equias Alliance and NFP combined, our offerings are now more robust than ever — and you won't find a better client experience anywhere else.

Let's discuss the solutions you need to retain and reward key employees.

David Shoemaker, CPA/PFS, CFP®
david.shoemaker@nfp.com

James Taylor
james.taylor@nfp.com

Linda Radley
linda.radley@nfp.com

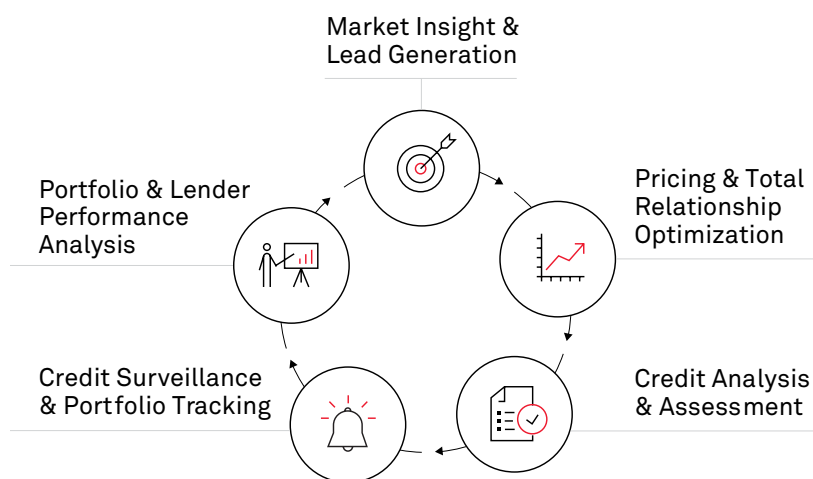


Insurance services provided through NFP Executive Benefits, LLC (NFP EB), a subsidiary of NFP Corp. (NFP). Doing business in California as NFP Executive Benefits & Insurance Agency, LLC. (License #OH86767). Securities may be offered through Kestra Investment Services, LLC, member FINRA/SIPC. Kestra Investment Services, LLC is not affiliated with NFP or NFP EB. Neither Kestra IS nor Kestra AS provide legal or tax advice and are not Certified Public Accounting firms.

There's lending, and there's intelligent lending.

The tools to succeed in every stage
of your lending lifecycle.

Learn more at
spglobal.com/commercial-lending



S&P Global
Market Intelligence

Copyright © 2019 S&P Global Market Intelligence Inc. All rights reserved.

Employment Opportunities

POSITIONS AVAILABLE

1910-7 LOAN OPERATIONS MANAGER

CapStar Bank is seeking a qualified Loan Operations Manager for their Downtown Nashville office. Apply for Loan Operations Manager using the link below:

https://workforcenow.adp.com/mascsr/default/mdf/recruitment/recruitment.html?cid=efa1b269-c15e-4875-8e37-fb6bb6dbb-61b&ccId=19000101_000001&jobId=289523&lang=en_US&source=CC4

1910-6 DEPOSIT OPERATIONS SPECIALIST

Reliant Bank is currently seeking a Deposit Operations Specialist in Franklin, TN. Qualified candidates may submit their resume to <https://secure.entertimeonline.com/ta/InpReliant.careers?ApplyToJob=251800897>.

1910-5 CONSUMER REAL ESTATE LOAN SPECIALIST

Reliant Bank is currently seeking a Consumer Real Estate Loan Specialist in Columbia, TN. Qualified candidates may submit their resume to <https://secure.entertimeonline.com/ta/InpReliant.careers?ShowJob=251804098>

1910-4 AGENCY SETTLEMENT OFFER

Title Center of the South is seeking a motivated, experienced title insurance leader to manage and maintain all agency settlement and closing operations, to supervise personnel and to support business development strategies.

Interested parties may send their resumes to lhuckabee@invtitle.com.

1910-1 HR DIRECTOR

Franklin Synergy Bank is seeking an HR Director to lead their Human Resources department. Interested candidates may email their resumes to austin.rhodes@franklinsynergy.com or apply through <https://franklinsynergy.bamboohr.com/jobs/view.php?id=377>

1909-9 MORTGAGE LOAN ORIGINATOR

Citizens Bank and Trust Company is seeking an experienced Mortgage Loan Originator. To apply, please visit: <https://www.indeed.com/job/mortgage-loan-originator-4d63faf4a2c4ce53>

Tennessee banks and associate members may list positions free-of-charge as a benefit of their membership in the Tennessee Bankers Association. Those interested in placing an ad or replying to position openings (refer to position number) should direct their inquiries to Penny Powlas at ppowlas@TNBankers.org, or 800-964-5525 or 615-244-4871. View more positions at TNBankers.org/jobbank.



Providing Merchant Card Services to Community Banks!

Face to face old fashion service:

Offices in: Nashville
Memphis
Knoxville
Jackson
Tri-Cities

Contact: Mark Barrett
1-888-741-2262
Fax: 615-352-6946
mbarrett@banccard.com

www.banccard.com

Featured Events

**NOVEMBER
21**

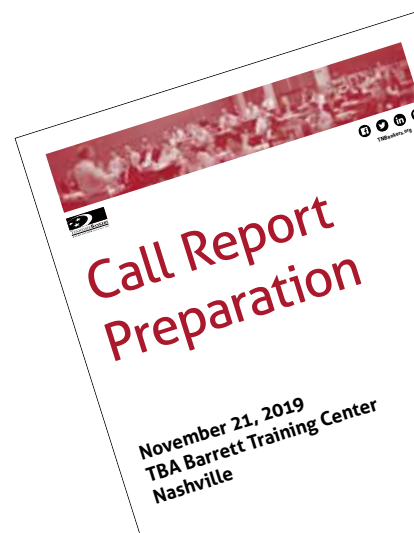
CALL REPORT PREPARATION

TBA Barrett Training Center, Nashville

TBA Member/Associate Member Registration: \$270

TBA Contact: Monique White, mwhite@TNBankers.org

The instructions and requirements for the Federal Call Report change frequently, with revisions occurring nearly every quarter. This seminar, produced in partnership with TBA and Crowe LLP, will familiarize participants with the details of recent changes. In addition, this seminar will serve as a refresher course for the Call Report preparation and address related accounting principles and regulatory issues that affect the preparation of the Call Report. Participants will receive a detailed review of the most commonly prepared Call Report schedules, and each participant will have an opportunity to review and revisit the entire Call Report preparation process.



**JANUARY
21 & 22**

FUNDAMENTALS OF COMPLIANCE

TBA Barrett Training Center, Nashville

Early Registration Deadline: January 7

TBA Member/Associate Member Registration: \$540 (both days)

TBA Contact: Penny Powlas, ppowlas@TNBankers.org

The *Fundamentals of Compliance* program is a two-day comprehensive review of the most important compliance regulations. It is divided into two parts to permit bank personnel to attend either one or both days.

The first day covers deposit area issues: right to Financial Privacy Act, Reg D, Reg Q, Electronic Funds Transfer (Reg E), Expedited Funds Availability (Reg CC), Taxpayer Identification Numbers, and Truth-in-Savings Act (Reg DD).

The second day focuses on lending area issues: Equal Credit Opportunity (Reg B), Fair Credit Reporting, Fair Housing, Home Mortgage Disclosure Act, Credit Practices Rule (Reg AA), Flood Disaster Protection, RESPA, and Truth-in-Lending (Reg Z).



Day 1 Speaker
Anetria Connell



Day 2 Speaker
Natalie Straus

The correct answer is a call away




Wayne Brown, president and CEO, Cornerstone Communications, David Jackson, principal, Park Avenue Elementary School, and Bill Johnson, vice chairman of Dominion Bank of Middle Tennessee take a call on the Homework Hotline to help a student.

From solving a complicated math formula to learning subject verb agreement, school can be tough. But is homework really that bad when you have such great help available?

In 1991, Dominion Bank of Middle Tennessee and Cornerstone Communications joined forces to provide the Homework Hotline for students in Nashville.

Homework Hotline provided one-on-one free tutoring by phone to Tennessee students and parents. With Homework Hotline, students tackled new concepts, completed challenging assignments, learned to read, and gained academic skills.

Originally featured in *The Tennessee Banker* in May 1991. 

Professional Development Calendar

2019

November 20

2019-2020 Senior Human Resources Forums, Session 1 of 3

TBA Barrett Training Center, Nashville

November 21

Call Report Preparation

TBA Barrett Training Center, Nashville

November 22

IT/Operations/Information Security Officer Forums, Session 3 of 3

TBA Barrett Training Center, Nashville

December 3 **WEBINAR**

RESPA: Those Pesky Section 8 Violations

Online

December 5

2019-2020 Senior Compliance Officer Forums, Session 1 of 4

TBA Barrett Training Center, Nashville

2020

January 15, 16, 17

2019-2020 Senior Lender Forums, Session 2 of 3

TBA Gilliam Board Room, Nashville

January 21, 22, 23

CEO Forums, Session 1 of 3

TBA Gilliam Board Room, Nashville

January 21 & 22

Fundamentals of Compliance

Nashville, TBA Barrett Training Center

February 4

2019-2020 Senior Compliance Officer Forums, Session 2 of 4

TBA Barrett Training Center, Nashville

February 12 **NEW LOCATION**

Legislative Reception

Renaissance Nashville Hotel, Nashville

February 13 & 14

Credit Conference

Omni Hotel, Nashville

February 20 & 21

Essentials of Commercial Lending

TBA Barrett Training Center, Nashville

February 26, 27, 28

CFO/Controller Forums, Session 1 of 3

TBA Gilliam Board Room, Nashville

March 4 & 5

Human Resources Conference

TBA Barrett Training Center, Nashville

March 10 & 11

Compliance Conference

Embassy Suites Hotel & Conference Center, Murfreesboro

NOTE: All programs and dates listed are subject to change. Occasionally other timely programs are added to the calendar throughout the year. We encourage you to visit www.TNBankers.org/calendar for the most current information about TBA events.



You know the importance of long-term personalized relationships, the advantages of working with people who share your values, and the benefits of deep industry knowledge and experience.

**We know banks.
Let us get to know you.**

The firm Tennessee bankers have known & trusted for over 60 years.



Financial & Compliance Services
IT Risk Assurance & Security
Valuation, Forensics & Transactions
kraftcpas.com/tnbanks • 615-242-7353 ext. 180

Global banking made fast and easy.



Our International Team offers complete solutions for your consumer and commercial clients. Partnering with FNBB means access to a full range of international services along with unparalleled attention from individuals who are committed to helping you mitigate risks, improve performance and increase profits.

Contact us today for more information.

- Wires
- Cash Letters
- Currency Exchange
- Draft Collections
- Letters of Credit

Your non-competitive ally with a commitment to
community banking in Tennessee..

Charles Morris, Regional President
Charles Kown, Relationship Manager
Reaves Crabtree, Capital Markets
Jeff Sands, Correspondent Lending Officer
Jonathan Simon, Correspondent Lending Officer



bankers-bank.com
800.318.6272

SERVICE BEYOND COMPARISON