



“Meeting the Challenge.”

CBA TODAY

January 23, 2009

Issue 2

A STATEWIDE PUBLICATION FOR MEMBERS OF THE COMMUNITY BANKERS ASSOCIATION OF GEORGIA

Change We Can Believe In

President-elect Barack Obama’s mantra—to “hit the ground running” on Jan. 20—is not surprising, given that his now famous campaign theme was “change you can believe in,” and his transition website is even named www.change.gov. Well, Obama better wear track shoes to his inauguration—he’ll have to move fast from the moment he takes the oath of office. Several major decisions, all with uncertain outcomes and consequences, will have to be made quickly.

Obama’s administration must confront one of the most serious and complex financial and economic crises our country has ever faced. In addition to nursing back to health an economy with a severe case of recessionary flu, he’ll face decisions that won’t wait. His administration inherits a Treasury Department that has looked almost schizophrenic in initiating numerous new “bailout” schemes, many of which are still in embryonic stages. How the Obama Treasury proceeds with these, and other financial and economic relief initiatives, will largely determine the future look of our nation’s financial system and the role community banks play in that system.

Undoubtedly billions more taxpayer dollars will be spent on continued efforts to stabilize the country’s financial system and stimulate its economy. Anticipate a second major economic stimulus bill that could approach \$1 trillion—a cost and scope unimagined even six months ago. The Obama administration will likely weigh in quickly on the issue of financial regulatory restructuring, which is already on the minds of some key members of Congress.

For Independent Community Bankers Association (ICBA) and community bankers, determining what regulatory regime will emerge from the self-destruction of Wall Street and our financial markets will be a generation-defining policy battle. One ICBA principle is clear: It is time to remove the systemic dangers that “too-big-to-fail” institutions create. Our nation’s economic stability has been upset, and thousands of small businesses and millions of Americans have been hurt by too-big-to-fail, too-big-to-manage and too-big-to-regulate institutions.

The emperor now has no clothes; the myth that today’s financial conglomerates can be safely regulated or managed has been exposed for all to see.

Key among the recommendations for regulatory reform ICBA has presented to Congress is a call to break apart or significantly reduce the assets controlled by too-big-to-fail institutions. ICBA will work relentlessly to end the grip these financial monsters have had on the throat of our financial and economic system so that American businesses and consumers can never be held hostage to a handful of mismanaged institutions again.

Regulatory reform will also offer another opportunity to close the ILC loophole and unequivocally uphold the separation of banking and commerce. The cross-ownership and interconnectedness of security and insurance firms with commercial banks has caused unprecedented disruptions within our financial system. Imagine how much greater the destruction and chaos in our economy would have been had broad cross-ownership between retail commercial firms and banks been allowed!

But our efforts on financial regulatory restructuring will not just address too-big-to-fail policies and the mixing of banking and commerce. ICBA must also ensure a regulatory scheme that will allow parity between the Wall Street giants and community banks by:

- Preserving the dual banking system;
- Maintaining a balanced regulatory system of multiple federal watchdogs; and
- Sustaining and bringing balance to the federal deposit insurance system.

All these monumental issues will be part of the regulatory restructuring debate. In addition, the role and scope of the Federal Home Loan Bank System, Fannie Mae and Freddie Mac will also be in play. These entities are crucial conduits for responsible, common-sense community bank funding for Main Street America.

Through ICBA’s continuous efforts, the concept that community banks are indispensable lenders for America’s small businesses and Main Street has been forcefully delivered and is becoming generally accepted throughout Washington. Together with our member banks and our state association affiliates, ICBA will work closely with both the Obama administration and the Congress to ensure that the community banking charter emerges from the current crisis strong, vibrant and intact to serve future generations of Americans.

We should all be ready to hit the ground running for change the community banking industry can believe in.



*Camden R. Fine
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“Meeting the Challenge.”

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Success Through Knowledge

Member Mentions

Jackson P. Turner, Chairman, **Alliance Bancshares, Inc.** and **Alliance National Bank, Dalton**, is pleased to announce that **Andrew K. Walker** has joined the holding company as Vice-Chairman, President/CEO and Vice-Chairman and CEO of the Bank.

Richard Cathey, President/CEO, **The American Pride Bank, Macon**, is proud to welcome **Daryl Cohen** as Vice President and Commercial

Marvin Cosgray, President/CEO, **The Buckhead Community Bank, Atlanta**, announces **Tawanna Robinson** as Assistant Vice President.

Sam Story, President/CEO, **The Forsyth Community Bank, Cumming**, announces the promotion of **Laura McClure** to Vice President.

If you have something you would like to announce in *CBA Today*, please contact the **CBA Marketing Department**.

REGISTER TODAY FOR THE 2009 CBA BANK DIRECTORS' COLLEGE

CBA'S Bank Directors' College is the only college designed specifically for Georgia community bank directors and CEOs! We hope you will consider joining us for **Session I to be held Thursday & Friday, February 26-27 at the beautiful Lodge & Spa at Callaway Gardens**.

CBA is proud to be a leader in providing a variety of educational opportunities to help inside and outside bank directors' better understand their role in this ever-changing legal and economic environment. During Session I, industry experts to include representatives from the regulatory agencies will cover valuable and timely information on such topics as *Director Liability, Changing How We Think About Bank Boards, Strategic Planning in a Tough Environment, the Audit Committee Structure/Responsibilities & Risk Management, Regulatory Hot Topics and much, much more!* Session I ends at noon on Friday and the registration fee includes the manual, two continental breakfasts, one lunch, one reception and dinner and 9 hours of CPE credits.

To learn more about this popular college, please visit the CBA website or contact Jodi Swilley, Vice President/Professional Development at jodi@cbaofga.com. The deadline to receive the Callaway Gardens hotel discounted rate is *Monday, January 26th*!

CBA Bank Directors' College.....Register Today! Space is Limited!

Session I: Thursday & Friday, February 26-27, 2009-The Lodge & Spa at Callaway Gardens

Session II: Thursday, March 19, 2009-CBA Headquarters, Atlanta

Session III: Thursday & Friday, May 14-15, 2009-Brasstown Valley Resort & Spa, Young Harris

Did You Miss the 2008 CBA Bank Director & CEO Telephone Seminars?

If you answered YES, close to twenty 2008 CBA Bank Director & CEO telephone seminars are available via a CD Rom. The CD Rom is complete with the audio track and visual presentation from the original seminar, question & answer sessions, participant handouts, plus a CPE letter reflecting one hour of CPE credit for each topic purchased. You will also have the ability to contact the presenter with follow-up questions. With this CD, you will have an "off-the-shelf" training program for your review, for use by those who were not able to attend the live seminar or for future training purposes. Purchase one or more CD Roms and receive a \$25 discount on each CD purchased. Below is a listing of the 2008 topics available via CD Rom. For additional information on pricing and how to order the CD, please contact Jodi Swilley, Vice President/Professional Development at jodi@cbaofga.com. CBA has a variety of topics for bank directors planned in 2009! For a complete listing of the 2009 seminars, please visit the CBA website for affordable, professional training, when and where you choose!

2008 Bank Director & CEO Telephone Seminars - Now Available on CD Rom!

- Topics:**
1. Directors & Internal Controls
 2. Board Evaluations: The Right Way & The Wrong Way
 3. Directors & Technology
 4. What Directors Should Know About Risk Management
 5. Ownership Issues for Directors
 6. 10 Essentials for Directors

2008 Bank Director & CEO Sub S Bank Telephone Seminars - Now Available on CD Rom!

- Topics:**
1. Merger and Acquisition Strategy for Sub S Banks and Bank Holding Companies
 2. Compensation Strategies for the S Corp. Executive
 3. IRS Audit Issues for Sub S Banks: What to do When You Get the Notice
 4. Sub S Trusts: Use, Management and Problems with QSST, ESBT and other Unique Sub S Shareholders
 5. S Corp. ESOPs: How to Take Advantage of the Benefits and Avoid the Risks
 6. Estate Planning for the S Corp. Shareholder
 7. Sub S Shareholder Agreements: A Detailed Review of Key Provisions, Legal, Tax, Accounting and Valuation Questions
 8. Dividend Planning for Sub S Banks: An Exploration of Practical, Legal, Tax and Accounting Issues and Solutions

Don't Miss...

LIQUIDITY MANAGEMENT...

A Profitability Enhancing Workshop

Wednesday, February 4, 2009
Silverton Bank, Atlanta

Consumer Lending School

Sunday-Friday
February 22-27, 2009
JHTC @ CBA Headquarters,
Atlanta

Fraud Education Helps Protect Cardholders

Educating your staff and cardholders about fraud can be one of the best defenses against fraud attacks. The more your cardholders know, the better they can identify and defend themselves against fraud. Here are some of the latest fraud terms to share with your customers:

- Phishing: An e-mail claiming to be from a legitimate business and requesting sensitive information.
- Vishing (Voice Phishing): A phishing attack using the telephone.
- Mishing: Phishing using a mobile device, typically associated with mobile banking or purchases made with a mobile phone.
- Pharming: Redirects a consumer from a legitimate Web site to a bogus site, capturing the individual's username and password.
- Skimming: Illegal equipment placed on an ATM or point-of-sale device and used to copy information from the card's magnetic stripe when swiped.
- Hacking: Account information stolen from a merchant card processing system that is typically not up-to-date with industry standards.

Consider taking some of these steps to help protect your cardholders.

1. Communicate with your cardholders. Communicate fraud information to your cardholders consistently and frequently. It will build confidence with your cardholders and help alleviate their security concerns.
2. Educate your employees. The more familiar your employees are with fraud and identity theft tactics, the more they can educate your cardholders.
3. Be a resource to your cardholders.
 - Dedicate a section of your Web site to fraud and identity theft and keep this information current.
 - Offer a security e-newsletter or an e-mail alert service, addressing identity theft topics including tips on how to avoid becoming a victim.

Fraud and identity theft can be devastating to your cardholders and your financial institution. Cardholder education, paired with fraud risk management technology, can help reduce the risk of your customers falling into the fraudster's trap.

Article Provided by Mark Fucci, Account Executive, SHAZAM, a CBA Endorsed Member Company

CBA NEWS

Fed Announces Reg C Exemption Threshold

The Fed also published its annual notice of the asset-size exemption threshold for depository institutions under Regulation C, which implements the Home Mortgage Disclosure Act. The exemption will increase from \$37 million to \$39 million based on the Consumer Price Index. As a result, depository institutions with assets of \$39 million or less as of Dec. 31, 2008, are exempt from collecting data in 2009, effective Jan. 1, 2009.

ICBA Newswatch Today, December 19, 2008

Obama: Community Banks to See More TARP Funds

President-elect Barack Obama formally asked Congress to release the remaining \$350 billion in Troubled Asset Relief Program funds. In a letter to congressional leaders, economic adviser Lawrence Summers said the new administration would direct more money to community banks and small businesses. President George Bush also agreed to request that Congress allocate the funds.

House Financial Services Committee Chairman Barney Frank (D-Mass.) said he hopes the House will pass legislation with conditions to release the funds. He has introduced legislation to prohibit banks from using TARP funds to acquire "healthy" financial institutions and ensure smaller banks, including Subchapter S corporations and mutual institutions, have equal access to the TARP, which ICBA has been requesting since the program's introduction.

ICBA Newswatch Today, January 13, 2009



MoneyGram - Official Check/Money Order Program

MoneyGram (formerly known as Travelers Express) is a recognized leader in outsourced solutions for official checks, Money Order issuance and processing, as well as point-to-point consumer funds transfer delivered through our MoneyGram Money Transfer segment. MoneyGram offers a full suite of electronic, walk-in, and paper payment services, including phone, IVR, Web, In-person, and prepaid loads. MoneyGram's in-person network includes 33,000+ locations, including all Wal-Mart stores. For more information, contact paymentproducts@moneygram.com or (800) 723-9777.

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UPCOMING 2009 EVENTS

CBA's Day at the Capitol
January 28, 2009,
Georgia Railroad Depot, Atlanta

Consumer Lending School
February 22-27, Atlanta

**Reading and Understanding
Personal Tax Returns Form 1040:
Schedules E (Pages 1 & 2) & F
Rental Properties, Partnerships & S
Corps, & Farm Income**
February 24, Telephone/Webcast

IRAs: Beyond the Basics
February 24, Dalton
February 25, Norcross
February 26, Macon

**Dealing with Fraud, Forgeries
& Adjustments in an Electronic
Payments World**
February 26, Telephone/Webcast

**Winter/Spring Bank Directors'
College Session I**
February 26-27, Pine Mountain

Safe Deposit Operations
February 26, Macon

**Emerging Business Account Issues:
Debit Cards, Online Banking,
Compliance**
March 3, Telephone/Webcast

Training the Credit Analyst
March 3-4, Macon

**Compliance Program - Quarter I:
How to Ensure Compliance With
Deposit Regulations**

March 3, Albany
March 4, Macon
March 5, Savannah
March 10, Norcross
March 11, Rome
March 12, Macon

**Dates/Locations are subject to change.*

2009 Spring Convention
April 23-26, 2009
The Lodge & Spa at Callaway Gardens
Pine Mountain, GA

**31st Annual Leadership Division
Convention & Mini-Trade Show**
June 24-28, 2009

The Ritz Carlton, Amelia Island, FL
**41st Annual Convention &
Trade Show**

September 16-20, 2009
The Breakers, Palm Beach, FL



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Community Banking Month is in April!

April is Community Banking Month! Every year CBA designs promotional items to help our member banks celebrate the things that make community banking great. As a banker, you play a vital role in your community. Participating in Community Banking Month gives you the opportunity to point out all that your bank does to benefit your community. Community Banking Month has been observed by banks across the country for almost a decade. This recognition of America's banks is establishing itself as a strong tradition in the community banking industry. Now is the time to begin planning how you will show appreciation to your loyal customers and demonstrate the importance of community banking to the public. Join CBA this April and participate in Community Banking Month! For more information, please visit our website or contact Stacey Foussé, Stacey@cbaofga.com.

Credit Unions: CUNA Lobbying to Remove Credit Unions' Business Lending Cap

The Credit Union National Association asked President-elect Barack Obama last month, and House Democratic Steering and Policy Committee Co-Chairmen George Miller (Calif.) and Rosa DeLauro (Conn.) last Friday, to include an ICBA-opposed provision eliminating the credit unions' business lending cap in the new administration's economic stimulus legislation.

If the business lending cap was removed, "[w]e estimate that.. credit unions could lend up to an additional \$10 billion in the first 12 months," CUNA President and CEO Dan Mica said in separate letters to Obama and the lawmakers. "This is an economic stimulus measure that does not cost the taxpayers a dime, and does not increase the size of government," Mica said.

Fed Releases MBS Purchase Details

The Federal Reserve last week announced that it plans to begin in early January its program to purchase mortgage-backed securities and that it has selected private investment managers to implement the program.

Under the program, the Federal Reserve will purchase MBS backed by Fannie Mae, Freddie Mac and Ginnie Mae to reduce mortgage rates. More information is available in New York Federal Reserve Bank frequently asked questions.

ICBA Newswatch Today, January 5, 2009

Guest Column

Winning In A Down Economy

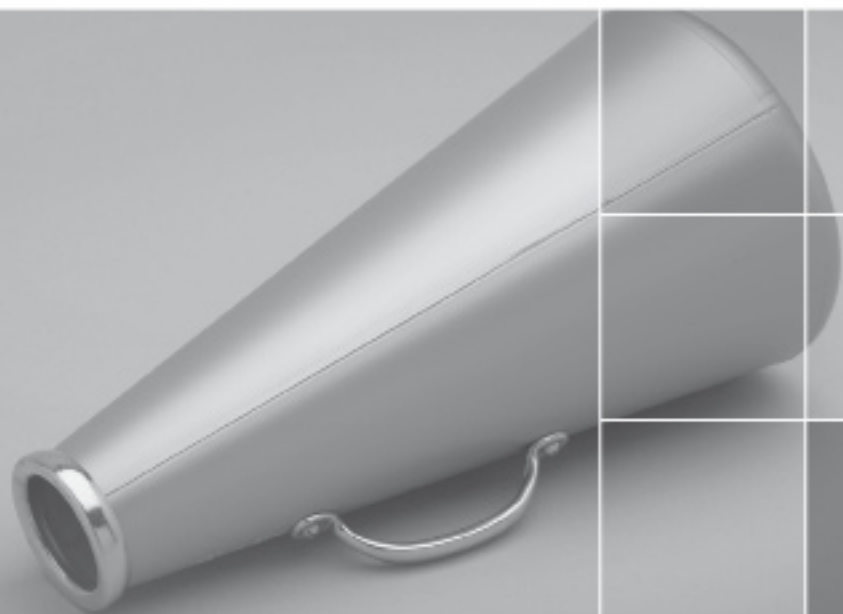
Times are tough in the banking industry. To succeed, we need to be tougher. Here is a six-point program for succeeding in a down economy.

1. Go on the offensive. This isn't the time to hunker down. If you get on the defensive you're dead. Get aggressive, set aggressive goals.
2. Communicate better. Improve the way you communicate with your customers so that you maximize your opportunities and differentiate yourself from the competition.
3. Don't lower prices. Find new and innovative ways to lower the risk of banking with you. Make it an easy entry and a better customer experience.
4. Focus on the customer. If your front line staff or your lenders get nervous, they're cooked. Don't go into high-pressure mode thinking "I have to open this account". Ask yourself: how can we help the CUSTOMER to win? What is it we can do better than anyone else in improving this customer's financial situation? And please, don't assume you already know what's best for them. Asking the right questions can not only put the customer in the right product or service but will differentiate you from the competition.
5. Send the CEO out to sell. If the CEO hasn't spoken with ten customers in the past week, the CEO should strongly consider doing so soon. If there's ever a time for the entire corporation (and especially the management team) to help sales to close business, this is it.
6. Improve everything. You can't sell and service the way you did 9 months ago. You need to improve people, process, and technology. If you are not 100% sure your staff is asking the right questions and maximizing every sales opportunity presented to them, you are doing them and your bank a disservice by not helping them.

Follow this program and you will see immediate results.

Article Provided by Chris DiLorenzo, President, The James Paul Group

Want to be heard?



Crowe hears you loud and clear.

You want a resource to break through the noise and pay attention to the issues affecting your financial institution. Crowe Horwath LLP understands how evolving economic challenges amplify your needs to manage risk, implement effective controls, streamline operations, and improve financial performance.

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