



“Meeting the Challenge.”

# CBA TODAY

June 26, 2009

Issue 13

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

## Pre/Post-Trips and Optional Activities Will Make Memorable Moments at the 41<sup>st</sup> Annual Convention & Trade Show

### Pre-Trip: Belize

Saturday-Wednesday, September 12-16, 2009

*Visit Mother Nature’s best kept secret and the Caribbean’s hottest new island destination*

Imagine a destination well known for its very laid-back, no-shoes ambience, where locals go out of their way to make sure you enjoy your visit. Then imagine a new luxury hideaway, Bella Maya Resort, featuring all waterfront two bedroom suites with private balconies, world-class amenities, an infinity pool with poolside bar, and great dining facilities all created to ensure guests’ total pleasure and relaxation.

Belize is an adventurer’s paradise: Mayan temples tower above rainforest canopies while an incredibly colorful array of marine wildlife find protection in Belize’s Great Barrier Reef.

*Choosing your activities may be the hardest thing you do!*

Rainforest hiking • Nature cruises • Mayan Ruins • Jaguar preserve • Scuba diving • Snorkeling, • Fishing • Catamaran cruises • Sailing • Kayaking

### Three Little Towns by the Sea Historical Tour

Thursday, September 17<sup>th</sup> 1:00 – 5:00 p.m.

Go on a local journey celebrating a small corner of Florida’s riveting history. You will be visiting three little seaside towns in the area of the Jupiter Inlet and Hobe Sound to include stops at a museum, lighthouse and nature conservancy. \$145 per person

### Morikami Japanese Gardens

Friday, September 18<sup>th</sup> 9:30 a.m. – 1:00 p.m.

This unique park, museum and garden create an elaborate melding of Japanese culture and lush local flora. You will be refreshed by nature’s tranquility and get a feeling for the Japanese settlers who developed a thriving agricultural community in South Florida in the early 1900’s. \$65 per person

### Golf Tournament

Friday, September 18<sup>th</sup> 12:30 p.m.

The Ocean Course at The Breakers has been completely redesigned and reconstructed by Brian Silva. This historic 6167 yard, par 70 course rewards wit over power and challenges skill. \$70 per person

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

To register or for more information, visit [www.cbaofga.com](http://www.cbaofga.com) or call CBA!

### Take Your Own Floral Design to the Chairman’s Dinner!

Saturday, September 19<sup>th</sup> 9:30 – 10:30 a.m.

Come practice your floral design skills with the BEST: The Breakers Floral Design Professionals. Whether you are a beginner wanting to learn more or experienced at the art, there will be something for everyone. This will be a fun and informative class focusing on one floral concept. You will create a beautiful arrangement, learn care and handling techniques, as well as the elements and principles of flower arranging skills. Plus, the arrangement you create will be utilized at the Saturday night Chairman’s Dinner for everyone to view! \*Free Spouse/Guest Program

### Henry Flagler Museum Tour

Saturday, September 19<sup>th</sup> 1:30 – 4:30 p.m.

Travelling to the Museum, you will experience a world of glamour as you experience the luxurious Palm Beach area with its Royal Palms, Misner designed mansions, Rolls Royce’s and beautiful ocean view. You will visit historic Whitehall Museum, once the home to Henry Morrison Flagler, co-founder of Standard Oil Company, who built the magnificent mansion for his wife, Mary. The Keenan Pavilion with spectacular panoramic views will also be included in the tour. \$74 per person

### Post-Trip: Disney Cruise

Sunday-Thursday, September 20 – 24, 2009

*Discover enchantment in the heart of paradise on board the Disney Wonder*

Set sail on a voyage of relaxation and adventure with your whole family. Enjoy fun-filled visits to Nassau, the capitol of the Bahamas, and Castaway Cay, Disney’s incredible private island paradise. Renew your spirit with a full day at sea – Disney style. Then experience the amazing activities, world-class entertainment, and fabulous dining opportunities that make a vacation on a Disney Cruise Lines ship magical!



1900 The Exchange, Suite 600, Atlanta, Georgia 30339-2022  
Phone: (770) 541-4490 or (800) 648-8215 Fax: (770) 541-4496  
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“Meeting the Challenge.”

PLEASE ROUTE TO:

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## Success Through Knowledge

### Member Mentions

**Luke Morgan**, Executive Vice President, **Douglas National Bank**, was featured in the "Power Players" section of *Georgia Trend*, April 2009. To view the article, visit [www.georgiatrend.com/profile/04\\_09\\_profile.shtml](http://www.georgiatrend.com/profile/04_09_profile.shtml).

**George Andrews**, President, **Capitol City Bank, Atlanta**, was awarded Entrepreneur of the Year by the Atlanta Business League at the 31<sup>st</sup> Annual CEO Appreciation Luncheon on May 19.

**David Lance**, President & CEO, **North Georgia National Bank, Calhoun**, is pleased to announce that **Rita Lacey**, has been promoted to Area Branch Manager. Rita will oversee NGNB's three locations in Gordon County.

**The Alpharetta Community Bank, Atlanta** is proud to announce that **Lou Douglass**, President will succeed **John Rasper** as chairman of the board of directors for the Greater North Fulton Chamber of Commerce.

**James E. Stewart**, Chairman, **Waycross Bank and Trust**, is pleased to announce that **Russell L. Bates** has joined the bank as Vice President.

**Community Bank of the South, Smyrna**, reports counterfeit official checks bearing the institution's name are in circulation. If you have any information, please contact **Tammy Freeman**: [tfreeman@cbsouth.com](mailto:tfreeman@cbsouth.com).

### Condolences

**James A. Durham**, Chairman, **NorthWest Bank & Trust, Acworth**, sadly announces that **Lee. E. Partain**, founding member of the Board of Directors, passed away on May 6, 2009.

Condolences to the family & friends of **Thomas Gardner Crosby, Jr.**, founding member and director of **Waycross Bank & Trust**, who passed away June 3, 2009.

### Don't Miss these Educational Opportunities for Lenders!

#### Reviewing Lending Regulations

**NEW!**

Wednesday, July 29, 2009 JHTC at CBA Headquarters, Atlanta

Announcing a new seminar designed specifically for community bank lenders who have responsibility for complying with federal lending laws, rules or regulations. During these times, it is not unusual to see enforcement actions whereby violations to these regulations have occurred. Plus, some regulations such as RESPA and Regulation Z have undergone changes that are effective in 2009. Credit Analysts, Credit Officers, Commercial Loan Officers/Managers, Loan Review Officers & Branch Managers and Compliance Officers will all benefit from this seminar. Save the date and watch for additional details.

**NEW!**

#### Training the Credit Analyst for Today's Environment

Thursday, July 30, 2009 JHTC at CBA Headquarters, Atlanta

More than ever, a well trained Credit Analyst is key to your bank cultivating and developing a quality commercial loan portfolio. This new one-day workshop will provide information and tools that will help the Credit Analyst succeed in today's environment. Credit Analysts, Credit Officers, Commercial Loan Officers/Managers, Loan Review Officers & Branch Managers will all benefit from this seminar. Save the date and watch for additional details!

#### Consumer Lending School

Monday-Friday, August 17-21, 2009 JHTC at CBA Headquarters, Atlanta

Registrations are still being accepted for this comprehensive, week-long study of basic consumer lending. The instructors will take the student through the process of consumer lending to develop and advance the skills necessary to administer quality consumer loans. Register today for the only school in Georgia designed specifically for community bank consumer lenders. To review the brochure and/or to register online, visit [www.cbaofga.com](http://www.cbaofga.com) or contact the CBA Education Department.

*The above programs qualify for continuing education credits (CPE) and Certified Community Lender (CCL) credits.*

### CBA NEWS

#### FDIC Approves Final Rule on Interest-Rate Restrictions

The FDIC Board of Directors recently voted to amend its rules regarding interest-rate restrictions on brokered deposits for banks that are not well capitalized. Under the new rule approved, there will be a presumption that the prevailing rate in any market would be the "national rate," which is defined as a simple average of rates of similar size and maturity paid by all insured banks for which data is available.

Banks will be able to rebut this presumption by providing evidence to their regional office that they are operating in a high-rate environment and that the prevailing rate is higher than the national rate. If the FDIC agrees, banks would be permitted to pay up to 75 basis points above the local prevailing rate.

The FDIC may consider evidence of credit union rates for banks competing directly with credit unions. The agency will post national average rates immediately on its Web site. The final rule is effective Jan. 1, 2010; however, less-than-well-capitalized banks could begin using these rates before that time.

#### FDIC Approves Creation of Community Bank Advisory Panel

The FDIC Board of Directors approved the establishment of an FDIC Advisory Committee on Community Banking, which will provide the agency with guidance on a broad range of issues affecting community banks.

"ICBA commends the FDIC for recognizing the vital role that our nation's more than 8,000 community banks serve in cities and towns throughout America," said ICBA President and CEO Cam Fine. "ICBA looks forward to working with the committee in its efforts to identify and prioritize issues of concern for community banks."

"Community banks are the lifeblood of our nation's financial system," said FDIC Chairman Sheila Bair. "Our committee will get direct and frequent input on many issues from a cross-section of community bankers nationwide."

*ICBA Newswatch Today, June 1, 2009*

## GUEST COLUMN

### The ABC's of REO Insurance

In today's uncertain banking environment, many face tremendous challenges with the rising number of foreclosures in their portfolio. One of the most important aspects of protecting the interest of a bank and its Shareholders relates to selecting a property insurance program, which specifically insures against loss or damage to bank collateral. REO Property Insurance is designed to protect a bank against loss or damage to its collateral in the unfortunate instance a loan becomes a non-performing asset and a bank finds itself back in the position of ownership.

Selecting a program that not only protects a bank and its shareholders, but is easy to administer and cost effective, is extremely important! The 4 top areas of consideration discussed below are; underwriting company, type of coverage, cost and program administration.

- The underwriting company should have an AM Best rating of +A.
- The policy should include "All Risk" coverage which guarantees the broadest protection.
- Preserving bank "cash flow" is desirable, so "monthly" premium remittance is best.
- Program administration is most efficient on a monthly reporting form basis.

Another area of consideration when dealing with this problem includes whether to protect bank collateral with a policy specifically designed for this unique area of the property insurance industry or under the insurance program utilized to insure the main bank building, branch network and operating facilities. Though, it is not uncommon for a bank to cover 1 or 2 REO properties under their primary policy, it is "unadvisable" due to the fact, that if an insurance claim occurs the bank, at a minimum could incur a significant premium increase at policy renewal time and/or find itself looking for a new property insurance carrier. Industry experts agree, it is more prudent and "cost effective" to cover REO properties on a stand-alone basis with an REO Property Insurance Program and avoid these types of difficulties.

*Provided by Loye McLeroy & Jim McFall, Financial Insurance Brokers, Inc., CBA Associate Member*

## CBA NEWS

### TARP Oversight Chair: Avoid Burdens on Community Banks

Congressional Oversight Panel Chairman Elizabeth Warren said adding increased accountability requirements on past TARP recipients would place an undue burden on the community banks that played by the rules. ICBA has been working hard to ensure policymakers do not move the goalposts on community banks participating in the TARP.

*ICBA Newswatch Today, June 10 2009*

### ICBA Makes Reg Reform Recommendations to Geithner

ICBA delivered comprehensive recommendations for regulatory reform in a letter to Treasury Secretary Timothy Geithner. ICBA said it opposes consolidating regulators into a single banking regulator and outlined its proposals to reduce risks to the nation's financial system posed by too-big-to-fail financial institutions.

"Our nation's more than 8,000 community banks are generally well capitalized, extensively regulated and have fewer problem assets than other segments of the financial service industry because they didn't engage in the kind of reckless lending and leveraging practices that are at the root of this current economic crisis," ICBA Chairman Mike Menzies said in a statement. "ICBA asks that Treasury support meaningful and reasonable regulatory reform focused on unregulated entities and products and on institutions that pose the systemic risks that led to the financial crisis."

ICBA called for creating a systemic-risk regulator—likely the Federal Reserve—that would implement higher capital standards and more rigorous regulatory requirements for both systemically important banks and non-bank financial institutions. Too-big-to-fail financial institutions also would pay a systemic-risk premium and be subject to a receivership and resolution process. ICBA also said the FDIC should have resolution authority over systemic-risk institutions that fail or are in danger of failing.

"The failure occurred in the too-big-to-fail sector," ICBA President and CEO Cam Fine said. "This is the sector that must be fixed. Proportional regulation based on risk is long overdue."

Additionally, ICBA said a proposed financial products safety commission would increase burdens on community banks while not improving consumer protections. The association also voiced support for the savings institutions charter and the Office of Thrift Supervision; preserving the role of mortgage-finance government-sponsored enterprises as a source of liquidity; maintaining the separation of banking and commerce; and establishing an Office of Community Financial Institutions within the Treasury Department.

*ICBA Newswatch Today, June 12, 2009*



### Alliant Insurance Services - Health Insurance Program

Alliant Insurance Services and the CBA have worked together to bring a competitive solution to the community banking industry. Collectively, there are more than 300 community banks in Georgia. Independently, community banks often lack the size and scale required to deliver cost-effective benefits programs. By leveraging the collective size of the association with the national presence and ongoing relationships of Alliant Insurance, they are able to arrange preferred pricing on products and services critical to member banks. Call Pete Freeman at (678) 867-6134.

## UPCOMING 2009 EDUCATION PROGRAMS

### Telephone/Webcasts

- 6/30 Critical Security Errors and How to Avoid Them!
- 7/7 Directors' Series - The Director's Role Responsibilities and Liability in Today's Banking World (11:00 a.m.—12:30 p.m.)
- 7/9 Auditing IT
- 7/14 Regulations E & CC: Handling Consumer Claims
- 7/16 Resolving the #1 Compliance Violation: Proper Disclosure of Finance Charges
- 7/21 Examiner Hotspot: Designing BSA Training
- 7/23 Records Retention/Destruction: Electronic & Paper
- 7/28 Business Accounts: Who is Authorized to Open Close Transact?
- 7/30 Managing Loan Concentrations

-CPE credits available to participants-

### Classroom Programs\*

- 7/14 Allowance For Loan & Lease Losses (ALLL), Atlanta
- 7/16 Remote Deposit Capture, Brunswick
- NEW!** 7/29 Reviewing Lending Regulations, Atlanta
- NEW!** 7/30 Training the Credit Analyst for Today's Environment, Atlanta

**NEW!** *Today's Economy -Your Risk. Manage it For Success!*  
 "An Enterprise Risk Management Seminar"

- 7/23 Brunswick
- 7/28 Lake Lanier Islands
- 8/4 Pine Mountain

Register Today!

*Consumer Lending School*  
 August 17-21, 2009

*\*Dates/Locations are subject to change.*



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## 41<sup>st</sup> Annual Convention & Trade Show

*September 16-20, 2009*  
 The Breakers, Palm Beach, FL  
 Register today!  
[www.cbaofga.com](http://www.cbaofga.com)

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 ICBA News, Legislative Alerts, Media Talking Points, & more!



1900 The Exchange, Suite 600  
 Atlanta, Georgia 30339-2022  
 (770) 541-4490 or  
 (800) 648-8215  
 Fax: (770) 541-4496

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