



“Meeting the Challenge.”

CBA TODAY

March 6, 2009

Issue 5

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

April is Community Banking Month!

Every year the Community Bankers Association of Georgia (CBA) designs promotional items to help member banks celebrate Community Banking Month. As a banker, you play a vital role in your community. Participating in Community Banking Month gives you the opportunity to highlight all that your bank does to benefit your community. Community Banking Month has been observed by banks across the country for 16 years. 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! This year, CBA is giving you a choice of five different designs for promotional materials! CBA will provide various promotional materials, including: Governor’s Proclamation, press release, promotional ideas, newspaper article, “top ten” list, ads, and statement stuffers; all customized to your bank! For more information, please visit our website or contact Stacey Foussé, Stacey@cbaofga.com.

Fine Points: Examination Overkill

Over and over lawmakers and administration officials have urged financial institutions to increase their lending activity to help refuel our moribund economy. And Independent Community Bankers of America (ICBA) has widely and passionately delivered the message throughout Washington and the nation that community banks did not cause the subprime lending and financial markets problems. We have worked diligently to differentiate Main Street from Wall Street and to make clear that the great majority of community banks use sound lending practices, are well-capitalized and are ready to help our nation recover.

Yet ICBA continues to receive reports of field examiners unreasonably demanding write-downs and reclassifications of viable and current commercial real estate loans and other assets. Some examiners are questioning long-established lending practices and substituting their judgments for those of experienced appraisers and bankers. Despite Washington’s wishes, this regulatory overkill is creating problem loans where none should exist, and they are wiping away community bank earnings and capital cushions making a difficult lending environment even worse.

During the past several months ICBA has alerted lawmakers and federal banking regulators to this problem. ICBA leaders have testified before Congress calling for more flexible and reasonable examination policies and greater forbearance, particularly with respect to real estate lending. We’ve written formal letters to the appropriate public officials urging modifications not only to examination practices but to absurd mark-to-market accounting rules that exacerbate this situation. And ICBA leaders have discussed the problem in face-to-face meetings with agency officials at the highest levels.

Obviously community bankers expect field examiners will be more thorough and careful given the credit downturn. But ICBA has been outspoken in explaining that adversarial or hostile examination attitudes are not mere inconveniences. They are discouraging community banks from issuing productive new loans just when consumers, small businesses and the overall economy need fresh credit the most.

Lawmakers and agency officials in Washington have been attentive to ICBA’s reports from our members. Last fall ICBA commended the banking agencies for announcing that examiners should work with banks to ensure that the needs of creditworthy borrowers are met. But the current hostile field examination environment shows that our regulatory system is too rigidly monolithic with too many one-size-fits-all policies and mindsets.

ICBA will continue to make the case for substantially more flexible and practical supervisory approaches, ones that appropriately recognize the substantial differences between megabanks on Wall Street and community banks on Main Street. Many proposals ICBA continues to advocate—expanding tiered and streamlined supervision based on a bank’s size and activities, creating a Treasury undersecretary position for community banks and maintaining regulatory choice and the dual banking system—are all directed toward achieving those goals.

As the debate over regulatory restructuring builds steam in Washington, ICBA will work for a balanced regulatory system that fully recognizes the differences between community banks and the megabanks that triggered this economic turmoil. ICBA will work with all community banks to deliver the message that a reasonable system of examinations for community banks would not only benefit Main Street but all of America. *Fine Points. By Camden R. Fine, President and CEO of ICBA, cam.fine@icba.org*

Spring Conference for Bank Directors & Executives
April 24-26, 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



1900 The Exchange, Suite 600, Atlanta, Georgia 30339-2022
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“Meeting the Challenge.”

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Success Through Knowledge

Member Mentions

Darby Bank & Trust Co., Savannah, announces **Rayburn J. Fisher, Jr.** as the bank's new CEO.

J. Dan Oliver, President & CEO, **Vinings Bank, Smyrna**, is pleased to announce the promotions of **Kenneth L. (Todd) Makant** to Executive Vice President, **Cassy Ferrell** to Senior Vice President, and **David Haley** to First Vice President.

Ken Barber, Chairman & CEO, **Metro Bank, Douglasville**, is proud to announce the additions of **Mike Henderson** as President, and **Doug Greer** as Senior Vice President and Commercial Lender, both of Metro Bank, Cobb County.

Fidelity Bank, Norcross, has reported counterfeit checks are in circulation. Contact **Gloria O'Neal**, Senior Vice President and Risk Manager, with questions or information at (404) 639-6729.

Darby Bank & Trust Co., Vidalia, has reported counterfeit checks are in circulation. Contact **Anna Marie Harrell**, Vice President, with questions or information at (912) 537-8813.

If you would like to make an announcement in the *CBA Today*, please contact the **CBA Marketing Department**.

Compensation Guidelines for all TARP participants as defined by

The American Recovery and Reinvestment Act of 2009 (ARRA)

Tuesday, March 10, 2009 - 9:30-10:30 a.m. - Telephone Only Seminar

The American Recovery and Reinvestment Act of 2009 (ARRA) (hereinafter referred to as the Stimulus Bill) was signed into law by President Obama on Tuesday, February 17, 2009. The Stimulus Bill contains more restrictive and far-reaching executive compensation guidelines than the guidelines proposed by the Treasury Department earlier this month. The new restrictions apply to all entities that have already received or will receive government financial assistance under the Troubled Asset Relief Program (TARP).

Register today to join Michael Blanchard, President & Founder, Amalfi Consulting, as he shares details on how the NEW executive compensation guidelines may impact your bank and what steps you need to take to ensure that your compensation program is compliant with ARRA. Presidents/CEOs, Compensation Committee and others with compensation responsibilities will benefit from this one hour discussion. CPE credits are available and a CD recording of the telephone seminar will be provided to each participant.

SAVE THE DATE!

Liquidity Management Workshop May 7, 2009 - Silverton Bank, Atlanta

CBA is pleased to partner with Silverton Bank to offer this ½ day seminar designed for community bank Presidents/CEOs, CFO's and the Chairman of the ALCO committee. This workshop is a follow up to the recent Liquidity Management Workshop held February 4th. This hands-on workshop will be limited to the number of participants in order for the right "team" members to have the appropriate time and interaction to make this the best "how to" workshop possible! Watch for more details in coming weeks.

Attention Commercial Lenders!!

Register Today for the Commercial Lending School to be held
March 22-27, 2009
JHTC @ CBA Headquarters, Atlanta

Attention BSA OFFICERS!

Have you completed your annual BSA training? If not, the CBA BSA OFFICER SCHOOL is for you! The BSA Officer School will be held April 21-24, 2009 at JHTC @ CBA Headquarters, Atlanta.
Register Today! Space is Limited!

To view the brochures and/or to register online for the above programs, please visit www.cbaofga.com or contact CBA.

Treasury Announces Financial Stability Plan

Treasury Secretary Timothy Geithner announced a revised economic recovery plan. Shortly after the announcement, top Treasury officials briefed Independent Community Bankers of America (ICBA) leadership bankers and assured participants that all recovery programs will be available to community banks.

Under the new program, Treasury will implement stress tests on financial institutions with more than \$100 billion in consolidated assets and continue providing capital to banks under a Capital Assistance Program, although it is not clear whether investments will continue to be made only to "viable" institutions. Banks with assets less than \$100 billion will be eligible to obtain capital from the CAP after supervisory review. Treasury will work with other agencies to initiate a Public-Private Investment Fund designed to leverage private capital on an initial scale of up to \$500 billion to help cleanse bank balance sheets of "legacy" assets. This program will allow private-sector buyers to determine the price for troubled and illiquid assets.

Treasury also will work with the Federal Reserve to support \$1 trillion in new lending under the Term Asset-Backed Securities Loan Facility, or TALF, to help unfreeze and lower interest rates for consumer and business credit. The new plan also will implement several steps to unfreeze secondary markets and reverse the decline in SBA lending; devote funds from the Emergency Economic Stabilization Act to reduce mortgage rates and stem home foreclosures; and calls for greater transparency and accountability for financial institutions receiving assistance.

On the conference call following the announcement, Treasury officials repeatedly said community banks will have access to these programs. ICBA will continue to work with Treasury to ensure community banks are considered in any government recovery programs.

ICBA Newswatch Today, February 11, 2009

Service Charge Fee Income—How to Ensure Your Fair Share

Service charge fee income unequivocally contributes to your bank's bottom line, so if you have not been systematically analyzing performance in this key area, it is time to learn whether it is as robust and effectively managed as it could be.

Know the Bank's Performance—Service charge fee income should yield a minimum of 30-40 basis points to assets on average annually. How's your bank performing on its consumer and commercial deposit accounts? If you're generating healthy levels of income, excellent, but maybe you could do better. If not, why are your programs lagging?

Evaluate Your Peers Annually—Ensure that fees are in line with the competition. How is your bank performing relative to peers in the local market? For example, what do you charge for non-sufficient funds? Are peers charging \$5 or \$10 more per overdraft?

Charge for the Right Things—Consistently evaluate which services you charge for. The majority of fee income is derived from a formalized overdraft protection (OD) program. If you are operating a formal program, it should generate 60-75 basis points in income. If no program is in place, your income levels could be substantially less. Check out a recent review of the FDIC's study on OD programs, it offers excellent insights on plans that banks have in place (<http://www.fdic.gov/bank/analytical/overdraft/>).

Take a Disciplined Approach to Waivers—They could be stifling your income level. Are waivers reviewed annually? Who approves them? Sometimes a bank may waive a charge at a point in time for a "good customer," but the waiver code is established and never reviewed again unless prompted by specific action—is this happening to you?

Generate More Income—Get greater control over your bottom line by re-focusing on the basics to incrementally increase revenue; examine your service fee income and take steps to capture your fair share.

Provided by Alan Smith, BancIntelligence, Atlanta, a CBA Associate Member

CBA NEWS

Independent Community Bankers of America (ICBA) Resources Promote Safety and Soundness

As the financial crisis continues, ICBA continues to offer advertisements community banks can use to remind their customers that they are safe and sound and that deposits are safe with community banks because of FDIC deposit insurance. ICBA's Safety of Community Bank Deposits PR Campaign, which can be found at <http://www.icba.org/consumer/index.cfm?ItemNumber=47129>, provides a variety of ads, brochures, posters and other customizable resources, as well as links to information provided by the FDIC.

ICBA Newswatch Today, January 26, 2009

ICBA to Fed: Limit MDIA Waiting Periods

In comments on a Federal Reserve proposal to implement the Mortgage Disclosure Improvement Act of 2008 under the Truth in Lending Act's Regulation Z, ICBA urged the Fed to ensure the regulation would not require further waiting periods and disclosures on mortgage loans unless there is a substantial documented and verifiable value for implementing these changes.

Technical comments on the proposed provisions are also included in the ICBA comment letter, which can be found at <http://www.icba.org/files/ICBASites/PDFs/cl020909.pdf>. The MDIA requires early, transaction-specific disclosures for mortgage loans secured by dwellings other than the consumer's principal dwelling and waiting periods between the time disclosures are given to consumers and consummation of the loan transaction.

ICBA Newswatch Today, February 10, 2009

Article Details Term Auction Facility Opportunities for Community Banks

An article, which can be found at <http://www.icba.org/files/ICBASites/PDFs/funding0209.pdf>, from the Graduate School of Banking at Colorado details how community banks can benefit from Federal Reserve's Term Auction Facility. The article by Scott Hein and Timothy Koch notes that recent auctions have had borrowing rates of 20 and 25 basis points for loans of with maturities of nearly three months.

"At these rates, banks can sharply reduce overall funding costs and/or invest the funds in low risk instruments to add to aggregate earnings," the article says.

ICBA Newswatch Today, February 9, 2009



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With over 2,000 clients, SecureWorks is one of the market's leading Security as a Service providers. Organizations are protected from external and internal cyber-threats through SecureWorks' On-Demand Security Information and Event Management (SIEM) platform, the SecureWorks Counter Threat Unit™ and three fully synchronous Security Operations Centers (SOCs) staffed with SANS GIAC certified analysts working 24x7 to safeguard client systems. SecureWorks has won *SC Magazine's* "Best Managed Security Service" award for 2006, 2007 & 2008 and has been named to the Inc 500 and Deloitte lists of fastest-growing companies. For more information, contact Andy Held at (404) 486-4475.

MARCH 2009 EDUCATION PROGRAMS

Telephone/Webcasts

- 3/10 Director Series: Red Flags in Board Reports (11:00 a.m.–12:30 p.m.)
- 3/12 Credit and Debit Cards: Threats, Opportunities & Next Steps in 2009
- 3/17 Stop Payments, Check Holds, Post-dated Checks for the Frontline Staff
- 3/24 Understanding Consumer Credit Reports & Scores: Incorporating FACT Act Compliance
- 3/26 Complying with Regulation Z Rule Changes to Mortgage Loans: Deadline Oct 1, 2009
- 3/31 Safe Deposit: Legal Documents & Legal Issues

Mark Your Calendar!

JUNE COMPLIANCE PROGRAM!

Topic: RESPA

Dates/Locations: June 16-26, 2009
(5 convenient cities: Tifton, Macon, Savannah, Norcross, Rome)

SEPTEMBER COMPLIANCE PROGRAM

Topic: Regulation Z

Dates/Locations: September 15-24, 2009
(5 convenient cities: Albany, Macon, Savannah, Norcross, Rome)

Classroom Programs*

- 3/10 Compliance Program-Quarter I: Deposit Regulations, Norcross
- 3/10 Consumer Loan Documentation, Macon
- 3/11 Commercial Loan Documentation, Macon
- 3/11 Compliance Program-Quarter I: Deposit Regulations, Rome
- 3/11-12 Train the Trainer, Macon
- 3/12 Collateral Perfection, Macon
- 3/12 Compliance Program-Quarter I: Deposit Regulations, Macon
- 3/17 Professional Head Teller Certification Series—Workshop II: Advanced Supervision, Atlanta
- 3/17 Essentials of IRAs, Atlanta
- 3/17 Financial Managers' Forum Dinner Series, Atlanta
- 3/18 Branch Manager Certification Program-Workshop II: Macon
- 3/19 Professional Head Teller Certification Series—Workshop II: Advanced Supervision, Macon
- 3/19 Essentials of IRAs, Macon
- 3/22-27 Commercial Lending School, Atlanta
- 3/24 Georgia Deposit Documentation, Macon
- 3/24 IRAs Beyond the Basics, Macon
- 3/25 Essentials of Banking School-Workshop II: What is a Bank? Macon
- 3/25 Operations Compliance, Macon
- 3/26 IRAs Beyond the Basics, Albany

**Dates/Locations are subject to change.*



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Fax: (770) 541-4496

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