

## Virginia Association of Community Banks E-Newsletter

January 2019

### In This Issue

[Compliance Forum  
Enrollment Open](#)

[Advanced BSA Seminar -  
February 20](#)

[SBS Institute - CBSM  
Training April 4 & 5](#)

[National Campaign  
Launched to Guard  
Against Threats from  
Nation State Actors](#)

[CRA Webinar February 14](#)

[Essentials of Banking  
2019](#)

[Muni Revolution](#)

[Additions & Promotions](#)

[Legal Brief from Spotts  
Fain](#)

[Upcoming Webinars](#)

### Join Our List

[Join Our Mailing List!](#)

### Greetings!

Happy New Year from VACB! The holiday festivities are behind us and we are full steam ahead at VACB as we enter 2019.

As we start the year, VACB is always interested in hearing about your training or topic needs and how we can assist you with a program or a professional to help your institution. Also, we value articles submitted by our membership as well. Being able to showcase our members' expertise through programs and articles is a large part of what VACB does for the membership. Please keep us in mind as a resource.

Speaking of programs, remember to check the calendar on the [VACB website](#) regularly. We post upcoming programs and registration details there first. There is information below on some of our upcoming programs, and other great news. Read on!



## VACB Annual Compliance Forum Enrollment Open for Renewals

### *VACB Compliance Forum Program - A survival guide to the ever-changing regulatory environment!*

VACB, in partnership with Patti Joyner Blenden of Financial Solutions, is pleased to sponsor the Compliance Forum Program for 2019. This program is the longest running compliance training program for community banks in the Commonwealth and provides up-to-date information on compliance issues and developments in bank regulations, as well as proven techniques for enhancing your in-bank compliance program. In addition, the program provides valuable networking opportunities among your peers to share solutions for our industry challenges.

Annual enrollment in VACB Compliance Forum Program consists of five interrelated compliance services:

- **Live Regulatory Seminars** - Four quarterly seminars are offered in your choice of two cities throughout the year
- **Live Webinars** - Enrollees of the Forum will have access to free webinars to address issues between our scheduled meetings
- **Compliance Hotline** - Enrollees of the VACB Compliance Forum Program will have year-round access to our compliance expert
- **Monthly Newsletter** - The Capitol Comments newsletter is sent to program members via email each month. It provides an update of compliance issues that impact community banks.

- via email each month. It provides an update of compliance issues that impact community banks
- **Compliance Portal** - Enrollees of the VACB Compliance Forum Program will have year-round access to robust and timely Compliance Job Aids and more tools for your compliance toolbox

Learn more about the Compliance Forum Program [HERE](#).

## Advanced BSA for Community Banks - February 20

Join VACB and Performance Solutions, Inc. for our timely, one-day **Advanced AML/BSA for Community Banks** program which provides current trends and tools for today's BSA officers and BSA team members. This program also assists financial institutions in meeting the annual training requirements by the BSA regulations.

The focus of this program is to provide a beginning of the year update to the BSA laws and regulations and to provide valuable information and networking opportunities which will help you enhance your BSA Compliance Program and to help you prepare for your next BSA examination and audit.

Attendees will participate in case studies, review "real world" situations, and develop "take-aways" that can be implemented back at their banks.

[See the full BSA agenda and registration details](#)

## Certified Banking Security Manager Training at VACB - April 4 & 5

Join VACB and the SBS Institute for their **Certified Banking Security Manager** training. **Chad Knutson** from SBS Cyber Security will present the session over two days, Thursday, April 4 and Friday, April 5 at the VACB Training Room in Richmond.



By attending this certification program, attendees will develop an entire information security program framework to use at their bank. They will also gain the understanding to successfully implement and manage each component of the information security program and boost their knowledge of layered security programs.

### What You Will Learn:

- US Information Security Laws and Regulations
- Information Security Program Components
- Security Awareness Programs
- IT Audit
- Social Engineering
- Preparing for your IT Examinations
- Running Effective IT and Audit Committees

For more information or to enroll in this certification visit:  
<https://events.sbscyber.com> or call 605-269-0909

**National Campaign Launched to Help Private Industry Guard Against Threats from Nation State Actors**

The National Counterintelligence and Security Center (NCSC) is disseminating informative materials including videos and brochures to help the private sector guard against growing threats from foreign intelligence entities and other adversaries. NCSC is distributing "Know the Risk, Raise Your Shield" materials to raise awareness among private sector organizations and equip them with the best practices for protecting their data, assets, technologies and networks.

The "Know the Risk, Raise Your Shield" materials are featured on NCSC's website (NCSC.gov) or at <https://www.dni.gov/ncsc/knowtherisk/tools/> and include videos, posters, brochures, and flyers. They address numerous topics, including supply chain risks, economic espionage, social engineering, social media deception, spear-phishing, mobile device safety, and foreign travel risks. At a minimum, the materials provide basic tips to help mitigate risks faced by the private sector.

Use the link below to access a brochure from NCSC to share with your customers:

[Know the Risk, Raise Your Shield](#)

## VACB/CRCVA Webinar - Opportunity Zones - February 14 - 10:30 am



### Featuring Special Guest Speaker:

*Jeanne Bonds, Senior Manager, Regional Community Development  
Federal Reserve Bank of Richmond*

### About the Webinar:

Addressing the economic inequalities at play in low-income and underserved communities is of particular importance to our Community FRB Richmond Development team, who convene business, government and community leaders to discuss a myriad of economic issues impacting Richmond Fed communities.

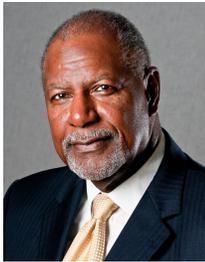
One topic gaining attention are Opportunity Zones, a relatively new investment approach to transforming low-income and underserved communities. OZs are low-income census tracts where tax incentives may accrue to those who invest and hold their capital gains in OZ assets or property. Created as part of The Tax Cuts and Jobs Act passed by Congress in December 2017, OZs are a new federal economic development tool to improve the outcomes of distressed communities around the country.

[Virginia Opportunity Zones](#) (2012 Census Tracts)

[Register Here.](#)

## Essentials of Banking Back for 2019 - Register Now!

Join VACB, David Kemp and Dianne Barton for our third Essentials of Banking Program. This four-session program will be held in Richmond at the VACB Training Room.



**David Kemp**

Our sessions will help newer "star employees" learn about banking from the teller line to the board room. This is a great way to expose staff to all the many facets and job opportunities within a financial institution.

The presenters are nationally recognized and keep the sessions lively and informative. The program is interactive and engaging. Participants get to know their fellow attendees as well.



**Dianne Barton**

***The program will dive deeply into the following topics:***

- **Banking 101** - The history and background of banking, including regulatory agencies & bank examinations
- **Business Operations & Bank Management Topics** - From the board of directors to front line staff
- **Lending, Banking Investments & Bank Performance** - The lending process through the CAMELs rating system & UBPRs
- **Customer Service & Safeguarding the Bank** - Security discussed from compliance issues to physical safety, customer service and fraud trends

Want to know more? We can help! Click the link below to get full program details and to register for this program.

[Program Information & Registration](#)

**Muni Revolution - Tax-free supplies and demand are evolving**  
*by Jim Reber, ICBA Securities*

However you slice it, municipal bonds have a big impact on community bank investment performance-even if you don't own any. That's because your bank's collection of bonds is destined to be in the bottom of the rankings amongst its peers, unless you own some.

This, of course, is not news. For decades, a hallmark of high bond portfolio performance is a large weighting of tax-free securities. Among the investments that community banks are permitted to own, munis tend to be the highest yielding. There are several reasons for this.

First, they're not guaranteed by the federal government or one of its agencies. (That doesn't necessarily indicate they don't have really good credit quality.) Second, munis have a limited supply, which could mean they have a scarcity value that makes them expensive but instead means they have somewhat lesser liquidity than other sectors. Third, and most importantly, munis have the longest durations of any category in the portfolio, which is mainly a function of a perpetually steep yield curve.

Read entire article [HERE](#)

**Additions & Promotions**

**Bank of Botetourt/ Buchanan - *Barbara G. Anderson*** to First Vice President, Head of Compliance & Risk; ***Dustin G. Bays*** to First Vice President, Controller; ***Marty R. Francis***, First Vice President, Head of Business Banking; ***L. Nicole, "Nikki" Griffin***, First Vice President,

Head of Mortgage Lending; ***Paul M. Murphy***, First Vice President, Head of Credit & Loan Services; ***Paula A. Rhodes***, First Vice President, Head of Operations

Services, *Paul A. Rhodes*, First Vice President, Head of Operations

**Carter Bank & Trust /Martinsville - *Paul Carney*** to Senior Vice President and Director of Human Resources.

**Virginia Commonwealth Bank/Richmond - *Steve Wright*** to Senior Vice President & Chief Information Officer. ***Kylie Bransford*** to Vice President.

**F & M Bank/Timberville - Sarah Prusak** to Assistant Vice President.

The following Farmers & Merchants employees have been promoted to Banking Officer at the bank:

*Mary Campbell; Jordan Dean; Yvette McCoy  
Ashley Lam; Angela Smith*

**CONGRATULATIONS!**

## Legal Brief



### Legal Updates for Lenders

*[By: Neil McCullagh](#)*

There are several recent legal developments of which lenders should be aware. They include the following: HELOC lenders are now eligible to modify their duty to give notice of payment changes in Chapter 13 bankruptcy; an attorney-fee clause has been struck down by a Virginia court as unconscionable and against public policy; and the repeal of a Virginia statute has bolstered the exemption available for life-insurance proceeds. This article summarizes and examines these developments.

Read entire article [HERE](#)

## Upcoming & Archived VACB Webinars - January

- Jan. 8 - Record Retention & Destruction Rules: Paper & Electronic
- Jan. 9 - **CREDIT ANALYSIS & UNDERWRITING SERIES:** Regulatory Issues & Update for the Credit Analyst
- Jan. 10 - **TELLER TRAINING SERIES:** Compliance Training for the Frontline
- Jan. 14 - FFIEC Exam Procedures for Business Continuity
- Jan. 15 - 2018 HMDA Submissions Due March 1, 2019 Part 1: Identifying Reportable Loans, Data Integrity & FIG Analysis

- Jan. 16 - Call Reports Update
- Jan. 17 - IRA & HSA 2019 Update, Including Tax Reform Considerations
- Jan. 23 - 2018 HMDA Submission Due March 1, 2019 Part 2: Requirements, Clearing Edits, Exempt Fields & More
- Jan. 24 - Determining Cash Flow from Personal Tax Returns After 2018 Tax Reform Part 1: Newly Revised Form 1040 & Schedules B & C
- Jan. 28 - Real Estate Loan Collection Rules for Lenders & Mortgage Services
- Jan. 29 - **CREDIT ANALYSIS & UNDERWRITING SERIES:** Analyzing Financial Statements for the Credit Analyst
- Jan. 30 - **TELLER TRAINING SERIES:** Frontline Fraud Prevention: Stopping Fraud at the Teller Line
- Jan. 31 - SBA Lending 2019 Update: Guidance on the Latest Changes to Policies, Procedures & Documentation

**Remember! You can purchase an archived link for a program that has been previously recorded.**

[Register for an upcoming Webinar](#)

---

Please let VACB know what your bank is doing in YOUR COMMUNITY! We want to share with our membership!

**Sincerely,**

Virginia Association of Community Banks