

## CERTIFICATION NEWS



### REGULATORY COMPLIANCE

## Community Bank Training

By Ania Scanlan

Training has become a necessity in our fast and ever-changing world. Creating greater depth of knowledge throughout a bank allows for greater operational efficiencies, potentially decreased compliance risk, and satisfied examiner expectations.

As your bank develops its training schedule, it is important to look at it holistically. Think about the number of business lines at your bank and consider logical groupings of staff to allow

for efficient and on-point training. One way of approaching training is to categorize it into three buckets:

1. Mandatory Training - required by law;
2. Must-Have Training - addresses high risk areas of your bank; and
3. Nice-to-Have Training - ensures smooth bank operations.

### Mandatory Training

As a banker, you may have this list memorized but it is worth repeating. The following bank regulations expressly require training efforts:

- BSA/AML (includes CIP, OFAC, 314(a), SARs, CTRs, etc.; 12 CFR 21.21(d)(4))

See [Training](#), page 2



### PROFESSIONAL PROFILE

## Get to Know Karen J. Hasek, an ICBA Certified Banker in South Dakota

By Shirley Ringhand

Karen Hasek is internal auditor at BankWest in Pierre, South Dakota. She became a Certified Community Bank Internal Auditor in 2011 and a Certified BSA/AML Professional in 2011 through ICBA's certification programs

See [Profile](#), page 3

### Fact Check BankWest

**Headquarters:** Pierre, SD

**Retail offices:** Fourteen branches

**Bank asset size:** \$900 million

**Number of bank employees:** 309

**Number of staff in auditing and BSA/AML:** Three

**Website:** [www.bankwest-sd.com](http://www.bankwest-sd.com)

**Taglines/Motto:** Convenient-Connected-Committed

## 2017 CERTIFICATION CALENDAR ►

### Audit Institute (Week 1)

- April 24-28; Kansas City
- Sept. 11-15; Minneapolis

### Audit Institute (Week 2)

- May 1-5; Kansas City
- Sept. 18-22; Minneapolis

### Annual Current Issues/ Certification Conference

- Sept. 25-28; Minneapolis
- Oct. 23-26; Baltimore

### Bank Security Institute

- Sept. 10-13; Minneapolis

### BSA/AML Institute

- May 17-19; Minneapolis
- July 31-Aug. 2; Chicago
- Nov. 13-15; San Diego

### Community Bank IT Institute

- May 8-12; Phoenix
- Aug. 7-11; Minneapolis

### Compliance Institute

- Feb. 26-Mar. 3; Dallas
- June 11-16; Baltimore
- Oct. 1-6; Minneapolis

### Consumer Lending Institute

- Sept. 17-20; Minneapolis

### Commercial Lending Institute

- Oct. 1-6; Minneapolis

### Credit Analyst Institute

- April 2-5; Minneapolis
- Aug. 20-23; Nashville

## Training *Continued from page 1*

- Regulation CC (12 CFR 229.19)
- Bank Protection Act (physical bank security; 12 CFR 21.3(a)(3));
- FCRA Red Flags (12 CFR 222.90(e)(3)), and
- Customer Information Security (pursuant to Interagency Guidelines Establishing Information Security Standards).

The law requires banks to provide this training to its staff. Although the law does not specifically state the frequency of this mandatory training, the accepted (and expected) frequency is at least annually.

### Must Have Training

The number of regulatory requirements included in this category will vary based on your bank's specific products and services. Training is directly dependent on your bank's offerings – particu-

larly those that are higher risk in the eyes of the examiner and law. If your bank does any lending at all, Fair Lending, Flood Insurance Requirements, and Regulation B should be at the top of the list for lenders. For banks originating consumer mortgage loans, training plans must also include Regulation Z, RESPA, HMDA, and SAFE Act training requirements for mortgage loan originators. For operations and frontline teams, Regulation E and UDAAP training are "go-to" topics for most banks.

### Smooth Operations Training

Once the Mandatory and Must-Have training is delivered at your bank, look for possible gaps in your bank's training curriculum. Training gaps for certain employee groups often lead to operational inefficiencies. Common topics in this

category include CRA, Ethics for Bankers, Strategic Planning Strategies, Fraud Prevention, Federal Benefit Garnishments, E-SIGN, and Audit Reporting.

### Training Thoughts

Make training fun! Regardless of the training topic, look to integrate gamification or knowledge challenges in your training activities. This provides greater opportunity for long term retention and lends itself to overall bank success.

ICBA and Community Banker University are your partners in assisting you with your bank's training needs. WFeel free to contact CBU at 800-422-7285.

**Ania Scanlan** ([ania.scanlan@icba.org](mailto:ania.scanlan@icba.org)) is vice president, Community Bank Compliance Center at ICBA.

## (NEW) BSA/AML Training Series

New Bank Secrecy Act/Anti-Money Laundering training series of DVDs are a must have for compliance training. Regulatory expectations continue to be high and new trends are emerging faster than ever before. Stay compliant with the BSA/AML requirements!

### BSA/AML for the Board of Directors and Senior Management (26 minutes)

- Your role in the success of your bank's BSA Program.
- Common challenges and strategies to mitigate them.
- Emerging industry trends and program updates.

### BSA/AML for Lenders & Lending Staff (33 minutes)

- Outline of BSA/AML requirements.
- Lending red flags and new trends.
- Customer due diligence and enhanced due diligence.
- OFAC revisited.

### BSA/AML for Frontline & Operations Staff (53 min.)

- Outline of BSA/AML requirements applicable to front-line and operations employees.
- Importance of the four pillars of a BSA/AML Program.
- Red flags to watch for in daily work activities.
- Examples and case studies.

### BSA/AML for BSA Officers & Staff (63 minutes)

- Principles of BSA/AML and risk assessment.
- Overview of the customer due diligence final rule.
- CIP and prepaid cards.
- Emerging issues, trends and enforcement actions.

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**What makes a community bank different from the largest banks?**

**Hasek:** The personal relationships created with customers – they are not just a number to us.

**What makes you most proud of your bank?**

**Hasek:** We have great leadership, the employees that I work with and our community involvement

**How did you find your way into banking?**

**Hasek:** I drove through our Capitol Avenue Branch drive-thru in December of 1993 and I knew the person working at the window. She asked how I was doing and encouraged me to apply for a job. I did apply for a teller job and started working that December. I worked as a teller for a few years and then left the bank to move to Sioux Falls, SD. I found my way back to the bank in December of 2005 and worked in our Manufactured Housing Department as a Processor. I became an internal auditor in July of 2008.

**Tell us your biggest and best accomplishment.**

**Hasek:** My biggest accomplishment is getting to where I am today. I think it is important to note that I don't know everything there is about compliance and banking, but I do know where to find the information I need and I have external support that I can call on for a second opinion. One thing I have learned in my time working in the banking world is that it is very easy to get bogged down in details. Participating in the ICBA certification programs has helped take me "out of the box" and really understand the universe I work in and what my core responsibilities are as they relate to banking.

**What do you like best about the work you do?**

**Hasek:** In our audit department we have to perform surprise branch audits and I just love working with all of these people.

**What is your bank's customer-service philosophy?**

**Hasek:** Listen to the customer's needs and do everything that you can to meet those needs. Try to always go above and beyond – we want to maintain their banking relationship.

**What's your best advice to a new bank employee?**

**Hasek:** To maintain a positive attitude, be willing to work hard and hold yourself accountable. Get involved within the community.

**Shirley Ringhand** ([shirley.ringhand@icba.org](mailto:shirley.ringhand@icba.org)) is vice president, education certification, seminars and Bank Director Program, Community Banker University at ICBA.

|  <div><b>Compliance Dates to Remember</b></div> |                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Effective Date</u>                                                                                                             | <u>Regulatory Change</u>                                                                                                                                                                                                                 |
| Jan. 1, 2017                                                                                                                      | HMDA effective date for excluding low-volume depository institutions from coverage                                                                                                                                                       |
| Jan. 1, 2017                                                                                                                      | Updated Regulation Z threshold adjustments become effective                                                                                                                                                                              |
| Oct. 1, 2017                                                                                                                      | Prepaid Card Rule effective date                                                                                                                                                                                                         |
| Oct. 3, 2017                                                                                                                      | Military Lending Act (MLA) effective date for credit cards                                                                                                                                                                               |
| Oct. 19, 2017                                                                                                                     | Mortgage Servicing Rules amendments effective date                                                                                                                                                                                       |
| Jan. 1, 2018                                                                                                                      | HMDA final rule effective date for provisions related to institutional and transactional coverage, data collection, recording, reporting and disclosure. Lenders will collect the new information in 2018 and report it by March 1, 2019 |
| May 11, 2018                                                                                                                      | Must comply with Bank Secrecy Act customer due diligence requirements (beneficial owner rule)                                                                                                                                            |



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