

DECEMBER 2021

CERTIFICATION NEWS

QUARTERLY NEWSLETTER FOR ICBA CERTIFIED COMMUNITY BANKERS



How Did Compliance Change in 2021?

Last year was largely a quiet time for regulatory and compliance reform. But while community banks were focused on the economic recovery of their communities, a few changes came during 2021.

Formal proposals and deadlines for regulatory changes were again sparse in 2021. Regardless, community banks were engaged to serve their communities, safeguard their data and that of their customers, and address regulatory compliance challenges commensurate with the times. Let's take a look at the year's changes.

FLOOD INSURANCE

In 2020, the Federal Emergency Management Agency (FEMA) published a final rule to codify provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, and to clarify existing National Flood Insurance Program (NFIP) rules. In February 2021, it issued corrections to those instructions.

The final rule and corrections became effective Oct. 1.

In April 2021, FEMA announced its Risk Rating 2.0: Equity in Action flood insurance rating methodology. The NFIP has used a rating structure based on flood zones across the country and expected losses of groups of structures. Risk Rating 2.0 is based on actual flood risk and the value of individual properties. In Phase I, which went into effect Oct. 1, new policies

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GET TO KNOW



TODD CORDES

CCBSO, CBAP, CCBTO, CCBRS, is executive vice president, chief operating officer, chief information security officer, and HR director at WCF Financial Bank, a \$140 million-asset institution based in Webster City, Iowa

For Todd Cordes, multitasking is all in a day's work. As the executive vice president, chief operating officer, chief information security officer, and HR director at WCF Financial Bank, a \$140 million-asset institution based in Webster City, Iowa, his day-to-day responsibilities are as diverse as they come. That's

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are subject to Risk Rating 2.0 methodology and existing policyholders may take advantage of any premium decreases. In Phase II, NFIP policies renewing on or after April 1, 2022, will be covered by the new methodology. Lenders' compliance with flood insurance requirements will not be affected.

FAIR ACCESS TO BANKING SERVICES, CAPITAL, AND CREDIT

In January 2021, the Office of the Comptroller of the Currency (OCC) released a final rule to ensure fair access to banking services by large national banks, federal savings associations, and federal branches and agencies of foreign bank organizations. The rule implements provisions of the Dodd-Frank Act and codifies historical OCC guidance that banks, when provisioning access to services, capital and credit, should conduct a risk assessment of individual customers, rather than make broad-based decisions affecting whole categories or classes of customers. The rule applies to banks with more than \$100 billion in assets.

COMMUNITY REINVESTMENT ACT (CRA)

The OCC issued a rule to national banks in May 2020 making broad changes to the agency's CRA enforcement. The OCC issued an announcement in July 2021 to rescind the rule and committed to work with the Federal Reserve Board and the FDIC on joint CRA rulemaking.

SMALL BUSINESS LOAN REPORTING

Section 1071 of the Dodd-Frank Act amends the Equal Credit Opportunity Act (ECOA) to require reporting of specific categories of business loans. In September 2021, the Consumer Financial Protection Bureau (CFPB) issued a notice of proposed rulemaking to facilitate the small business loan requirements. Under the rule, institutions would be required to collect and report data on certain business credit applications in three categories:

- » Data that financial institutions would generate or provide
- » Data provided by the applicant or that a financial institution could determine by reviewing information provided by the applicant or a third party
- » Data that addresses the demographics of the applicant's principal owners or ownership status.

Quick Stat

21

The number of data points the CFPB would require covered institutions to report under the agency's Section 1071 proposal

"Under Section 1071, the CFPB was only required to collect 12 data points from covered institutions," says Michael Emancipator, ICBA's vice president and regulatory counsel, "However, it nearly doubled that

why he looks to certification programs to keep him up to speed.

"In a small community bank, a few of us wear a lot of hats so others can do their jobs effectively," says Cordes. "Over the years, I have accumulated different skillsets, and having certifications elevates you in the eyes of examiners and peers and demonstrates a mastery of the material."

Having entered banking with what was supposed to be a temporary gig as a teller, no one was more surprised than Cordes when he found his calling in the industry. After a few months on the front line, he was promoted to branch manager, and Cordes was hooked, taking a voracious interest in learning as much as he could. As his career evolved, Cordes championed continuing education to extend his knowledge and enhance his value to the bank.

"If one wants to move up in this industry, especially today when we have faster payments and digital banking unlike what we would have imagined 10 years ago, you have to stay on top of what's happening," Cordes sums up.

That's where certifications come in. Today, Cordes holds four different certifications from ICBA: Certified Community Bank Security Officer (CCBSO); Certified

number to 21 data points. If finalized as is, the effect could [transform] small business lending and serve to make it homogenized, which is contrary to what community banks offer.”

ICBA has pursued efforts to exempt as many community banks as possible, and Emancipator encourages community banks to seek ways to influence revision of the rule.

“As a national bank, we were focused on the October implementation date for the CRA changes. That changed, of course, when the OCC pumped the brakes.”

—Jamie Santistevan, Native American Bank

A ‘PAUSE IN REGULATORY CHANGES’

Despite the lack of changes, community bankers were engaged in robust efforts to oversee regulatory and risk management.

“We welcomed the pause in regulatory changes. As a national bank, we were focused on the October implementation date for the CRA changes. That changed, of course, when the OCC pumped the brakes and announced a commitment to working with the FDIC and FRB for joint revisions,” says Jamie Santistevan, vice president of compliance, Bank Secrecy Act (BSA), anti-money laundering (AML) and CRA and operations officer at \$180 million-asset Native American Bank in Denver. During this pause, Santistevan has witnessed more incidents of attempted fraud.

“Hot buttons for us, like many other financial institutions, are fraud and cybersecurity. We saw an uptick in pandemic-related schemes and fraud on top of the ones already in the mix before the pandemic,” he says. “For technology-based solutions and security protocols, we’ve taken on the costs and employed great efforts to be sure our data and customer security is where it needs to be.”

Tim Grooms, chief risk officer at \$800 million-asset First State Bank in Winchester, Ohio, says he’s noticed a similar increase but the bank is focusing on cybersecurity.

“We also saw an uptick in fraud, especially in connection with the early paper checks issued for stimulus payments. Some customers also received calls saying that stimulus payments were being held and attempting to scam them for additional information,” Grooms says. “We’ve had a significant focus on cybersecurity as a continuation from 2020 to maximize measures for our own activities and our customers’ accounts.”

Mary Thorson-Wright is a writer in Washington, D.C.

BSA/AML Professional (CBAP); Certified Community Bank Technology Officer (CCBTO); and Certified Community Bank Risk Specialist (CCBRS). Each certification speaks to a responsibility he has had in the past or has cultivated for career development. Specifically, Cordes shared:

- » His newest accreditation, CCBRS, supports his role in managing enterprise risk management across all areas of the bank.
- » Similarly, his role as chief information security officer, where he oversees network relations and cybersecurity, benefits from the CCBTO distinction.
- » Cordes notes that the CCBSO program may be his favorite certification, because ICBA brings law enforcement experts to the Bank Security Institute, who draw on real-world experiences. In fact, he credits his attendance at the institute with a decision to reconfigure his bank’s branch security cameras for greater safety.
- » Since he received the CBAP, Cordes has had three audits and three safety and soundness exams, and each time, the examiner has commented on his certification, pleased that his bank has made the investment in that knowledge.

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Have You Claimed Your Digital Certification Badge?

For the past several years, Community Banker University has partnered with Credly Acclaim to provide you with a digital badge of your ICBA certification credentials.

Each digital badge contains metadata describing your qualifications, credentials, and how you earned the certification. You have the ability to display the badge on your social media sites such as LinkedIn, Twitter, and Facebook, as well as display the digital badge within your email signature line, on your bank's website, and for other professional uses.

New certification holders receive an email invitation to accept a digital badge after successful completion of an institute and the corresponding exams.

Existing certification holders received access to their digital badges in an email introducing the program in 2019.

If you did not claim your badge at the time the program rolled out, or perhaps you claimed your badge and now would like to add your digital credentials to social media or your email signature line, follow these simple steps:

- » Log in or create an account at info.credly.com
- » From your Dashboard, see the certification badge(s) you hold. Click on a badge you'd like to access.
- » Click Share.
- » Chose social media sites where you'd like to share your badge. You can also email your badge to colleagues or individuals outside of your organization, download the badge and add it to your bank email signature line, create a link to your badge for use on your website, and create a public link.

Contact Community Banker University's Certification Specialist, Julie Wolda, with any questions at 800-422-7285 ext. 7334.

« **Todd Cordes** continued
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"My bank president jokes that he's going to call me 'doctor' because I have all of these letters behind my name," Cordes says. "But good education does nothing but good things for you."

That's why Cordes advocates for making certifications a bank priority by budgeting for staff to attend trainings, allocating for time out of the office to participate, and suggesting ongoing education as part of performance planning. Strengthening employee knowledge and skillsets can make all the difference in positioning the bank for success. Cordes doesn't hesitate to encourage bank leaders to pursue ICBA certifications for themselves and their teams.

"By all means do it. It brings immense value all around," he advises. "I'd be ineffective in today's rapidly changing financial services environment if I wasn't out networking and taking these courses to stay up-to-speed on developments, and I promote them with my staff, too. I want to prepare them to be the best they can be."

FAST FACTS

WCF Financial Bank

wcfbank.com

\$140 million-assets

Webster City, Iowa

Answers to Your Frequently Asked Questions

ICBA's Community Banker University offers nine certification programs that are nationally recognized, professional designations and require the user to follow specific processes and procedures before a certification is granted. These programs are governed and monitored by the ICBA Certification Board, which is made up of leadership bankers from the ICBA Bank Education Committee, certified community bankers, attorneys, and certification program instructors.

What is the difference between a certificate and a certification program?

Certificate programs are delivered online and are an ideal way to enhance professional skills, gain practical training, explore banking career growth, and affirm expertise. The certificate programs provide a certificate of completion but are not a certification program and require no additional training after completion.

Certification programs are delivered through live classroom style programs and have Continuing Professional Education (CPE) requirements. Participants earn a certification designation showing successful completion of the program.

How do I keep my certification current?

Bankers must complete the applicable Continuing Professional Education (CPE) credits every two years.

30 CPE credits every two years:

- » Auditing – Certified Community Bank Internal Auditor (CCBIA)
- » Compliance – Certified Community Bank Compliance Officer (CCBCO), and
- » Information Technology – Certified Community Bank Technology Officer (CCBTO).

20 CPE credits every two years:

- » BSA/AML – Certified BSA/AML Professional (CBAP)

15 CPE credits every two years:

- » Bank Security – Certified Community Bank Security Officer (CCBSO)
- » Bank Risk – Certified Community Bank Risk Specialist (CCBRS)
- » Commercial Lending – Certified Commercial Loan Officer (CCLO)
- » Consumer Lending – Certified Community Bank Consumer Lender (CCBCL)
- » Credit Analysis – Certified Community Bank Credit Analyst (CCBCA).

When do I need to start accumulating CPE credits?

All certification CPE requirements start the year following achievement of your certification. For example, if you achieved your certification in 2021, the CPE requirement starts on January 1, 2022, so you will need to accumulate the required 15, 20, or 30 CPE credits by December 31, 2023.

How do I keep track of my CPE credits?

Certified bankers have access to the ICBA Online Certification Portfolio. This is a password protected area of the ICBA website. In this portfolio, you can enter your CPE credits, download copies of certificates of attendance, registrations, and agendas. This is also where you can pay the required \$100 annual renewal fee.

What training counts towards my certifications?

Certified bankers may accumulate up to 50% of the required CPE credits through online training courses and webinars. The other 50% of the required CPE credits must be accumulated through live, in person, on-site education training programs or live-streamed, virtual seminars where there is visual and live engagement with instructors. Community Banker University offers a wide selection of CPE programs, and other well-known bank training programs are also accepted for CPE credits.

Can I use CPE credits toward more than one certification?

No. Bankers with more than one certification cannot use the same CPE credits toward more than one certification. For example, a banker with an Auditing Certification and Compliance Certification will need to obtain 30 hours of CPE for each designation, a total of 60 hours of CPE training every two years.

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**I have the BSA/AML Certification.
Can I use any CPE credits?**

Bankers with the CBAP Certification must accumulate their CPE credits in topics related only to the Bank Secrecy Act, Anti-Money Laundering, and fraud requirements. Due to its specialty area of expertise, all certified CBAP persons will be required to maintain current and timely knowledge of BSA/AML events through ongoing CPE.

How does ICBA/Community Banker University determine the number of CPE credits for each course reported?

ICBA/Community Banker University adheres to the NASBA Statement on Standards for Continuing Professional Education (CPE) Programs. To calculate total CPE credit, determine the total number of instructional minutes and divide by 50. Fifty minutes of participation in an instructed event is considered one CPE credit for each program of learning.

How long does it take for CPE earned and submitted into my portfolio to be approved?

We understand that your CPE submission is very important. For that reason, ICBA staff works as quickly as possible to review and approve all CPE submissions on an ongoing basis. If you have questions related to a specific CPE submission, please contact Community Banker University staff.

What happens if I don't meet my CPE credit requirement?

If you don't meet your CPE credit requirement within the two-year period, your Certification status will lapse, and you will no longer be certified through ICBA Community Banker University. You will then be required to attend the institute and take all the required exams to again become certified. Community Banker University staff will notify bankers whose certification status has lapsed before the certification designation is removed.

What is the annual renewal fee?

The certification annual renewal fee is \$100. ICBA staff sends notice of renewal fee payments to all certified bankers, due the fall of each year for the current calendar year.

Does the annual renewal fee apply to each certification I hold?

Yes, the annual renewal fee applies to each certification a banker holds. For example, a banker with two certifications would pay a \$200 fee, \$100 for each of the two certifications up to a maximum of \$400.

What happens if I don't pay the annual renewal fee?

Your certification status will lapse and you will no longer be certified. Community Banker University staff will contact bankers whose certification status has lapsed before the certification designation is removed.

I have a special request regarding a certification. What can I do?

All special requests and considerations must be submitted in writing to the Certification Board. The board is comprised of bankers, certification program instructors, attorneys, industry experts, consultants, and ICBA staff. The board meets twice a year. Contact Community Banker University for information on how to submit your request.

Is the number of participants who can attend a certification institute capped?

No, with the exception of the Credit Analyst Institute. For the Credit Analyst Institute, we limit the number of participants to 50 students due to the subject and nature of the class, and to maximize small group work.

Questions?
Community Banker University staff is happy to help! Call 800-422-7285.