CASHING IN ON SMALL TICKET SPEND

Did you know that nearly 50 percent of Visa debit transactions are in the small ticket segment ($15 or less)? Or that this segment historically is less impacted by fraud? Read more about the small ticket opportunity (estimated at $1 trillion) in the Spring issue of Bancard Confidential (www.icbabancard.org/bc) and download small ticket collateral (including web banners, branch materials and email templates—all customizable) from ICBA Bancard's Visa Microsite (www.icbabancard.org/visa). Note: website access restricted to Visa issuers. Contact ICBA Bancard at (800) 242-4770 or email bancard@icba.org to find out about our debit card offerings.

ICBA Securities and Vining Sparks Annual Bank Conference *continued*

"The diverse group of community bankers in attendance from across the country also gives you an opportunity to talk with other banks about what types of challenges they are facing, as well as regulatory pressures they are seeing and maybe get an indication of what could be coming. It's a great opportunity to trade strategies with peers who aren't your local competitors."

Sothen says that finding time to be out of the bank isn't always easy, but that he would encourage anyone to attend this conference. "We're all busy," he says, "but I think that anyone attending this event would find the time and money very well spent to help them plan their bank's future."

Any community bank interested in attending the Annual Community Bank Conference is invited to visit www.viningsparks.com/realinsight to register. This complimentary event includes a private dinner at Del Frisco's Steakhouse on Monday night, May 4.

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Profitability Solution$®
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ICBA Securities® and Vining Sparks Annual Bank Conference Tackles Tough Issues Facing Today's CFO


Adam Sothen

Employed by Eastern Virginia Bankshares, Inc. (NASDAQ: EVBS) since June 2010, Chief Financial Officer and Executive Vice President Adam Sothen says that the days when a community bank chief financial officer simply managed a bank's accounting and reporting functions have long since passed. Managing the Tappahannock, Va.-based bank's general ledgers are still a large part of Sothen's day-to-day responsibilities, but he also oversees publicly traded EVBS's SEC filings, regulatory filings, investor relations, its investment portfolio and its finance operations, including asset liability and interest rate risk management, liquidity and capital planning.

"There's never a shortage of things to do in the environment we're in," he notes. "A lot of our challenges stem from compliance burden. Regulatory changes mean that we must constantly be forward-thinking when planning for future growth."

Managing bank capital has always been important, but Sothen says that understanding what risks are actually inherent in the balance sheet are critical when determining what kind of future initiatives the bank can pursue. For additional insight, he leverages EVBS's relationship with ICBA Securities' exclusive broker Vining Sparks who he says offers a true, holistic approach to strategic investing.

"I'm authorized to do business with seven to eight fixed-income brokers and while some of them tend to focus only on the investment portfolio and bonds they think will fit, Vining looks at things from an entire balance sheet and asset liability/interest rate risk management perspective."

This soup-to-nuts approach is one of the reasons Sothen is attending the ICBA Securities and Vining Sparks Annual Bank Conference at the Drake in Chicago May 4-5, 2015. This will be the third time Sothen has attended the event, which he says delivers timely information on topics that are currently affecting banks.

"The conference is built around so much more than just discussions surrounding fixed income," he says. "You can tell that Vining Sparks takes the time to talk with its customers and get a real understanding for their daily challenges."

Jim Reber, president and CEO of ICBA Securities says that attendees will hear a series of presentations from bond analysts, investment strategists and traders from Vining Sparks who will be delivering presentations on their particular areas of expertise ranging from mortgage-backed securities to municipal bonds to government agencies. There will also be a presentation from Vining's Chief Economist Craig Dismuke. Dismuke is a frequent guest on CNBC, Fox Business and Bloomberg TV and is frequently quoted in the national financial news.

Sothen says that the conference's break-out sessions allow attendees to tailor the event to focus on issues that concern them most. He also points to the Traders Panel as a conference highlight where bankers have the opportunity to engage with Vining Sparks' traders in an informal setting for question and answer sessions. He adds that throughout the event there are many opportunities to meet with the traders and that at past conferences he's been able to set up independent sessions with them to discuss strategies and pick their brains.

(continued on page 3)

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ICBA Services Network®

PRODUCT ANNOUNCEMENTS

New Integrated Lending Opportunity

Now you can offer your borrowers an online consumer loan application that flows directly into your back office for processing. With the new integration of MortgagebotPOS™ to LaserPro® – the end-to-end consumer lending solution from D+H – community bankers have the best of both worlds. The solution provides online, web-based applications for a variety of consumer loans, as well as a streamlined processing workflow that eliminates manual data entry, reduces errors and seamlessly integrates your consumer-direct channel with your back office.

And if you're looking to optimize your mortgage business, consider the robust, end-to-end, mortgage lending solution – MortgagebotPOS and MortgagebotLOS™ from D+H.

This next-gen platform is lenders' top choice for leveraging today's SaaS advantages – systematic compliance updates, cost and efficiency gains, and a transactional online mortgage application that attracts and serves borrowers applying online.

With the growing portfolio of D+H solutions for all lending types – consumer, mortgage and commercial – lenders are uniquely positioned to take their businesses to the next level.

D+H FINANCIAL TECHNOLOGIES. SOLUTIONS FOR PEOPLE.

Let us know what we can do for your business. Call (800) 815-5592 or visit dh.com today.

KNOWLEDGE CENTER

ICBA REINSURANCE®

WEBINAR: The Power of Questioning

WHEN: Tuesday, May 12 at 11 a.m. and 2 p.m. (Eastern time).

HOSTED BY: ICBA Reinsurance and Transamerica

WHO CAN ATTEND: ICBA Reinsurance program participants

DESCRIPTION: The Power of Questioning will add fuel to your sales presentation and your interaction with borrowers and co-workers. Pulling all your existing communication knowledge together and building on your questioning ability will make you excel at all interactions every day with every borrower. You will leave this session with improved communication skills. Using what you learn will expand your customer relations and give greater customer service and cement loyalty. Unexpectedly, you will discover hidden cross-sell opportunities.

REGISTER: www.icbareinsurance.org

Fannie Mae's Collateral Underwriter Helps Lenders Manage Risk, Review Rural Appraisals

Collateral Underwriter™ (CU™) is the latest offering in Fannie Mae's comprehensive suite of risk management tools available to lenders. CU is a proprietary appraisal risk assessment application developed by Fannie Mae to support proactive management of appraisal quality. Fannie Mae is providing additional transparency and certainty to our lenders by giving them access to the same appraisal analytics used in our own quality control process.

CU is being offered free of charge so lenders can take full advantage of this powerful tool to help identify appraisals with heightened risk of property eligibility, policy compliance violations, overvaluation and appraisal quality issues. Lenders may use the CU risk score to segment appraisals by risk profile, resulting in more efficient resource allocation, workflow management and collateral risk management processes.

Powerful, Real-Time, Data-Driven Analysis of Appraisals at Your Fingertips

CU leverages an extensive database of property records, market data and proprietary analytical models to analyze key components of the appraisal, including data integrity, comparable selection, adjustments and reconciliation. Lenders have access to CU's automated appraisal analysis results that include:

- A CU risk score on a scale of 1.0 (lowest risk) to 5.0 (highest risk)
- Risk flags to identify factors contributing to high risk scores
- Detailed messaging to highlight specific aspects of the appraisal that may warrant further attention by a human reviewer

"Only a few short years ago, there was no standardized appraisal data and thus very little way to analyze appraisal quality on a large scale," commented Zachary Dawson, Fannie Mae's director of collateral strategy. "Making Collateral Underwriter's in-depth appraisal analytics broadly available to mortgage originators is another step that Fannie Mae is taking to help improve the accuracy of appraisals and decrease collateral risk. The CU feedback is intended to help lenders address potential appraisal issues prior to delivery of the loan to Fannie Mae."

Supporting Rural and Small-Town Lending

For lenders serving rural areas, CU helps fill a gap when information to support appraisal reviews may be limited. Several lenders have reported that leveraging CU's wealth of data is helping to support their appraisal reviews and mitigate risk.

CU is able to score approximately 97 percent of all appraisals submitted from the 50 U.S. states and the District of Columbia. Properties in the U.S. territories cannot be analyzed. Many of the unscored appraisals are due to geocoding limitations.

Leveraging CU Findings and Analysis

CU feedback is provided in three ways:

1) A CU risk score, flags and messages are provided in real time after an appraisal is submitted to Fannie Mae through the Uniform Collateral Data Portal®, or UCDP®. The CU risk score, flags and messages are provided on the Fannie Mae tab and the UCDP Submission Summary Report. Any UCDP user that submits an appraisal to Fannie Mae has access to the CU risk score, flags and messages. This includes Fannie Mae sellers, non-seller correspondent lenders, and their AMC lender agents submitting to UCDP on their behalf.

2) For in-depth appraisal analysis of what is driving the CU risk score, flags and messages, the full CU application, or web-based user interface, is available to Fannie Mae sellers via a web-based user interface (registration required). The user interface is available only to Fannie Mae sellers, and (starting in April 2015) to non-seller correspondent lenders.

3) The CU risk score, flags and messages may be displayed in Desktop Underwriter® (DU®) and Early-Check™ (after an update the weekend of April 18, 2015).

"Appraisal review tools are not new in the mortgage industry, but CU adds a powerful new option that can help take appraisal review to the next level," Dawson commented. "Sharing CU's data and analytics with our lender customers is expected to help them efficiently reduce appraisal defects and potentially make fewer, but more informed requests of their appraisers."

Learn More

To learn more about what Collateral Underwriter can offer and for FAQs, trainings and other tools to help you use CU effectively please visit www.fanniemae.com/singlefamily/collateral-underwriter.

Installment Loan Profitability Kit Gets Payment Protection Programs Growing

After an analysis of top performing banks in the ICBA Reinsurance program found that institutions that leverage technology and employee training consistently outperform their peers, ICBA Reinsurance and Transamerica developed "Installment Loan Profitability Grow Kits" to help community banks fully maximize the profitability of their payment protection programs.

The kits provide a comprehensive overview of the resources and technology available to ICBA Reinsurance shareholders and illustrates how Transamerica's array of online tools and proprietary software can simplify the quoting process, measure penetration and help management set program goals. Also enclosed in the kits are sample marketing collateral and an overview of Transamerica's complementary training options developed specifically for lenders and front-line staff.

At ICBA Community Banking LIVE® in Orlando, Fla. bankers who took photographs with the kits were entered into a random drawing for the chance to win $100. Pictured are Rusty and Troy Cloutier of MidSouth Bank in Lafayette, La.

To learn more about the ICBA Reinsurance program visit www.icbareinsurance.com or call (888) 790-6625.

The ICBA Services Network is the holding company for the service subsidiaries of Independent Community Bankers of America®. Our mission is to enhance the franchise value of community banks by providing high-quality products and services that aggregate the buying-power of community banks nationwide.