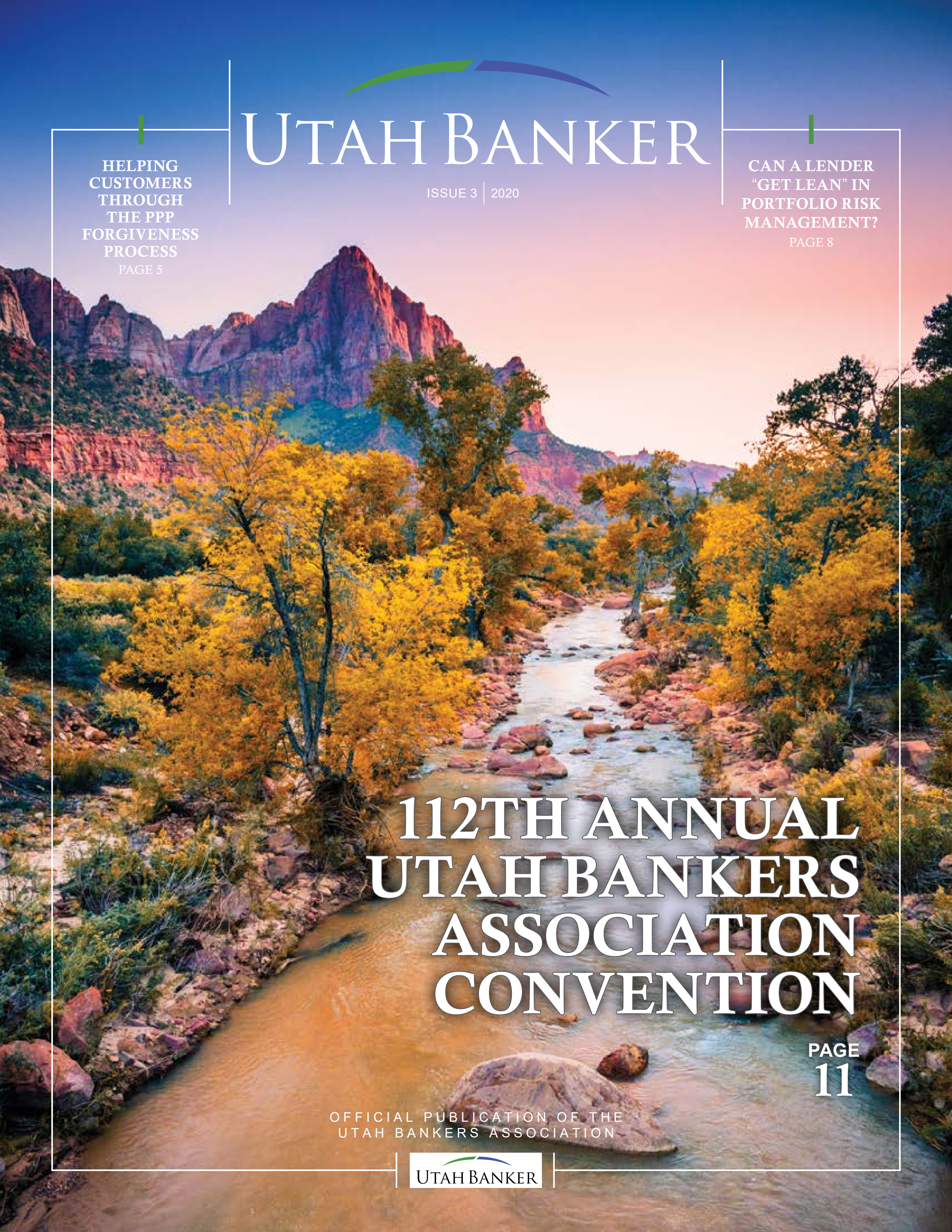

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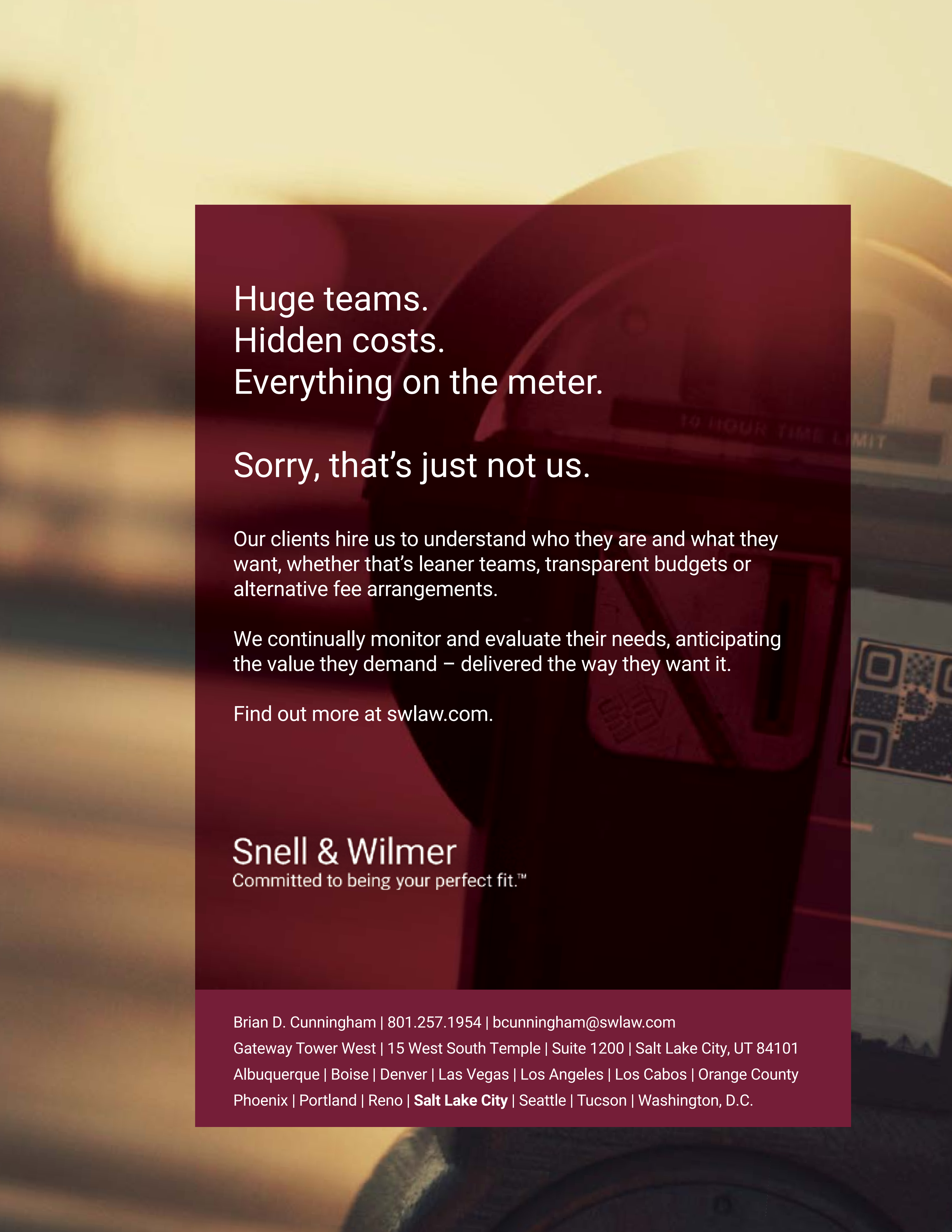
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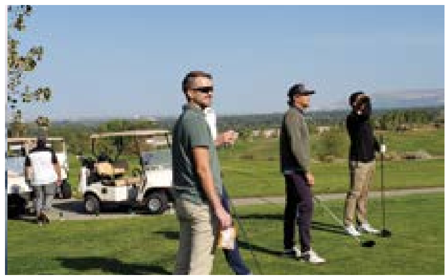

UBA Board of Directors 2020

The Bottom Line

Howard Headlee
President
Utah Bankers Association

It's important to all of us that bankers make good loans. Not just loans that get paid back, but those that drive growth and progress. This fuels our economy and increases the resources we have to make more loans and build our community.

As I have watched the best bankers make the best loans, I have observed something that I think could benefit everyone — their ability to patiently listen, quietly analyze and objectively differentiate between bluff and bluster and real, tangible results.

Every day, bankers are presented with loan requests that are compelling, exciting, full of promise, and promoted by impressive, charismatic individuals. But often, the details just don't add up. The substance of the proposal, particularly the measurable results, just doesn't pencil.

Unfortunately, this same discipline is lacking in our political system. The inability of voters to differentiate between compelling narratives and actual results has led to dysfunction in our government programs and injected poison into our political process. We continue to reward failure and incentivize corruption because many voters seem more wed to defending their preferred narratives than demanding success that improves lives.

Making matters worse, it is getting harder for voters to obtain accurate information about what constitutes success and failure. Our media has found it is more profitable to create and feed our favored narratives than to report what is happening in the world.

If bankers ignore the results of their decisions, they will inevitably lose more money, and their bank and community will suffer. Likewise, when voters ignore the actual results of bad policy, we get more bad results and people suffer. Rational people learn from their mistakes and change course. Those who ignore results that conflict with their preferred narrative care more about their fragile egos than they do about people.

Pearson's law teaches us that when performance is measured, performance improves. And when performance is measured and reported, the rate of improvement accelerates. But our political system is regressing because rather than being accountable to actual results, politicians have attempted to eliminate any rational measurement of their performance and have come to rely exclusively on those who blindly defend their common narrative for re-election. The results are not good for anyone.

The beauty of the American system is that it is never too late to reverse course. Our current regression can all stop as soon as voters are willing to set aside their pet narratives and focus on results. This will naturally occur when people are in enough pain that their appetite for results exceeds their need for being right. The more fortunate of us will forgo that pain and proactively observe the approach of the banker and patiently listen, quietly analyze and objectively differentiate between the bluff and bluster and the desired results — and reward the results! Vote wisely.

The inability of voters to differentiate between compelling narratives and actual results has led to dysfunction in our government programs and injected poison into our political process.

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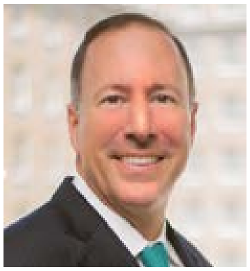

Rob Nichols
President and CEO
American Bankers Association

PERSONAL FINANCE FOR THE PANDEMIC ERA:
WHY BANKERS SHOULD DELIVER FIN ED LESSONS TODAY

The pandemic has forced many lessons on us, not the least of which is the importance of being prepared. I don't mean being-well-stocked-on-toilet-paper prepared. I mean having the ability and resources to survive an uncertain and even perilous period. For businesses, that clearly requires having a well-crafted and tested business continuity plan. For households, the most important preparedness tool may be a well-funded savings account.

Those who may not have fully appreciated this before COVID-19 certainly understand it now. In fact, a Bank Rate survey this summer found that Americans' top financial regret is not having enough emergency savings to withstand the crisis, followed closely by not having enough retirement savings.

This presents an important opportunity for banks, which can — and should — help support both established and fledgling savers as they pursue their savings goals. Nothing is more fundamental to financial wellness than savings.

Given the massive economic dislocation caused by the pandemic, this may seem an odd time to exhort others to save. Many are suffering from a loss of income and find it challenging to pay their expenses; how can they possibly set aside money for a rainy day when it's already pouring? But there's reason to view this as the ultimate teachable moment, and an ideal time to convert lessons into action.

In a July survey of hourly workers (by DailyPay and Funding Our Future), 51% said that coming out of the pandemic, they are more likely to save for the future, as opposed to 15% who said they were less likely to do so. Meanwhile, 65% said they don't have any savings account, and 62% said they would be able to save more if there was an easier way to set aside a portion of their paycheck.

These data point to a clear demand for information and tools to facilitate savings, and banks are a reliable source for both.

To help banks meet that demand — and prevent financial regrets in the first place by teaching financial fundamentals to today's youth and young adults — the ABA Foundation has adapted its financial capability programming for today's virtual world. Teach Children to Save lessons went virtual in April, and Get Smart About Credit, our fall program has also been adjusted to include new resources and notes for delivering effective virtual presentations, as well as new modules around saving for the unexpected.

We all know that strong personal finance skills are essential to success in life. In fact, a majority of respondents in the latest Charles Schwab Financial Literacy Survey said that money management was the most important skill for children to learn, outranking the dangers of drugs and alcohol, healthy eating and exercise habits and safe driving practices. And nine in 10 agreed that a lack of financial education contributes to some of the biggest social issues our country faces, including poverty, unemployment and wealth inequity.

This brings us to another lesson learned from the pandemic: Significant disparities in health, education and job opportunities persist. Those disparities have exposed some populations to greater risk — of catching COVID-19 or losing a job — and they've left some children more vulnerable than others to the negative effects of school closures.

Education, including financial education, can help reduce these disparities and give all Americans an equal opportunity to prosper. Few are more qualified to deliver lessons in personal finance than bankers, so I strongly encourage you to register as a volunteer for a financial education program today. The ABA Foundation makes it easy — and free. Visit aba.com/FinEd to learn more and sign up. This is one of the most important ways bankers can make a long-term difference in the lives of others.

The more individuals we reach with this valuable information, the better off our communities will be. And there's no doubt it is better to learn personal finance lessons in a Zoom class than in a crisis. ■

E-mail Rob Nichols at nichols@aba.com.

HELPING CUSTOMERS THROUGH THE PPP FORGIVENESS PROCESS

By Jay Kenney, SVP, Regional Manager, PCBB

Bankers have been crunching the numbers a lot lately, especially with the Paycheck Protection Program. In particular, we know many of you have been working with your small business customers to help them with loan forgiveness. So, we wanted to provide you with seven pointers to help shepherd your borrowers through the loan forgiveness application process.

1. **Review rules** governing the loan forgiveness process on the U.S. Small Business Administration's website. Borrowers need to submit the loan forgiveness application to their financial institution (FI), which includes providing calculations and supporting documents. Their FI must verify the mathematical accuracy of calculations and check for appropriate documentation, though the institution does not need to independently verify whether the information is correct.
2. **Train staff** on how to review the calculations and documents within applications, how to determine forgiveness eligibility and amount, and how to submit that to the SBA. The FI has 60 days to determine eligibility and request payment of the forgiveness amount from the SBA; the agency has 90 days to review and remit payment, plus any interest accrued.
3. **Consider utilizing specialized software** newly developed by vendors to process PPP loan forgiveness applications. Some vendors provide a white-labeled, cloud-based portal for borrowers to submit applications, and the entire process for FIs is automated, including calculating and submitting forgiveness amounts to the SBA.
4. **Prepare for the SBA to potentially audit** certain borrower applications. While the ultimate responsibility of the application's integrity rests with the borrower, you will want to establish the necessary controls and documentation to demonstrate to the SBA that you diligently followed the agency's rules for processing, reviewing and monitoring borrower applications.
5. **Prepare for the SBA to potentially limit** the amount of forgiveness for some borrowers, or reject forgiveness altogether, though borrowers can appeal. Borrowers have the remainder of the loan term to repay the portion of the loan that was not forgiven — or its entirety. Borrowers must retain PPP documentation for six years after the date the loan is forgiven or repaid in full. Lenders must comply with applicable SBA requirements for records retention.
6. **Post links** to the SBA's rules on your website, and include helpful FAQs, to best help borrowers prepare. Some FIs are posting videos to guide borrowers through the process, and one of them posted a webinar with six thousand borrowers participating. Set expectations with borrowers about potential limits on forgiveness too.
7. **Communicate frequently** with your staff regarding the reasons why a loan was denied forgiveness. Also, update your senior management & board on this too, so everyone is in the loop.

This process may not be easy, but you'll engender more loyalty with your borrowers, as you continue to help them through these trying times.

To continue this discussion or for more information, please contact Jay Kenney.

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COMPLIANCE **CORNER**

Compliance Alliance, I

CHANGES TO ELIGIBLE RETAINED INCOME

By John Berteau, Associate General Counsel

In response to the potential economic effects of the coronavirus, the OCC, FRB and FDIC (“the agencies”) published an interim final rule March 20 2020, proposing to revise the definition of eligible retained income. On March 26 2020, the FRB published an interim final rule which revised the definition of eligible retained income for institutions subject to the FRB’s total loss-absorbing (TLAC) rule. The agencies recently published a final rule which made final both of these interim final rules without changes. The goal of this final rule is to help strengthen the ability of banks and TLAC institutions to continue lending and conducting other financial intermediation activities during stress periods by making distribution limitations more gradual, as intended by the agencies.

Under the capital rule, banks must maintain a buffer of regulatory capital above their required minimum risk-based capital and leverage ratio requirements to avoid restrictions on capital distributions. The agencies established the capital buffer requirements to encourage better capital conservation and to enhance the resilience of the banking system during stress periods. Capital buffer requirements, as initially implemented, were intended to gradually limit the ability of banks to distribute capital if their capital ratios fell below certain levels.

Banks under the capital rule were generally subject to a fixed capital conservation buffer requirement, composed solely of common equity tier 1 capital, of greater than 2.5% of

Capital buffer requirements, as initially implemented, were intended to gradually limit the ability of banks to distribute capital if their capital ratios fell below certain levels.

risk-weighted assets. On March 4 2020, the FRB introduced a stress capital buffer requirement, which provides that a covered holding company will receive a new stress capital buffer requirement on an annual basis, which replaced the existing greater than 2.5% capital conservation buffer requirement.

Under the capital rule, if a banking organization's capital ratios fall within its applicable minimum-plus-buffer requirements, the maximum amount of capital distributions it can make is a function of its eligible retained income. Prior to the issuance of the March 20 2020, interim final rule, the capital rule generally defined eligible retained income as four quarters of net income, net of distributions and associated tax effects not already reflected in net income. The interim final rule revised the definition to be:

> "(i) The eligible retained income of a national bank, or Federal savings association is the greater of:
>
> (A) The national bank's or Federal savings association's net income, calculated per the instructions to the Call Report, for the four calendar quarters preceding the current calendar quarter, net of any distributions and associated tax effects not already reflected in net income; and
>
> (B) The average of the national bank's or Federal savings association's net income, calculated per the instructions to the Call Report, for the four calendar quarters preceding the current calendar quarter."

The revised definition of "eligible retained income" under this final rule applies to all of an organization's buffer requirements, including the fixed greater than 2.5% capital conservation buffer and the countercyclical capital buffer. Once the stress capital buffer requirements apply on October 1, 2020, the revised definition would also apply to all parts of a covered holding company's buffer requirements. Having one definition of "eligible retained income" for all organizations under the capital rule should simplify the regulatory capital framework and ensures fairness across organizations of all sizes.

The requirements in the total loss-absorbing capacity (TLAC) rule build on and complement the capital rule. Back in 2016, the FRB issued the TLAC rule to require the largest and most important bank holding companies (U.S. based) and foreign banking organizations (U.S. operations) to maintain a minimum TLAC amount, consisting of minimum amounts of long-term debt and tier 1 capital. In addition, the TLAC rule prescribed buffer requirements above the minimum TLAC amount, which institutions must maintain to avoid restrictions on capital distributions.

As with the capital rule, the TLAC buffer requirements were established to encourage better capital conservation and enhance the resilience of the banking system during stress periods. TLAC buffer requirements were implemented to gradually limit the ability of institutions to make capital distributions under certain circumstances, thereby strengthening the ability of these institutions to continue lending and conducting other financial intermediation activities during stress periods.

Institutions with a TLAC level that falls below the applicable minimum plus-buffer requirements face limitations on capital distributions, in a manner designed to parallel the restrictions on capital distributions under the capital rule. The maximum amount of capital distributions that a TLAC covered company can make is limited as a percentage of its eligible retained income, as defined in the TLAC rule.

Prior to the issuance of the March 26 2020, interim final rule, the TLAC rule generally defined eligible retained income as net income for the four calendar quarters preceding the current calendar quarter, based on the globally systematic important U.S. bank holding companies' FR Y-9C, net of any distributions and associated tax effects not already reflected in net income. This final rule revised the definition to be:

> "(i) The eligible retained income of a global systemically important BHC is the greater of:
>
> (A) The global systemically important BHC's net income, calculated per the instructions to the FR Y-9C, for the four calendar quarters preceding the current calendar quarter, net of any distributions and associated tax effects not already reflected in net income; and
>
> (B) The average of the global systemically important BHC's net income, calculated per the instructions to the FR Y-9C, for the four calendar quarters preceding."

These revised definitions of eligible retained income should allow institutions to gradually reduce distributions as they enter periods of stress and provide institutions with stronger incentives to continue to lend and carry on other business functions. Although both interim final rules were effective as of the date they were published, the new final rule will be effective Jan. 1, 2021.

John Berteau, Associate General Counsel
John S. Berteau serves as Associate General Counsel for Compliance Alliance. He has nearly fifteen years of combined experience in the financial services industry. At Hancock Whitney Bank, he worked in the field of environmental risk management and compliance (CERCLA/RCRA/Wetlands). At Alorica, the nation's fastest-growing BPO, John worked in tandem with some of the largest banks in the U.S., helping to evaluate financial risks. He holds Bachelor'sand Master's Degrees in History from the University of New Orleans, a Juris Doctorate from Loyola University New Orleans and is a licensed attorney in the State of Louisiana. In addition to being one of our featured authors, John has recently taken over the editor role for C/A's Access magazine. As a hotline advisor, John helps C/A members with a wide range of regulatory and compliance.

John S. Berteau serves as Associate General Counsel for Compliance Alliance, where he is one of our hotline advisors and featured contributors.

CAN A LENDER "GET LEAN" IN PORTFOLIO RISK MANAGEMENT?

By Brian J. Ruhe, Golden Eagle Insurance, Inc.

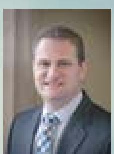
There has been plenty of discussion over the last many months about how the community banking world might look when we come out of this pandemic. Speculation and opinions are all over the board. The economic fallout is of great concern, and community lenders find themselves juggling priorities and recalibrating for the future. On the consumer-facing front, digital banking and technology are hot topics, "strategic innovation" is a focus, and customer relief and mediation tactics are a balancing act. Inside the banking operations, there are concerns about PPP loan forgiveness, increased delinquency and default impacting collections staff, and continued remote workplace struggles with administrative workload balance adjustments across operational teams. Whew. Community banks have plenty on their plates — with many taking a "keep our head above water" mentality while navigating these difficult times. Many "new projects" have been put on hold. This mindset might seem fine for now, but could this approach lead to some missed opportunities for positive change along the way? Some big changes in the middle of a crisis may be worth considering.

The issues that community banks will face going forward are quite complex — too numerous to address in one sitting. As the COVID-19 pandemic drags out from a recession into recovery, there is one very specific aspect worth discussing: uninsured loss mitigation within portfolio risk management. This is certainly an area of focused concern for a community bank during these challenging times. But could a bank look at it more closely with a "get lean" approach to the review?

Many community lenders remain committed to some old-school processes within their loan operations. In some cases, inefficiencies and frustrations can be common issues that are connected to these burdensome administrative strategies. Many fingerprints can be found within these cumbersome procedures, as employees can be quite involved. The structure of these processes within loan operations is anything but "lean." Collateral insurance tracking, along with the action of force-placing insurance, is one of these administrative burdens. Whether a bank tracks in-house or outsources to a paid third party, this work can be frustrating and tiresome. The main objectives are for the lender to be protected against uninsured loss and to meet regulatory demands. If these objectives can be met without any tracking at all, and good employees can be utilized in much more productive roles elsewhere — why wouldn't a bank consider this alternative?

The community banking model is the definition of relationship banking at its finest. From supporting the communities in which they serve to the valued relationships with customers — community lending has a vital role in keeping their local economies dynamic and growing by lending to good folks within their region. "One element that has kept the traditional model alive for so long is that community banks know their customers — and likewise, their customers know them — which I believe fosters greater customer loyalty," said Ben Bernanke. Why would a bank want to keep a cumbersome administrative process — cumbersome for both their customers and employees — in place if more efficient and robust solutions exist? Change can be tough to embrace, but we are dealing in a unique and difficult period that requires some thinking outside the box. Community bank customers will also be facing some challenging times ahead in this recovery as they work hard to get through the economic downturn. Does the threat of unbelievably expensive force-placed insurance help that situation? It is not certain if the prevalence of force-placed insurance policies will increase in the coming months, but there is no doubt that an increase in force-placed premiums during these delicate times will lead to an increase in loan delinquency and default. Banks can avoid this pitfall — and give their struggling customers a better chance of survival — by eliminating force-placed insurance altogether.

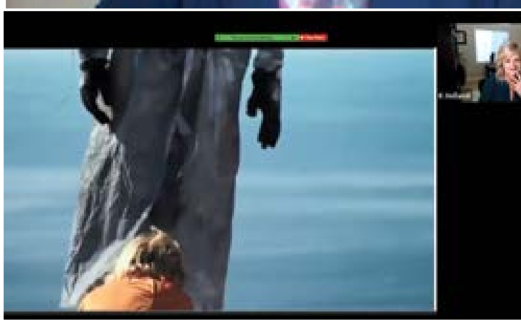
Taking a 360-degree blanket approach to protecting against uninsured loss is one creative way to eliminate the burdensome administrative issues and customer loyalty problems noted above. Innovative blanket portfolio protections can be tailored to fit the risk management goals of any community bank. This type of adjustment can become a "get lean" gamechanger for a bank. FTE employees can be utilized in more productive roles within loan operations — especially with the many other changes that are coming down the road for community banks. This approach will reduce the volume of future charge-offs within the collections department, as eliminating force-placed insurance will provide your good customers a better chance at surviving this downturn. Blanket programs are designed in collaboration with the bank, with protections for residential mortgage lending, commercial real estate and equipment lending, agricultural lending, and consumer lending. Blanket protection can provide 24/7 coverage against uninsured loss along with full compliance with examiners. This type of portfolio protection strategy is not necessarily a "new" offering, but one that sure seems to fit with the issues surrounding the community banking industry today. Many community banks that have made the switch to blanket programs share that they "will never go back to tracking insurance." They recognize that the elimination of collateral insurance tracking allows for a greater focus on actual loan operations improvements and lending growth strategies. Some bankers have the misconception that "blanket insurance is expensive" — but that does not have to be the case. It is important to work with "blanket experts" when reviewing the options. When all factors are taken into consideration, there is no doubt a switch to blanket portfolio protections can fit a "get lean" mindset at a community bank — especially here during these remarkably difficult times ahead.



Brian J. Ruhe is VP/Regional Business Development at Golden Eagle Insurance, Inc. — a specialty provider focusing on unique portfolio protection strategies for community lenders.

15TH ANNUAL
WOMEN IN BANKING CONFERENCE






This year's annual Women in Banking Conference looked a little bit different. Just three weeks before our conference in April, we had to switch gears due to the COVID-19 pandemic and postpone the conference until August in hopes that we would still be able to meet in person.

However, as the days rolled on and COVID was still a threat, we decided to move the conference to a virtual setting to keep everyone safe and healthy. So, August 26, 2020, we held our first ever virtual Women in Banking Conference. With a record breaking number of those registered (over 500 registrants!), we were able to hold a very successful and enjoyable conference for all those who attended.

We kicked off the conference by learning "How to Build Your Personal Influence Through Personal Branding," From Elisa Garn, Chief Brand Architect, Me Degreed. Following Elisa, we were all able to gain new perspectives with the "Perspective Across Generations Panel." With a women banker from each generation on the panel, from a baby boomer to Gen Z, we were able to see the key differences in how each generation might conduct business and how we can better work with those from a different generation.

Following the panel and a short break, we were taught how to find a balance between our work and personal lives from Becky Potts, Vice President and Regional Executive Salt Lake Branch, Federal Reserve Bank of San Francisco, who shared what she had learned throughout her career. After Becky and a lunch break, attendees got the opportunity to hear from Pamela Perlich, Ph.D., Director of Demographic Research, University of Utah, who shared Utah's Demographic Trajectory and where she predicts Utah will be in the next few years.

Susan Hostetter, SVP Human Resources, TAB Bank, taught us all how we could "Make the Most of Our Situation." She gave us valuable insight into how we can all make the best of the situation we are all in right now with what is turning out to be the year 2020.

We all then took a nice relaxing chair yoga break, where we were able to learn some simple chair yoga positions that can help rejuvenate and relax us all as we go through our workdays. Our conference then wrapped up with an amazing presentation from Katie Holland, CEO & Founder of Illuminate Together. Katie spoke to us on how to "Scale Your Impact — How Self-Leadership is the Key to Success."

With so many great speakers and sessions, the 15th Annual Women in Banking Conference was a great success. With over 500 registrants, we were able to have more attend the conference than ever before. While we loved that the virtual setting allowed more people to attend, we do hope to see you all again next year, hopefully, face to face!

4TH ANNUAL BANKS AND PARTNERS GOLF CLASSIC

On Sept. 10, 2020, we were finally able to hold our first in-person event! Following all local rules and guidelines, wearing masks and practicing social distancing, we held our first face to face event.

What better place to practice social distancing than the golf course? With registration starting early, we were able to stagger participants so they would not have to gather in large groups. After checking in, golfers grabbed their cart mate, a boxed breakfast and headed to their hole to tee off. Shotgun start started right at 8:30 a.m.

Bankers and business partners got to enjoy each others company, all while playing a round of golf together. Those business partners who opted to not golf had the opportunity to sponsor a hole. They were able to set up a tent and table and talk to each golfer as they played the hole.

After the participants finished golfing, they turned in their scorecards and were on their way. At 4:00 p.m., they had the chance to log in to a zoom meeting where they could listen to our sponsor's pull names for the various prizes they were giving away. The winners of the tournament, longest drive and closest to the pin were announced and will receive their prizes in the mail.

We want to congratulate the winning team of this year's golf tournament, from Altabank, Jason Price, Sam Taylor, Steve Drakulich and Dale Smith. In second place, from Brighton Bank, Jeff Simmons, Steve Racker, Michael Jensen and Rob Bowen. And in third place, we had Don Saunders, D.A. Davidson, Scott Simmons, Marlin Business Bank, Travis Betenson, First Electronic Bank and Ephraim Olson, EnerBank USA.

We also had a few contest winners! For the Longest Drive, the winner was Travis Betenson, First Electronic Bank. Closest-to-pin winner, Sam Taylor, Altabank and Ephraim Olson, EnerBank USA. Congratulations to all our winners!

With last year's tournament having been rained out, we were all excited when it turned out to be sunny and warm — the perfect day to golf. We want to thank everyone who came out to support the UBA in this event, and we look forward to seeing everyone again next year!

112TH ANNUAL UTAH BANKERS ASSOCIATION CONVENTION

The 112th Annual Utah Bankers Association Convention looked a little different this year. With the COVID-19 Pandemic, the UBA made the difficult decision to move the annual convention from Sun Valley, Idaho, to a virtual format so bankers and those attending could stay safe and healthy. Teaming up with four other states, Idaho, Nevada, Oregon and Washington, and over 1,200 attendees, this year's convention was one for the books.

The event kicked off August 5th with a virtual exhibit hall featuring 27 virtual booths, where bankers were able to visit various exhibitor webpages, chat and interact with each business partner.

Jelena McWilliams, Chair of the FDIC, started the day by sharing her thoughts on the current state of the economy and how the industry has responded to the pandemic. McWilliams spoke on each of the attending state's economic standings, naming Utah as one of the least hard-hit states with the lowest unemployment rate during the pandemic crisis. Having gone into the crisis with a strong economy, Utah's economy was able to do relatively well during the difficult time.

Following her keynote address, Chair McWilliams was joined by Laurie Stewart, current chair of the American Bankers Association, to discuss how the pandemic has impacted the banking industry and what she sees as the future for the industry.

The event featured a series of Rapid Fire Q&A Sessions designed to provide a high-level overview of current issues in the industry, including Bank Capital Management, Mitigating Against the Hidden Risks of PPP Loans, Leading Digital Transformation, Regulatory Update from a Banker's Perspective, and The Future of Community Banking.

Robert Spendlove, SVP/Economic and Public Policy Officer, Zions Bank, provided a regional economic perspective and what to expect as we move forward during these uncertain times. Quincy Krosby, Chief Market Strategist, Prudential Financial, focused on the global macroeconomic landscape and the role of central banks in stabilizing financial and economic conditions. Following Krosby's remarks, we heard from Cindy Solomon, CEO, the Courageous Leadership Institute, who shared her thoughts on creating exceptional customer and employee experiences for a post-COVID world.

Following lunch, attendees choose from five more Rapid Fire Q&A Sessions with many knowledgeable professionals, including Liquidity Analytics and Development Strategies, Insights from the Biggest Earnings Season in Decade, PPPs Portfolios — New Customers and Careers, Strategy- Strategic Risk and a COVID-19 World, and ED&I initiatives.

Derek White, Chief Digital Officer at U.S. Bank, followed the Rapid Fire Sessions with successful business models of the future and how humans interact with technology.

U.S. Senator Mike Crapo (R-ID) and Senator Jon Tester (D-MT) provided an update from Washington discussing current actions that could affect the banking industry. The first day wrapped up with a Fireside Chat with Eugene Ludwig, CEO, Promontory Financial Group and former U.S. Comptroller of the Currency and Howard Headlee, President of the Utah Bankers Association, for discussion on the current state of the economy and what lies ahead for the banking industry.

Day 6, August 2nd, kicked off with each state's state meetings. For Utah, we heard from UBA Chair Kay Hall, Zions Bank, as he passed the torch to new Chair Kirstin Dittmer of EnerBank. We said goodbye to retiring board members, Frank Stepan, UBS Bank and Doug DeFries, Bank of Utah. We are sad to see them leave but thank them for their service on the board. We welcome new board members, Brad Baldwin, First Utah Bank, Andrea Moss, Nelnet Bank and Mori Paulsen, Bank of America.

The event opened with a Fireside Chat with Randal Quarles, Vice Chair of Supervision, Federal Reserve and Scott Anderson, President & CEO, Zions Bank. They discussed what the Fed might do in the future to help the economy and actions they have taken relative to COVID-19. Following the Fireside Chat, attendees chose from a series of 12 breakout sessions on various topics ranging from Cannabis Banking to Credit Concerns in a COVID World. There was truly something for everyone!

Rob Nichols, President & CEO, ABA, followed the breakout sessions with an update from the American Bankers Association, including his perspective of what the outcome of the upcoming election could have on the banking industry. Following Rob Nichols, we closed with a Fireside Chat with Robert Gates, former United States Secretary of Defense and Glen Simecek, President of the Washington Bankers Association, where Gates shared many interesting facets of his long and storied career, from global politics and U.S. foreign policy to leadership challenges and conflict resolution. It was indeed a great way to end the two-day convention.

This convention was the biggest one yet, with more bankers from Utah than any other participating states. We appreciate all those who attended and support our association. While we did enjoy the virtual convention, we are hoping to see all of you in person next year in Sun Valley!

NEW STANDARDS FOR RISK AND BEST PRACTICE IN CONSTRUCTION LENDING

By Mike Lacey, CoFi

Rewards for running a tight construction loan portfolio are huge and can lead to massive growth. Failure in construction lending can be catastrophic and has led to the collapse of many financial institutions. Being prepared for a recession, while poised for growth can be difficult. Here is what you need to know to run a successful construction portfolio so your Financial Institution (FI) reaps the rewards and skips the failure.

RISK

FORECLOSURE

Although this is a worst case scenario, construction loan write offs are real and painful. I recently had an interaction with a community bank that had to write off a $1 million residential loan. The legal fees and lost interest cost them approximately $150,000 plus the black eye on their loan loss provision. There are signs a project is heading toward foreclosure. Projects fail for reasons such as, performance disputes, fraud, overfunding, mechanics liens, and others. Recognizing and taking action early on each of these items significantly reduces the risk of foreclosure.

FRAUD

According to a study done by Grant Thornton, each year the construction industry loses approximately $1 trillion dollars to fraud. In the US. half of all losses are through payment fraud. Astronomical numbers that are only increasing!

Fraud is rampant here in our community. A good friend of mine recently got a construction loan and hired a contractor to build their dream home. During construction the contractor had my friend sign a draw request. After it was signed the contractor added a line for $60,000 under "contractor fee". The FI paid the request and the contractor never returned to the project. This happens all too frequently. Protecting yourself from payment request fraud requires significant effort, clear systems, and the ability to see projects as they really are in real time.

OVERFUNDING

According to a study done by KPMG, 69% of projects go over budget by more than 10%. Typically stakeholders are made aware of overruns at the end of the job, when it is too late to make adjustments. This puts the project in a higher risk category where finding the additional funds is difficult. We have seen FI's end up eating costs just to get the loan off the books. Management of funds at all stages of construction is critical to avoid overfunding. With proper systems and controls a lender can take action early in a project to avoid massive failure at the end.

FUNDING TRADES THAT ARE NEVER PAID

Current lien laws make processing payments burdensome. Frequently we see lenders make payments to the general contractor with the expectation that they will pay the subcontractors and suppliers. But what if they don't? Even if the lender has paid the general contractor and received the lien waiver, projects will still be stalled if subcontractors and suppliers are not paid. Putting in the extra effort to collect lien releases from all parties further protects lenders from project failure.

BEST PRACTICE

Building a construction lending best practice for your institution doesn't have to be difficult and will pay huge dividends. Your clients want to be successful, and you have the power to help them with a streamlined and secure system. Here are a few areas to think about when improving your best practices:

COST REVIEW

Projects vary in scope, size, complexity, and design. Frequently we see lenders use a cost per sf method to determine feasibility. If you dive in deeper, you can find out more about a project by comparing individual line items to other projects. Further protect yourself by having a conversation with the contractor and the borrower separately to see if there are gaps in expectations and pricing. Accessing databases of construction costs will give you financial insight into understanding the project before it begins.

CONTRACTOR REVIEW

Not all contractors are the same. Appearance is not always what it seems. Most commonly we see lenders verify finances and reputation to determine contractor strength. This is good, but often doesn't tell the whole story. Something that will be truly telling is contacting subcontractors that do and don't work for the contractor. Generally, subs know every contractor and can give you additional insight into their reputation. Another resource is your local general contractor associations like the HBA and AGC. They typically have great information about contractors who are or aren't members.

LIEN WAIVERS

We have yet to find a FI that manages this aspect of construction to perfection, and frankly this puts a ton of construction lending at risk. The next downturn will expose the lenders that didn't take liens seriously. It is not easy. It also can be a point of friction between you and your contractor. If you can be thorough while also making this part of your contractors job easy, you have hit the jackpot.

PAYMENT

Recently the state of Florida was defrauded by a scammer that was able to send their wiring instructions to the government via email. Tens of millions of dollars were sent to the scammer rather than the contractor. Payments via check have their own problems. Matching checks to invoices is problematic and are frequently mismatched. This leads to heavy call volume, improper lien filings, and reconciliation between all stakeholders. Fortunately the solution for payments is fairly simple. Detailed communication accompanied with each check and validated business addresses will solve most of the problems with checks. When wiring or sending ACH payments, getting the information from a reliable source, double checking with a call, written document, or trusted software protects you from payment fraud.

REWARDS: PEACE OF MIND AND GROWTH

With a simple yet capable system for construction lending you can rest easy that your FI is prepared for any downturn, and has the ability to scale your construction pipeline. We have seen that lenders who take the time to create proper systems actually take less time to process payments, and issue new loans. We have also seen that creating these systems also helps their clients be better at their jobs and keeps them coming back to the FI. Best systems = decreased risk, increased efficiency, and organic growth. ■

Mike Lacey co-founded CoFi after a 12 year career in construction. He has a Construction Management degree from BYU, has started several businesses, and most recently sold his residential construction company to focus solely on CoFi. He loves to spend time with his family in the great outdoors and play basketball in the early mornings.

BEST PRACTICES FOR CHOOSING A FINTECH LENDING PARTNER

By Tracey Levandoski, CRCM, CrossCheck Compliance LLC

Lending competition is accelerating as banks implement digital tools and embrace partnerships with financial technology firms (fintechs). Various industrial banks, in Utah and elsewhere, have created a successful business model working with fintechs to offer a variety of lending products. Now, traditional banks are also looking at accelerating their digital strategies as both businesses and consumers become increasingly comfortable with online lending. Partnering with a fintech can provide enhanced customer experience and accelerate the implementation of your digital strategy without the investment of time and human capital, which can be costly, especially to community banks that may not have substantial information technology and programming budgets.

With the many different technologies and third-party partners available in the fintech lending space, there are many risks to consider and decisions to be made. If there ever was a time to have a robust vendor management process in place, this is it. A rigorous vetting process will help ensure that your fintech partners will deliver what is promised and expected.

What are the best practices for evaluating your potential lending partners? And what are the issues that you, as the entity ultimately responsible for the third-party relationship, need to consider? All the federal banking regulators have issued guidance for managing third-party risk,[1] and bankers should have a good understanding of those expectations before selecting a fintech lending partner. At a minimum, the selection criteria should include consideration of:[2]

- The compatibility of the fintech's vision and value proposition with that of the bank and the ability to execute: Does the product "fit" within the bank's culture and its customers' expectations?
- The functionality of the system: Can the product parameters be modified to meet the bank's expectations and lending criteria? Is the system compatible with the bank's current operations?
- Service and support: Is the product adaptable as conditions change over time? Does the fintech guarantee minimum service levels and provide for disaster recovery and business continuity?
- Subcontractors, consultants, or other third parties on which the fintech is relying.
- Cost/pricing.
- The financial stability of the fintech.

In addition to these standard criteria that are part of the evaluation of any third-party provider, bank management will want to consider the following elements that are more specific to the fintech lending partnership.

LENDING EXPERIENCE AND EXPERTISE

The functionality of the technology is an important consideration, and that is often the first part of the evaluation process. However, as you execute the due diligence evaluation, you will want to look carefully at the experience of the fintech's management team. They should have a deep understanding of the lending process within the banking environment, the associated regulatory requirements, and how their particular technology impacts the entire borrower experience. In addition to getting to know the management team, you will want to speak with their existing clients about product adaptability, responsiveness, integration with current systems, and security.

SECURITY AND PRIVACY

A cybersecurity breach is one of the most significant risks a lender faces in today's technology environment. The chief information officer should be comfortable that customer information maintained by the fintech is safeguarded, and controls are in place to prevent and detect a breach. Determine who will be hosting the application and the data collected. Do they fully understand state privacy requirements and the Graham Leach Bliley Act? Is adequate cybersecurity insurance coverage in place at the fintech, and how does it interrelate with the bank's coverage?

Beyond the protection of your customers' information, there is an emerging concern about the use of customer data. Banks have a lot of information about their customers. Is this data going to be shared with the fintech for marketing purposes? How will the data be accessed? How will it be stored? Will the bank's privacy policies need to be updated to address amended information-sharing practices?

REGULATORY COMPLIANCE CONSIDERATIONS

The culture of compliance in the fintech industry is shifting. Fintechs realize that to grow and form partnerships, regulatory compliance is a non-negotiable requirement. Having a compliance culture and all the correct pieces in place is essential. Does your potential partner have experienced compliance personnel with knowledge of banking regulations? Has an effective compliance management system (CMS) been implemented that includes board and management oversight, policies and procedures, training, monitoring or audit, a consumer complaint response, and a third-party service provider management program? Just like your bank's CMS, the fintech's CMS should address all relevant consumer financial protection regulations, including fair lending laws and Unfair, Deceptive, or Abusive Acts or Practices (UDAAP). If an effective CMS is not in place, how much hands-on guidance are you able and willing to provide?

The central feature of a fintech lending platform is the credit model. Bank management should determine if the model is adaptable to the bank's lending policies. Also, because the lending decision is made almost instantaneously, bank management should determine if the methods by which the applicant is identified as required by the USA PATRIOT Act comply with the bank's customer identification program requirements. With the increasing use of alternative data,[3] which can introduce unintended fair lending risk, along with artificial intelligence, which may not allow for effective documentation as the model changes, strong model risk management practices are essential, including model validation and fair lending reviews. Bank management should understand and evaluate the results of validation and other risk control activities before committing to the partnership.

Another significant compliance consideration is marketing and advertising given the regulatory requirements covering advertising not only with regard to the Truth in Lending Act but also to recent regulator focus on UDAAP if a loan's terms and conditions are not clearly presented in marketing collateral. If the fintech will be engaged in marketing the product on the bank's behalf, what expectations will bank management require for review and approval before advertising is published to any media?

THE REGULATORY FUTURE OF FINTECH

Because the speed of technology has far outpaced the regulations, there are a lot of gray areas when it comes to deciding to embrace the unknown. The regulatory agencies are beginning to address this with the implementation of innovation offices. And in recent months, the OCC announced it is working to evaluate advanced technologies and produce specific underwriting model guidance. The FDIC issued a request for information on standard-setting and voluntary certification for models. Until these initiatives become a reality, banks will still need to evaluate potential partnerships with the right level of due diligence. ■

[1]FDIC FIL-44-2008: Guidance for Managing Third-Party Risk
OCC Bulletin 2013-29: Third-Party Relationships: Risk Management Guidance
OCC Bulletin 2020-10: Third-Party Relationships: Frequently Asked Questions to Supplement OCC Bulletin 2013-29
FRB Supervisory Letter SR 13-19/CA 13-21: Guidance on Managing Outsourcing Risk
CFPB Compliance Bulletin and Policy Guidance 2016-02: Service Providers

[2]From FDIC FIL-13-2014: Effective Practices for Selecting a Service Provider

[3]Alternative data considers financial factors about a consumer not generally reported in the traditional consumer report such as cellphone, utility, and rent payments and cash flow data derived from bank account records, as well as non-financial factors such as whether the consumer is a college graduate, owns a cellphone, uses social media, or the type of email account the consumer maintains, etc.

Tracey is a director at CrossCheck Compliance LLC and a regulatory compliance and risk management professional with over 30 years of experience in the financial services industry. Having worked as both a prudential regulator and in banking institutions, Tracey has demonstrated expertise in compliance and the Community Reinvestment Act (CRA). Her expertise includes extensive knowledge of lending and deposit regulations, including fintech lending operations and the bank partner model. She is also experienced in financial institution accounting and operations. Tracey can be reached at tlevandoski@crosscheckcompliance.com.

CHECK WRITERS ARE MORE IMPORTANT THAN EVER BEFORE

Contributed By Harland Clarke

In this era of digital banking, it may be surprising just how many people still write checks — and why. Just as surprising is the lost opportunity financial institutions face by missing out on check order capture at account opening or leaving it up to third-party providers to drive check reorders. There's money being left on the table, and the revenue potential of check programs is being downplayed.

THE VALUE OF CHECKS

Recent research has revealed some eye-opening trends with check writing:

- The vast majority of Americans use checking accounts, with only 6.5% of households being unbanked[1]
- 14.5 billion checks are still being written each year[2]
- "Order Checks" ranks third in the top 10 search terms on bank and credit union websites[3]

What does all this mean for the financial institution? It means that while checks as a payment method continue to decline, consumers are still writing checks. The average household balance by the number of checks written each month increases based on how many checks are written.[4] Furthermore, customers who order checks from their financial institution hold higher total household balances.[5] A customer's affluence is also more highly correlated to check writing than to age. Regardless of age, as income increases, so does check utilization.

AVOID MISSED OPPORTUNITIES

Given these findings, it's in the best interest of financial institutions to ensure new customers order checks when they first open an account, regardless of channel. Not ordering checks at account opening is inconvenient for the customer — and it represents significant lost revenue for the financial institution.

How much lost revenue? For an average-sized institution that opens 1,000 new accounts per month, providing the remaining 70% of new customers with check orders (and assuming average per-order revenue and reorder cycles over the lifetime of those accounts), the total would be $400,000.[6]

HARNESS THE POTENTIAL

The big question most financial institutions have is how to reach potential check writers to harness the revenue potential they represent. Doing so requires a comprehensive program of best practices that includes five main performance components.

1. **Order capture** — Without securing the first check order at account opening, future opportunities are compromised. Fee income, cross-sell, up-sell, reorders — all are potentially lost. The most important step a financial institution can take to improve order capture is to ensure new account representatives — and other employees — understand the importance of check capture. Employees at all levels must be aware that the vast majority of consumers still use checks. This should be included in training and materials — and underscoring the importance of check writing in defining primary financial institution relationships should be a priority. Another important step is to ensure that checks are a clearly defined part of the account opening process. The number one reason customers don't order checks at account opening is because they were never asked.[7]

2. **Channel optimization** — Once the initial check order has been captured, branch employees should not spend another minute on check orders. This frees them up to do other tasks and improves the overall efficiency of the branch. Instead, customers should be moved to self-service channels to place reorders of checks. In addition to improving branch efficiency, online and phone channels can introduce products and services that branch employees may not. Additionally, there is a significant increase in average order value (AOV) when customers go online to place their own reorder.[8]

3. **Marketing** — Checks, checkbooks and check delivery vehicles can all be used as marketing tools designed with engagement in mind, branded to promote your financial institution's colors, look and feel. Consistency in branding is key, as the average revenue increase attributed to always presenting the brand consistently is 33%.[9] Custom designs that represent the community, local organizations and charitable causes can be utilized to drive check orders and reinforce the financial institution's standing in the community. It also gives high message visibility, frequency and longevity. Every time a check is written or a new check pad is accessed, an impression is made. The impressions repeat over the lifetime of the check order.

4. **Cross-sell and Up-sell** — If nearly $1 million in lifetime revenue isn't incentive enough, consider the lost cross-sell and up-sell opportunities. Remember that check writers buy an average of two more products and services from their financial institution than non-check writers. Best-in-class print technologies provide full color, customized financial product messages targeted to specific account types. Harland Clarke's CheckFolio packaging, introduced a few years ago, can accommodate full-color messaging for financial institutions to showcase the services most important to them.

5. **Security** — A 2019 ABA survey reported that check fraud accounted for 47%, or $1.3 billion, of industry deposit account fraud losses[10] affecting multiple generations, including Millennials and Baby Boomers.

   In addition, $432.4 million in fraud was reported to the FTC through the end of March 2020.[11] In light of this reality, check security, especially for your high-value, loyal check writers is very important. The proliferation of mobile banking also means customers want to know what kind of mobile security features your financial institution utilizes and what type of support they have access to in the event they become a victim of check fraud. In fact, 22% of consumers surveyed said they would use mobile capture more frequently if they had a better assurance that their checks had been deposited securely.[12] Ensuring your check program focuses on security and that your institution effectively communicates any security-related features to your customers gives them peace of mind, delivers a better customer experience and builds loyalty.

A customer's affluence is also more highly correlated to check writing than to age. Regardless of age, as income increases, so does check utilization.

THE BOTTOM LINE

Check writers are critical to the profitability of a financial institution. They are loyal, have more investable assets, and buy more products and services from their financial institution. It's essential to embrace them at every level of the organization. Most importantly, check ordering should be included with each account opening. It not only provides customers with a product they need — but it also ensures they purchase it from YOUR financial institution. This opens new marketing channels to cross-sell and up-sell financial products and services over the lifetime of the account.

With 14.5 billion checks still being written each year,[13] it's a demographic few financial institutions can afford to ignore.

[1] Eneriz, Ashley, "What Is a Checking Account?" GoBankingRates, June 2020
[2] The 2019 Federal Reserve Payments Study
[3] Haskins, DJ, "The Top 20 Terms Consumers Use on Banking Websites," BAI, June 2019
[4] CE Solutions check industry research
[5] Ibid.
[6] Harland Clarke 2020 Data
[7] Harland Clarke Internal Client Study
[8] Ibid
[9] Dopson, Elise, "Brand Consistency — The Competitive Advantage and How to Achieve It," Lucidpress, November 2019
[10] ABA 2019 Deposit Account Fraud Survey
[11] Tableau public
[12] Cocheo, Steve, "Key Customer Experience Trends in Mobile Photo Deposits," The Financial Brand, February 25, 2020
[13] 2019 Federal Reserve Payments Study

MY BORROWER IS IN DEFAULT: A FEW PRELIMINARY ISSUES TO CONSIDER

By Landon A. Hardcastle, Jones Waldo

When a borrower defaults on its loan, its lender is faced with a major decision — will it exercise its remedies under the loan documents, including foreclosing on the collateral? Or will it work with the borrower to possibly waive the default, enter into a forbearance agreement or otherwise modify the loan and loan documents? Before getting to this crucial decision, however, there are other preliminary issues to consider. Among these issues is the following question: how should it respond to the borrower's communications regarding the default and requests to discuss possible loan modifications? Should it send a reservation of rights letter? And should any other step be taken before entering into workout discussions with the borrower? The purpose of this article is to advise lenders on these key preliminary issues.

COMMUNICATIONS WITH BORROWER

It isn't always easy to know what to say to a borrower when it reaches out to discuss a default. There are customer relationship issues to consider. However, there's also the concern that something you communicate to the borrower may come back and be used against you during a potential workout. Thus, as a general rule, a lender should always be careful when discussing any default and potential forbearance or other loan modification with the borrower. This need for care means all communications should include appropriate disclaimers.

However, being careful doesn't necessarily mean one must take an adversarial or overly formal tone in responding to the borrower. This qualification is especially true with verbal communications, which are generally not binding on either the borrower or the lender due to the language in the loan documents providing that the loan documents cannot be modified except by a written agreement. Nevertheless, in almost all cases, after a verbal communication with the borrower, it makes sense to send a simple, informal email. Use the email to memorialize the verbal communication and to avoid misinterpretation by the borrower. Below is a simple example:

> Thanks for today's call to discuss [describe loan/issue]. As you know, and as discussed, the bank can't agree to any

> These are unprecedented times. With numerous borrowers either defaulting on their loans or reaching out to lenders to discuss potential future defaults, lenders should remember that the communications they have with their borrowers matter.

forbearance or other modification of the loan without credit approval and then only on the terms of a written agreement executed by the bank.

Similar disclaimer language can also be used at the end of written communications, including text messages.

While adding such disclaimer language to communications with the borrower may seem minor, it is a good way to set the borrower's expectations for workout discussions. You can show you're willing to work with the borrower in good faith and, at the same time, have written evidence that you have not waived any default or otherwise agreed to any specific course of action.

RESERVATION OF RIGHTS LETTER

The terms of most loan documents clearly state that a lender cannot waive its rights, except by a written waiver executed by the lender. However, your goal should be to help avoid any potential defense from the borrower that the lender (through its course of conduct with the borrower) waived a default. A lender should always send a reservation of rights letter to the borrower in the following scenarios:

- Anytime the lender has been asked to waive a default or prospective default; and
- Anytime the lender becomes aware of a default and does not intend to take immediate action related to the default.

A prudent lender must be smart in deciding what course to take to maximize its recovery on the loan. As a result, both of the above scenarios are quite common, especially in times of economic uncertainty, like the current COVID-19 pandemic, when a lender needs time to evaluate the specific default and its effect on the loan.

Also, for additional information purposes, while the scope of a reservation of rights letter varies depending on the specifics of a given loan, every reservation of rights letter should contain the following components:

- Describe the existing default(s) in detail with reference to the circumstances that precipitated the default and the provision of the loan documents that was breached. To describe the existing default(s), one will also need to clearly define the loan and relevant loan documents in the letter;
- Clearly state that the lender is not waiving its rights under the loan documents and specifically reserve the right to exercise any and all remedies available to the lender with respect to the existing default(s); and
- Make clear that no forbearance or other modification of the loan will be binding except in a final written agreement executed by the lender.

PRE-NEGOTIATION AGREEMENT

One additional step should be taken prior to entering into any workout discussions with the borrower, and that is entering into a pre-negotiation agreement (PNA). As a general rule, a PNA is needed as soon as the lender decides to enter into formal discussions with the borrower regarding a forbearance or modification of the loan and should be executed prior to the beginning of those discussions. The purpose of a PNA is to allow workout discussions to proceed openly and in good faith. The PNA does this by establishing that the discussions are (a) nonbinding in nature and (b) cannot be used as evidence against the lender if it later exercises its rights and remedies or other litigation between the parties ensues.

The PNA is a formal agreement between all loan parties. It should be signed not only by the borrower, but also by any guarantors, indemnitors or third-party pledgors/trustors of the loan. Below are the main provisions that a lender should include in every PNA:

- A list of all loan documents and any modifications with an acknowledgment that the loan documents, as modified, are in full force and effect;
- An acknowledgment of all existing defaults as well as a reservation of the lender's rights and remedies;
- An acknowledgment that the workout discussions are settlement discussions and are not admissible as evidence against either party in the event of a later action;
- An affirmative statement regarding the voluntary nature of the discussions and each party's right to terminate negotiations at any time; and
- A representation and warranty that counsel represents each party.

CONCLUSION

These are unprecedented times. With numerous borrowers either defaulting on their loans or reaching out to lenders to discuss potential future defaults, lenders should remember that the communications they have with their borrowers matter. Every lender should consult with its counsel to discuss the preliminary steps it should take to deal with such defaults. The steps may include sending a reservation of rights letter and entering into a PNA. By taking such precautionary steps, lenders can feel more secure in their rights and remedies and in their ability to maximize recoveries and limit risks. ■

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BANK KUDOS

BANK OF UTAH

SUPPORTS THE WEBER SEARCH AND RESCUE DRONE CAMPAIGN

Bank of Utah kicked off a "Reaching New Heights" fundraising campaign in July to help Weber County Search and Rescue (WCSAR) purchase a new $30K high-tech drone that would significantly cut rescue time in reaching stranded and injured people in the county's diverse terrain. Bank of Utah and WCSAR hosted an event at Weber State University on July 16, featuring a demonstration of the drone for invited guests and the press.

Technology is playing an increasingly important role in searches. WCSAR hopes to purchase a DJI Matrice 300 RTK drone that is designed especially for search and rescue and public safety use.

At the event, Bank of Utah's Senior Vice President Roger Christensen presented a $1,000 check to WCSAR to launch the fundraiser. The bank supported a monthlong fundraising campaign with billboard advertisements, internal signage, an email campaign and social media. As of August 24, WCSAR had raised $15,000 toward its goal. Donations are still being accepted at http://webersar.org/donate-to-wcsar1/.

BANK OF UTAH SUPPORTS THE HOUSING INDUSTRY AS THE MAIN SPONSOR FOR THE NORTHERN WASATCH PARADE OF HOMES

In July 2020, Bank of Utah was the presenting sponsor for the Northern Wasatch Parade of Homes, which kicked off the Parade of Homes season in Utah. Bank of Utah provided information about mortgage loans to those who attended the event, which included 20 homes in Weber and Davis counties. "As a sponsor, we were able to show our support for our customers who are builders, developers and members of the Northern Wasatch Home Builders Association that sponsored the event," said Roger Christensen, senior vice president for Bank of Utah.

ENERBANK

ENERBANK'S NEIL R. FELLOWS WAS NAMED 2020 CORPORATE COUNSEL OF THE YEAR BY UTAH BUSINESS

EnerBank USA's Neil R. Fellows, senior vice president, general counsel, chief compliance officer, and corporate secretary, was recognized by Utah Business as a 2020 Corporate Counsel of the Year. Mr. Fellows was featured along with 15 of Utah's best corporate counsels in the May issue of the magazine.

Mr. Fellows is known for his ability to successfully balance the interests of multiple EnerBank stakeholders — homeowners, strategic business partners, home improvement contractors, employees, executive leadership and the parent company of the bank. The bank's board recently promoted Neil to his current position to include the general counsel title.

KEYBANK

KEYBANK RELEASES CORPORATE RESPONSIBILITY NUMBERS

KeyBank has released its 2019 Corporate Responsibility report, highlighting the company's ongoing legacy as a responsible bank and citizen. In Utah, KeyBank has invested more than $407 million under the first three years of the National Community Benefits Plan to support low-to-moderate income communities.

In Utah, KeyBank has invested over $273 million in community developments the past three years, including projects that will provide affordable housing, revitalize and stabilize neighborhoods, and support vital community service initiatives. The company also made more than $742,000 in philanthropic investments and originated $82.9 million in small business loans in Utah during the three years.

"Helping clients and communities thrive is KeyBank's purpose," said Terry Grant, KeyBank Utah President. "Building stable neighborhoods is even more critical today due to COVID-19. We're proud to stand with the businesses and families of Utah to deal with the fallout of COVID-19. Our work before this crisis has laid a solid foundation from which KeyBank will continue to build to support our communities."

KeyBank executives said the investments nationwide exceeded the goals for the first three years of the plan by 48%.

KEYBANK RECOGNIZED AS A TOP COMMUNITY-MINDED COMPANY

KeyBank has been named a 2020 honoree of The Civic 50 by Points of Light, the world's largest organization dedicated to volunteer service.

The award recognizes KeyBank as one of the 50 most community-minded companies in the United States. The Civic 50 provides a national standard for superior corporate citizenship and showcases how companies can use their time, skills and resources to impact their communities. The Civic 50 honorees are public and private companies with U.S. operations and revenues of $1 billion or more. They are selected based on four dimensions of their U.S. community engagement program, including investment, integration, institutionalization and impact.

KeyBank makes investments in low-to-moderate income communities through mortgages, small business lending, community development and transformational philanthropy.

KEYBANK SECURES $26 MILLION OF FINANCING FOR AFFORDABLE HOUSING PROPERTY IN UTAH

KeyBank Community Development Lending and Investment (CDLI) secured $17 million of construction financing, and KeyBank Real Estate Capital's (KBREC's) Commercial Mortgage Group secured a $9 million Freddie Mac forward commitment for the Housing Authority of Salt Lake City to develop an affordable housing property in the city.

The result of a program to redevelop abandoned properties, the 93-unit Capitol Homes Apartments will include 62 subsidized units and 31 market-rate units. As part of the 9% low-income housing tax credit (LIHTC), five units will be designated for veterans, five for domestic violence victims and five for the homeless. The rest will serve low- and moderate-income individuals and families in the general population.

"KeyBank is honored to be part of this project to help with Salt Lake City's mission of creating and preserving much-needed affordable housing," said Rob Likes, National Manager, Community Development Lending & Investment, KeyBank Real Estate Capital. "We continue to find affordable housing solutions that help maintain individuals' dignity and independence while strengthening the communities in which they live."

ZIONS BANK

ZIONS BREAKS GROUND ON TECHNOLOGY CENTER

In the picture, Zions Bancorporation Chairman and CEO Harris H. Simmons presents a $100,000 donation to Rev. France A. Davis for his scholarship foundation. Zions Bancorporation broke ground in August for a 400,000 square-foot technology campus in Midvale, Utah. Guests of honor included Utah Gov. Gary Herbert, Midvale City Mayor Robert Hale and Rev. France A. Davis.

Anticipated to be completed in mid-2022, the sustainably built campus will be the company's primary technology and operations center, serving Zions' seven affiliate brands in 11 western states. As one of the state's largest technology employers, Zions will accommodate more than 2,000 employees at this location.

During the groundbreaking event, Zions Bancorporation Chairman and CEO Harris H. Simmons presented a $100,000 donation to the Pastor France A. Davis Scholarship Foundation, earmarked to support students of color pursuing science, technology, engineering and mathematics ("STEM") degrees, part of the company's effort to support educational achievement in the community and to attract diverse tech talent.

ZIONS BANK DEBUTS 'UTAH WOMEN 2020' MURAL

In August, Zions Bank unveiled a new five-story mural designed by the co-creator of an iconic Beatles album. Jann Haworth's "Utah Women 2020" mural celebrates the character and impact of Utah's women with a cast of more than 250 colorful characters that span the history and geography of the Beehive State.

Zions Bank commissioned the public art piece for its Dinwoodey building, 37 W. 100 South, in Salt Lake City in honor of the women's suffrage milestones that fall in 2020. This year marks 100 years since the ratification of voting rights for women and 150 years since Utahn Seraph Young became the first woman in the modern nation to cast a ballot.

"Zions Bank has long recognized the value women add to our communities. On the day Zions Bank opened in 1873, four of the 15 depositors listed on the original ledger were women," said Zions Bank President and CEO Scott Anderson. "Despite the mural's enormous size, it represents only a snapshot of the decadeslong leadership and impact of Utah women."

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BANKERS ON THE MOVE

BANK OF UTAH

Amy Renner Hendricks has joined Bank of Utah to serve as a digital content writer, having previously worked as senior writer/editor for Weber State University's Department of Marketing & Communications, and as writer/project manager for WSU's Dr. Ezekiel R. Dumke College of Health Professions. She has a B.S. in communications from the University of Tennessee-Knoxville.

Bank of Utah's Logan branch manager, **Greg Carter,** will now take on additional responsibility to also serve as branch manager of the bank's Brigham City branch. Carter is a Utah State University graduate and worked as a personal banker at Key Bank before coming to Bank of Utah.

Dave Kuhni, a 33-year banking veteran who has worked as branch manager for Bank of Utah's Lindon Branch since its opening in Dec. 2018, will now also manage the bank's Orem branch. Kuhni, who attended the former Utah Valley Community College, previously served as branch assistant manager for Far West Bank and branch manager for AmBank, in Provo and Lindon.

Melissa Bernson has moved from serving as branch manager at Bank of Utah's Brigham City branch, to now serving as branch manager for Bank of Utah's main branch at 2605 Washington Blvd. in Ogden. She has worked more than 11 years in the financial industry for organizations including Bank of Utah, Key Bank, U.S. Bank and Wells Fargo.

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UPCOMING EVENTS

November

Emerging Bank Leaders Conference

November 17, 2020

Virtual Conference

December

Bank Executive Winter Conference

December 3-4, 2020

Virtual Conference