The Tech-Savvy Board: Helping Directors Understand Technology
Because no two clients are ever the same.

www.swlaw.com
One Election Can Make a Difference
It’s amazing the difference one election can make. I have been a strong proponent of political engagement, but I must admit, this election exceeded even my expectations of what could be possible.

UBA Executive Development Graduates
Graduates of the second class of the UBA Executive Development program were recently recognized at the UBA 7th Annual Leadership Conference in Salt Lake City.

Washington Update: It’s Time to Reform the Farm Credit System
In a recent radio interview in San Antonio, Texas, Michael Mauldin – regional president of First Financial Bank, Hereford, Texas – described how the Farm Credit System has used its government guarantee to finance loans outside of its mission.

Cure for the Common Culture: How to Build a Healthy Risk Culture
The challenge of building a corporate culture that prioritizes risk management, ethical behavior, and smart decision-making continues to weigh on banks.

Teach Children to Save
It’s amazing the difference one election can make. I have been a strong proponent of political engagement, but I must admit, this election exceeded even my expectations of what could be possible.

I understand that until Dodd Frank is unwound as it relates to traditional banking, our success in the recent elections doesn’t count for much, but I am very optimistic that the political tides have turned and there are good days ahead for traditional banking. Here’s why.

Politicians want to get re-elected and they want to win and keep their tribe in power inside the beltway. At some point, the economy and peoples’ pocket books are the biggest drivers of that equation. Politicians need economic growth and they need job creation. And that does not happen without traditional banks who understand their local economy and communities and take measured, calculated risks on the people and the industries that create jobs.

The regulatory environment and all the political grandstanding coming out of Washington D.C. has hurt traditional banks and the people they serve. And finally, that pain has manifested itself in a message that members of Congress understand – the election.

The traditional banking industry was more active in this election than ever before. It was a matter of survival. This was perhaps best demonstrated by the thousands of direct contributions generated by a new SuperPAC called Friends of Traditional Banking. These Friends, from all over the U.S., focused their financial energy into two critical Senate races, supporting Joni Ernst in Iowa and Corey Gardner in Colorado.

When these two races were selected by FOTB, both candidates were projected to lose. From that day forward, both candidates set fundraising records and went on to defeat their opponents comfortably. The two losers in the races, Bill Braley from Iowa and Mark Udall from Colorado were outspoken advocates of Dodd Frank and of expanding outdated tax-subsidies for bank-like credit unions.

Our message was delivered! There is now bi-partisan support for regulatory relief in Congress. And with the change in leadership structure, I believe that proposals will actually begin to move between the House and the Senate once again.

On a local front, Utah bankers enjoyed another major victory when Mia Love was appointed to the House Financial Services Committee. Love, the daughter of Haitian immigrants, a first generation American, knows first hand the power of the U.S. free market economic engine and what it can do for people, especially the poorest among us. She also knows the critically important role of traditional banking in the American economic system.

She will be perfectly placed to advocate for Utah, our banking system, and people who derive so much benefit from it, especially women and minorities. Utah supervises more banking assets than all but four other states! Last year Utah’s banks paid over $5.5 Billion in state and federal taxes, invested more than $5 Billion in our underserved communities, contributed over $5 Million to local charities, and provided over 400,000 hours of volunteer service. I am confident Mia will have all the ammunition she needs to be a significant and important new voice on the Committee.

Elections can change the political, economic, and regulatory landscape. And we all know a change in scenery was badly needed. Now we must work like never before to seize the opportunity that has been created. We must be unified, focused, and determined, and above all, we need to make sure members of Congress know we are not going anywhere! United, we are a force to be reckoned with and we will not be satisfied by rhetoric, only results – for traditional banking and the communities and people we serve.
Graduates of the second class of the UBA Executive Development program were recently recognized at the UBA 7th Annual Leadership Conference in Salt Lake City. This is the second commencement in a program developed by the UBA to enhance and expand future banking executives understanding of all aspects of finance and leadership.

The Executive Development Program is a comprehensive course designed to cultivate the next generation of banking leaders. Exceptional instructors, with years of industry insights and experience, facilitate interactive course sessions that focus on the important economic, regulatory and competitive pressures facing the industry today.

Each month throughout 2014, the bankers attended daylong classes on a wide range of banking topics. According to UBA President Howard Headlee, “The cross-disciplinary curriculum provides a 30,000-foot perspective of the banking industry.” “The course provides broad exposure to different disciplines within banking organizations,” Headlee said. It also provides the bankers with introductions to colleagues at other banking institutions and future networking opportunities.

The graduates joined their classmates along with their respective bank management at a lunch honoring them during the UBA’s Leadership Conference in November.

For further information on the Executive Development Program, contact Becky Wilkes, Director of Education at 801-214-7724, bwilkes@uba.org.
In a recent radio interview in San Antonio, Texas, Michael Mauldin – regional president of First Financial Bank, Hereford, Texas – described how the Farm Credit System has used its government guarantee to finance loans outside of its mission. Case in point: A $725 million loan for Verizon to buy out a European telecom company.

The incredulous response from the show’s host: “What does that have to do with farming and ranching?”

Earlier, in Birmingham, Ala., Bob Jones – president and CEO of United Bank, Alabaster, AL., and a member of ABA’s Board of Directors – explained in another radio interview how the Farm Credit System has lost sight of its original mission. “In 2012, only 17 percent of the $247 billion in outstanding Farm Credit System loans went to small farmers,” he said. “It morphed, as many bureaucracies do, into a much more far-reaching enterprise.”

Bankers across the country – even those in suburban areas – have compelling stories about how the tax-advantaged Farm Credit System unfairly tilts the competitive playing field while exposing American taxpayers and our nation’s economy to significant risks. ABA is helping you share these experiences. And with guidance from our special ABA Agricultural Credit Task Force, composed of bankers and state association executives, we’re elevating and expanding our advocacy on this issue. In short, we’re taking a more strategic and aggressive approach. That approach includes a new website – ReformFarmCredit.com – that will shine a spotlight on the Farm Credit System, the first and least-known of the government-sponsored enterprises. The website, set to go live in December, will help you tell your story to members of Congress and opinion leaders. It promises to be a powerful tool in getting the word out about FCS abuses and on-going mission creep.

Taken together, the system is a $266 billion entity. If the Farm Credit System were a bank, it would be the ninth largest in the United States. In fact, it’s bigger than 99.9 percent of all banks in the country. These are facts policymakers need to know.

They also need to know that as a GSE, the Farm Credit System represents a risk to taxpayers in the same way that Fannie Mae and Freddie Mac do. And, while it creates additional risk for taxpayers – it ironically benefits from significant tax breaks. In 2013, those tax breaks totaled $1.3 billion – that’s quite a competitive edge. Today, the Farm Credit System is making risky loans with government backing – formalized last year by the creation of a $10 billion line of credit with the U.S. Treasury.

ABA and the state bankers associations are committed to exposing these truths. We need you to help, too.

We’ll be asking you to “take a stand” and encourage your lawmakers to do the same. You need to let your lawmakers know that the FCS’ tax-free status and ever-expanding mission make it difficult to meet the needs of your customers and their constituents. No one can convey this message better than you.

This is not a new battle. We’ve been fighting long and hard to put an end to the FCS inequities. We’re making progress, but we need to keep pushing.

Earlier this year, for example, ABA and Kansas banker Leonard Wolfe testified before a House subcommittee that has oversight over the Farm Credit System, bringing some much-warranted focus on its activities. Shortly after the June hearing, Rep. Marlin Stutzman (R-Ind.), a member of the House Financial Services Committee, penned an op-ed urging that “Farming should be at the center of the Farm Credit System … Unless we return the Farm Credit System to its original mission, taxpayers could be on the hook for a bailout in the near future and farmers’ access to credit could be reduced.”

Now, with the rollout of ReformFarmCredit.com – and your engagement and involvement – we will continue to up our game. You’ll also be able to personally lobby this issue – along with other key banking advocacy priorities – at ABA’s 2015 Government Relations Summit, March 23-25, in Washington, D.C.

Registration for the Summit is free. Go to www.aba.com/Summit to learn more.

With all of these resources in place, it’s time to continue to show lawmakers the real threat that the Farm Credit System poses to taxpayers and the economy, and the need for reform.
Data shows that they are 30% of what they were in 2007…while the percentage of long-term loans has quadrupled.

Our latest issue of What Counts provides the data you need to assess this risk and discover the funding approaches that safely support loan growth and mitigate risk.

Download your free copy at fhlbsea.com/UBA or call us at 800.973.6223

www.fhlbsea.com

The bricks to build something of value

Quality, honesty, integrity and trust are critical to every successful business. With these important elements as your foundation, you can begin to build real value.

PwC assists financial institutions like yours, throughout the state of Utah and globally, with their most challenging issues, from regulatory reform, stringent capital requirements, and risk management, to disruptive technologies and others.

Ryan Dent, Utah Banking and Capital Markets Partner
ryan.j.dent@us.pwc.com / (801) 534 3883

www.pwc.com/banking
The challenge of building a corporate culture that prioritizes risk management, ethical behavior, and smart decision-making continues to weigh on banks. Banks have invested significant resources into multiple programs to foster a healthy risk culture. Despite this, allegations of misconduct, regulatory challenges, and fines have persisted.

A large number of C-suite leaders have placed risk culture squarely on the agenda in response to the regulatory environment, recent highly publicized missteps, and subsequent reputational and brand damage. Yet, we were alarmed to find that, on average, participants in PwC's Global Banking Risk Culture Survey graded themselves the equivalent of a C+ on their risk cultures. We would have expected at least an A-, given the effort and investment committed to date.

Banking leaders have an opportunity to shape a healthy risk culture that will help them proactively identify and mitigate risks, protect their brand, and unlock new growth options.

Based on our analysis of survey results, we've identified five themes for banks to focus on in this effort:
1. Create a true seat at the table for the risk function.
2. Establish a walk-the-talk risk culture— from top to bottom.
3. Make change stick through better incentives and consequences.
4. Create more integrated, real-time reporting.
5. Develop a consistent global approach to risk management across regions.

Create a true seat at the table for the risk function

Our survey indicates an overwhelming recognition by respondents that risk culture is a critical part of a successful, competitive financial institution. More than 70% of survey respondents recognize risk assessment as integral to key business decisions in their organization. Leading institutions are elevating the standing, credibility, and authority of the risk management function to protect the business from unacceptable levels of risk. They are taking these practical steps:

Changing the risk-business partnership dynamic. Leading banks are working to change how the business sees the risk function, shifting it away from a policing role toward a risk advisory role.
Nearly 90% of survey participants agree or strongly agree that leadership promotes “core values” over growing the bottom line. However, 30% of respondents do not agree that management actions consistently align with their communications regarding risk management.

While it’s hard to change these long-held beliefs, leaders are making headway by focusing on relationship skills and developing stronger knowledge of business operations on their risk teams.

**Embedding risk into business decisions.** Executives and regulators are asking their business units to take a more active role as the first line of defense against risk. This involves clarifying risk roles and responsibilities, identifying risk triggers, and seeking risk counsel as part of key business decisions—not as an afterthought.

**Reviewing reporting relationships.** The OCC’s risk governance framework, finalized in September 2014, seeks to elevate the stature of CROs (or the multiple Chief Risk Executives that fill the role of the CRO at some banks). Leaders are taking a look at where Risk sits on the org chart and creating direct lines of communication for the CRO to the CEO and board.

**Establish a walk-the-talk risk culture—from top to bottom.**

Nearly 90% of survey participants agree or strongly agree that leadership promotes “core values” over growing the bottom line. However, 30% of respondents do not agree that management actions consistently align with their communications regarding risk management. In our view, this likely reflects a disconnect between the tone at the top and how middle management executes on risk policies.

Leading financial institutions see risk culture as a multidimensional issue that needs to be supported by a combination of people skills, policies, and tools. We see leading banks:

- Developing clear protocols for what good risk management looks like.
- Opening channels for escalating risk issues.
- Underscoring a zero-tolerance policy for retaliation.
- Finding new and better ways to attract talent with the right risk mentality.
- Building risk-savvy approaches into the institutions’ training policies and development programs. For example, some banks are requiring employees to participate in risk-related projects as part of their annual goals.

These efforts are paving the way for stronger, more sustainable risk cultures going forward.

**Make change stick through better incentives and consequences.**

Regulators are pushing banks to change their incentive structures, including compensation, development opportunities, and recognition. Leaders have started to take the following steps:

- **Dealing with compliance violations quickly and consistently.** By holding themselves and employees accountable for demonstrating the right behaviors, bank executives send a clear message about the importance of risk management and compliance.

- **Aligning incentives with desired risk behaviors.** By integrating risk metrics into how employees are compensated, assessed, and developed, leaders are demonstrating their commitment to promoting “good” risk behaviors over short-term profits.

- **Maintaining ongoing communication.** Leaders are communicating frequently with regulators, shareholders, recruiting candidates, and employees to reiterate their commitment to risk culture and the behavioral expectations that come with it.

- **Create more integrated, real-time reporting.** While 80% of survey respondents agree or strongly agree that adequate controls are in place to identify potential risk violations, institutions continue to struggle in their efforts to identify emerging risks across business units and geographical regions.

  Most risk systems function in silos that formed as business units responded to one-off risk requirements. What’s more, today’s systems often lack the ability to access highly granular levels of data—a demand that could not have been foreseen when these systems were being developed.

  The result? Executives are unable to get the single view of risk that they need to see how risks taken across the organization are correlated—and their cumulative impact on the organizational risk profile.

Common Culture — continued on page 10
Forward-thinking financial institutions are investing in more consolidated, real-time risk reporting. Some have invested in internal tools, while others have taken advantage of the increasingly sophisticated risk technology offered by third parties. In either case, their goals are the same:

**Developing an enterprise-wide view of data**—to overcome fragmented technology, inadequate risk reporting, and long-standing silos.

**Building greater access to information**—to improve management’s ability to proactively identify, escalate, and track potential risks. For example, instant queries and customizable reports have helped management keep pace with business changes.

**Improving communication channels**—to help risk information get to the right people, when and where it’s needed.

**Develop a consistent global approach to risk management across regions.**

Just over one-fifth of survey respondents said that risk triggered in one location is analyzed consistently for global implications. The potential impact is disturbing, since it only takes one rogue trader in a distant region to wreak havoc across an established global bank.

Global banks need to remember that it’s not enough to create a global policy and mandate its adoption. Banks also need to gain perspective about the local markets they do business in, and adapt their risk initiatives to those markets.

For more information on how to build a healthy risk culture, visit www.pwc.com/fsi

Ryan Dent is a Banking and Capital Markets Partner in PwC’s Assurance practice, based in Salt Lake City.

© 2014 PricewaterhouseCoopers LLP, a Delaware limited liability partnership. All rights reserved. PwC refers to the US member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details. This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

---

**Teach Children to Save**

Teach Children to Save (TCTS) is a national program that organizes banker volunteers to help young people develop a savings habit early in life. The 2015 Teach Children to Save Day is Friday, April 24. For more information please contact Lindsay Scott, Director of Member Services, (801)364-4303 lindsay@uba.org

---

**Featured topics:**

- New Bank Capital Standards, **Donald J. Musso**
- 10 Cybersecurity Questions for Bank CEOs and the Board of Directors, **Dr. Kevin Streif**
- Changing of the Guard for the Senate Finance Committee—What’s in Store, **Chris Campbell**
- FHLB Seattle and De Moines Merger, **Michael L. Wilson**
- Priority and Outlook for Regulatory Relief, **Wayne Abernathy**
- Executive and Incentive Compensation, **Tanner LLC**
- 24 Hours Inside the President’s Bunker on 9/11, **Lt. Col. Robert Darling**

**February 5-6, 2015**

February 5 - Legislative Dinner, State Capitol
February 6 - Conference, SLC Marriott City Center
Mobile banking, online account opening, customer service via social media, mobile wallets… All of these technologies have become popular in the past three to five years, and you can bet that the “next big thing” in technology is right around the corner. Today’s consumers don’t just expect their financial institutions to offer the latest and greatest in technology – they demand it.

However, banks must weigh the risk of customers being drawn away by newer gadgets against the reputational and regulatory risks created by offering new technological products and services. What factors do banks need to consider when incorporating emerging technologies into their security and marketing strategies?

Risks if You Do; Risks if You Don’t

When initiating a new technology product or service, the first major risk banks need to address is the long-term viability of their vendor, according to Jack Vonder Heide, president, Technology Briefing Centers, Inc. “Selecting the right partner is the biggest risk,” he said. “Many of these technologies are provided by startup companies, and if those companies have a bad couple of quarters they could potentially go out of business.”

Similarly, when vetting a potential technology partner the bank should ensure that it won’t be launching an outdated product. The technology world moves quickly, and keeping up with current trends is important, especially for banks looking to attract new customers. “One of the first risks is keeping up with overall technology trends,” said Jay Reed, managing director and senior consultant, ath Power Consulting. “For example, if you launch a mobile banking app that’s antiquated compared to current apps, you’re losing your target market before you start,” he said. “You have to understand what’s available in the current market and perform a gap analysis,” said Mark Nelson, vice president – chief information officer, Horicon Bank, 2014-2015 WBA Technology and Operations Committee Past Chair. “Look at what
you offer right now compared to what’s out there. You’re not going to go from A to Z in six months,” he said. “Set the groundwork first.”

After unviable vendor relationships and launching an outdated product, the third biggest risk for banks launching new technology products and services is reputational risk due to security concerns. Sometimes security lapses happen because internal controls at the bank fail, but more often they happen due to poor customer practices. “Many of these technologies are computer or mobile device-based,” Vonder Heide said, “and if the customer doesn’t practice proper computer and device hygiene – keeping security software up to date, et cetera – the bank could be at risk.”

Customers’ perception of security can present just as many challenges as security itself, according to Reed. In a recent Power Consulting study of mobile banking, nearly 40 percent of consumers said the reason they’re not using mobile banking services is because of security concerns. Of that 40 percent, nearly 4 out of 5 said their biggest security concern is hackers. “Banks really need to communicate clearly and consistently about security,” Reed said. “Make it easy for customers to ask questions and get answers regarding security.”

Security concerns are just one hurdle fueling another risk to emerging technology in banking: customer adoption rates. A bank could potentially invest large amounts of capital into launching a product or service that very few customers actually utilize, which results in both reputational and financial risk for the bank. “Customer adoption boils down to how effectively a bank’s marketing strategy sells the value of mobile technology regarding ease, availability, and security,” said Reed.

Finally, one of the biggest risks banks must take into account when considering new technologies is the risk of losing customers (both current and potential) due to not offering them the products and services they want. “Don’t keep up with technology and you could lose business,” said Nelson. “If your bank chooses not to offer [technology] services because of security considerations, you will begin to lose customers,” Vonder Heide agreed. “As the percentage of your Gen Y customer base grows, your bank will shrink.”

It’s a Mobile World

Gen Y consumers are now in their 20s and 30s. In 10 to 15 years, many will be growing into decision-making roles in their corporate careers. That means attracting and retaining Gen Y customers through technology products and services is becoming a critical strategy for many banks. Mobile technology products may be the key to this tactic. “Gen Y relies on their mobile devices to a great extent, and they demand financial services that are based on mobile technology,” said Vonder Heide, going so far as to suggest that banks that do not offer customers the ability to make person-to-person (P2P) transactions via a mobile device will begin losing customers before the end of 2014.

The capability to conduct P2P transactions on a mobile device is one of the reasons for the current boom in mobile banking. “It’s a way of life for Gen Y customers,” said Vonder Heide. When P2P first became available to consumers, the individual receiving the funds didn’t have access to them for 2-3 days while the transaction processes. Banks don’t have the luxury of that window anymore. “Today, the expectation is that the funds are available instantly,” Vonder Heide explained. “That’s the new bar that banks need to reach. It’s such a critical area that I advise banks to make that their top technology priority for 2014-2015.”

However, the success of mobile P2P will rely heavily on whether banks and their customers can depend on their funds and data being protected throughout the transaction. Reed pointed out that in response to recent breaches of customer data, many consumers will seek out different, more secure options for P2P payments. “Banks have an opportunity to gain transaction volume through mobile wallets or other associated applications,” Reed said. Mobile security will be vital for banks to profit by gaining customers and reduce fraud losses, according to Nelson. “The security right now for the phones and applications are only in their first or second phase of development,” he said. “As the security in mobile devices matures and is re-architected, usually phases 3 and 4, there will be much more security built in.” He predicts that as the industry matures devices will become just as secure, if not more, than the current security on PC systems.
As with most emerging technologies, the key to mitigating risk and encouraging customer adoption is communication. “From both our client work and our research, it’s clear banks are addressing security as one of their top priorities with current and emerging technologies. They are ahead of the curve on information and data security,” said Reed. “The communication of that to consumers is what’s key.”

**Competing in the Social Media Arena**

The newest (and potentially most important) channel of communication between businesses – including banks – and their customers is social media. “Banks need to realize and accept the inevitable; social media is here to stay,” said Nelson. As powerful as a well-executed social media strategy can be, it also carries a lot of risk for banks. No matter what platform or strategy the bank is using, it has to take regulatory risk into account, according to Vonder Heide. “The first thing the bank needs to do in today’s environment is recognize that they’re different because they’re a regulated entity,” he said. So, what can banks do to mitigate the risks associated with social media (which includes inadvertent communication of privileged information by staff and by customers)? According to Reed, there are two primary aspects of social media that banks need to address: customer usage and employee usage. The bank’s strategy for addressing each source of risk must coincide with the overall social media strategy. “You need to decide at the board level what your objective is,” said Vonder Heide. “Is it getting new accounts? Serving the community better? Put an action plan in place that will help you reach those objectives.”

Social media risk from customers can be partially mitigated through consistent, frequent communication, as with most customer-driven security. Risk from staff actions is a more complex issue. Most banks choose one of two approaches. First is creating a strict policy for employee use of social media and adapting it over time as the social media landscape evolves. The second approach is a more reactive position, Reed explained. “These banks are leveraging current employee communications policies to cover the use of social media, similar to how the banking industry approached email when it first appeared,” he said.

Nelson advises banks to ensure that employees who are responsible for social media are equipped for success (both in marketing and regulatory compliance). “Empower them and give them the tools they need to get the job done,” he said. “Have the process in place to respond well to a variety of situations. Social media is going to keep changing and you have to put people in place to take advantage of it.” Whichever risk management strategy the bank chooses, defining success is a commonly missed component. “The biggest thing banks are lacking in social media today is the ability to quantify their results,” said Vonder Heide. “Know how you’re going to measure success.”

**Change is Here to Stay**

Despite the risks emerging technologies present to financial institutions, the industry as a whole is well prepared to adapt. “Banks are in a good position to really leverage technology,” said Reed. “Some banks are doing it very well, putting their customers first when it comes to getting the right customer into the right channel for their use of banking services – what I call ‘right channeling.’” That’s a good thing, because new channels and new services that rely on technology are most definitely on the way. Technology has been developing exponentially for the past two or three decades, and it isn’t showing any signs of slowing down.

Every industry needs to adapt in order to thrive in this changing environment, and banking is no exception. “Banks must offer emerging technologies to survive,” Vonder Heide said, “but it’s incumbent upon them to make sure they take steps to protect shareholders from losses.” That responsibility means that bank boards must maintain their understanding of how technology impacts their institution. “If you accept the responsibility of being a director of a bank, one of the conditions is to have a personal understanding of how technology works and the impact of the tech decisions they make,” said Vonder Heide.

Seitz is Communications Coordinator with the Wisconsin Bankers Association. This article was originally published in the August 2014 issue of the WBA’s monthly publication Wisconsin Banker.
On October 20, 2014, Apple released "Apple Pay", a way for consumers to securely pay with their smartphones. Apple bills the new payment system as a permanent and more secure replacement for your checkbook, plastic cards and wallet.

**How Apple Pay Works**

Apple Pay is a cardless, mobile payment system lauded for its ability to make payments directly through a mobile phone. Through Apple Pay, customers may take a photo of their credit card and their iPhone stores it virtually on a secure chip inside. To make a payment, customers enable the app and waive the phone over a merchant’s reader.

Here is how it works. After launching the payment application on a phone, the phone and credit card terminal connect using near field communication technology (NFC). The customer then enters either a passcode or uses a finger scan to verify the transaction. The transaction is then validated with a chip that relays the authorization back to the NFC modem by providing a one-time, transaction specific digital signature. The payment then processes the same way it would in a traditional credit card swipe transaction.

**Apple Pay Risks**

Information security is the biggest risk associated with any payment system, and Apple Pay is no different, especially in light of Apple’s recent and notorious iCloud breaches. Apple Pay’s claim of “more secure payments” revolves around the one-time, transaction-specific digital signature. Credit cards work by using a single account number embedded in the magnetic strip. Thieves who obtain credit card numbers can easily use the same number for subsequent unauthorized transactions. In contrast, a transaction initiated through Apple Pay does not involve any account numbers. A thief who steals the transaction specific number used to purchase a movie ticket cannot use it for anything else.

Apple claims not to have any information stored on their server, such as credit card account numbers, which hackers can steal to defraud customers. Notably, however, Apple disclaims any liability for fraudulent transactions submitted through Apple Pay.

Apple requires an agreement with both the issuer bank and the customer in order for customers to take advantage of Apple Pay. We can speculate that the reason Apple requires an agreement with the account holding institution is because it enables Apple to avoid Regulation E error resolution and requirements and liability. A non-account holding service provider like Apple is exempt from Regulation E liability if it has an agreement with the account holding institution. See 12 C.F.R. § 1005.14. If Apple gets hacked, banks and merchants pay for any losses.

**Compliance Management**

To best manage compliance risks associated with Apple Pay, banks should conduct the proper vendor management
procedures and do a risk assessment on Apple. Bear in mind that there are not any specific disclosures banks would need to provide to customers since they contract directly with Apple. Even with proper due diligence and third-party vendor management, security risks still remain when allowing a third-party vendor to use customer information. However, banks are insulated from most of the risk because customers would be providing information directly to Apple.

Who Cannot Use Apple Pay

Apple Pay is only available through the most recent iPhones, the iPhone 6 and iPhone 6 Plus models, which were released in September. Additionally, certain retailers like Rite Aid and CVS block Apple Pay payments, supposedly because they intend to offer their own mobile payments system. Other retailers, like Target and Whole Foods have already set up Apple Pay receiver devices at checkout terminals.

Apple’s terms and conditions state that these cards are not eligible for Apple Pay: cards enabled for ATM access only, issuer gift cards, Health Savings Account cards, cards not issued for personal, family, or household purposes, cards that access a home equity line of credit, cards issued on behalf of issuer non-consumer customers, such as a card issued to disburse government benefits or court-ordered payments, and flexible spending account cards.

Looking Forward

Apple Pay will not replace checkbooks and wallets anytime soon with its currently narrow base of iPhone 6 users. However, Apple Pay has at least set a precedent, as Apple rivals are already trying to release other pay systems that will work with any smartphone with added benefits, such as customer incentives.

While Apple Pay works with most major credit cards, many from smaller banks would also need to get on board. Smaller entities may not find the convenience of Apple Pay to be worth the associated costs and risks. Banks on the cutting edge of technology may see the benefits sooner.
Director responsibility for IT risk and strategy has become more consequential as customers migrate to electronic delivery channels. New laws, guidance and regulations require a higher level of board focus on the IT area. At the same time, many directors still classify themselves as technology novices.

Technology is a continuum. People tend to develop a high degree of familiarity and expertise with technologies that were pervasive in their formative years. If a bank board is comprised of directors of varying ages, each member will generally bring a set of skills and a frame of mind that is characteristic of his or her generation.

A seventy-five-year-old director, for example, may have no idea how to use an iPhone. However, the same director would easily be able to drive a stick shift car. Ask this director how Wi-Fi works and you will get a blank stare. But if you ask how a Hi-Fi worked, you will get a detailed explanation of proper warmup procedures, changing defective tubes, etc.

Most bank directors I have worked with have the natural ability to understand technology but many feel overwhelmed by the rapid pace of change and the increasing level of personal responsibility they must assume for an area with which they don’t feel fully comfortable.

There are several steps that boards can take to improve the technical competence of directors and help them make better informed decisions.

First, recruit an outside director who has a deep understanding of technology. An ideal candidate would be a C-level executive who is currently working and who oversees the IT area of a well-respected large or middle market company. A publicly traded organization is best because the executive will have some familiarity with regulatory issues.

Second, form a board-level technology committee. This group would be chaired by the tech-savvy director and would include two or three other directors plus key C-level officers from the technology, risk management, operations, and business development areas of the bank.
Third, ask each board member to identify the specific technology areas that they would like to understand better. Then provide one-on-one or small group training. Some board members are visual learners who like examples while others learn better by reading. It is important to discern how each person learns best and provide them with the type of instruction that will help them absorb and retain the information.

A good strategy for older directors is to explain technical topics in non-technical terms. I once worked with a board that was considering a proposal for increased bandwidth. Two of the directors could not grasp the concept until I said, “Imagine that you are driving your car on Interstate 94 and all of the sudden traffic is reduced from four lanes to one lane.” There was an aha moment and the bank got more bandwidth.

Fourth, have a technology-focused presentation at every board meeting and at every board retreat. Some of these presentations should focus on current issues like cybercrime, system upgrades, etc. while others address longer range strategic issues.

Fifth, decide what type of bank you are when it comes to technology. Do you want to be on the bleeding edge where you will enjoy an early lead over your competitors by being the first bank in town to introduce something new?

Do you want to be a quick follower that observes what other banks are doing and then copies those new technologies that seem to be working for them?

Do you want to be a straggler and wait until the last possible minute to give your customers what every other bank offers?

Finally, prioritize technology initiatives that enhance the customer experience and improve the bank’s bottom line. Every bank has limited resources and getting a double return on investment is a goal worth pushing hard for.

A tech-savvy board is a successful board.
Tracey Larson, vice president and special projects manager at Bank of American Fork, accepted the 2014 American Bankers Association Community Commitment Award for Protecting Older Americans, from John Ikard, American Bankers Association chairman, on behalf of Bank of American Fork in Dallas on October 21. Larson is also the financial representative for the Governor’s Commission on Aging and is also a member of Provo’s Elderly and Vulnerable Adult Coalition.

Recently Bank of American Fork received the 2014 American Bankers Association Community Commitment Award for Protecting Older Americans. Bank of American Fork has a unique passion and five-part initiative designed to help support caregivers and protect seniors from fraud.

“There was a shift for me that caused me to become really passionate about supporting age-friendly banking,” said Tracey Larson, the head of the bank’s age-friendly initiative. “It was when I started to hear the stories.”

Besides her passion for making banking and finance safe for seniors and their caregivers, Larson has the know-how and detailed eye that make it natural for her to move the initiative from words on paper to action in the community.

For example, Bank of American Fork has an age-friendly champion at each branch who receives extra training on how to spot fraud or a stressed caregiver. Although all Bank of American Fork employees are trained to look for and report suspected fraud, the training for age-friendly champions is more comprehensive and goes far beyond what regulators require.

To move prevention beyond Bank of American Fork customers, the bank is collaborating with other organizations and financial institutions to make offerings like this nationwide.

Sandy Dubois started Project Teddy Bear 15 years ago as a way for employees at Bank of American Fork to give back to their communities instead of giving gifts to each other during the holidays. That first year, customers, community members and bank employees donated a couple of hundred teddy bears to be taken to a family care center to be used in play therapy or for children taken from their homes and from everything they knew. Last year, during the 14th Annual Project Teddy Bear, our communities brought in more than 20,000 bears that served the children in care centers across Utah.

Now, Project Teddy Bear’s national recognition from Independent Community Bankers of America’s 2014 National Community Bank Service Award will help spread the word and get more people involved in helping Utah’s children and children across the nation.

“The reason this recognition is important to us is because it helps the community,” said Richard Beard, president and CEO of Bank of American Fork. “Our local communities have helped more than 73,000 children simply by getting involved. Each donation matters, because each of those bears represents an at-risk child here in Utah.”

Celtic Bank is pleased to announce that it has been selected as a Top Workplace along the Wasatch Front. The Top Workplace finalists were selected based solely on employee feedback from a survey conducted earlier this year by Workplace Dynamics, LLP on behalf of The Salt Lake Tribune. The Salt Lake Tribune published the complete list of Top Workplaces on November 16, 2014.
“We are honored to receive this recognition,” said Reese S. Howell, Jr., Chief Executive Officer for Celtic Bank. “Celtic Bank’s employees are the backbone of our company and their commitment to excellence has fueled our growth, particularly here in Utah. Celtic Bank was recently named the number one SBA lender in Utah and the eighth largest SBA lender in the nation, which is a direct result of the dedication and professionalism our employees put forth each and every day.”

**CELTIC BANK IS NAMED UTAH’S TOP SBA LENDER**

Celtic Bank is pleased to announce that it was recognized by the SBA Utah District Office for being Utah’s #1 SBA lender for FY 2014, surpassing all other lenders in the state of Utah for dollar volume. Celtic Bank was also recognized for being the most active medium-size lender (assets of $200 million to $1 billion) in the Utah District Office 7(a) lending category. Celtic Bank was presented with the awards during an event hosted by the SBA Utah District Office on November 20, 2014. Celtic Bank was also named the 8th largest SBA lender in the nation for FY 2014.

“We are honored to receive this recognition,” said Reese S. Howell, Jr., Chief Executive Officer for Celtic Bank. “Contributing to the growth and success of Utah’s small business community has always been a priority for our company. We are very fortunate to have a well-respected and dedicated team of small business financing professionals that are committed to helping Utah’s small businesses get the financing they need to grow and thrive.”

**CIT BANK**

**CIT BANK PARTNERS WITH CITY CENTER CREDIT UNION TO MAKE IMPROVEMENTS TO ITS MAIN OFFICE**

CIT Bank partnered with City Center Credit Union (CCCU), FKA Provo Postal Credit Union, to make property and infrastructure improvements to its main office. CCCU is a small, one-branch low-income credit union in Provo, Utah. CIT Bank recognized the value that CCCU was bringing to the Provo community and provided CRA funds to help with property and building improvements, new computers, online banking features to improve staff efficiency and marketing expenses for the credit union for the upcoming year. The outcome of this grant enables CCCU to reach more of its low-income clients through improved services.

CIT Bank, located in SLC, is committed to reinvesting in its community and has invested over $80MM in loans and investment in 2014 and over $700k in CRA grants. CIT Bank has a staff of approximately 50 employees and serves on a variety of nonprofit boards and committees and participates in teaching financial literacy classes for low-income families. Year-to-date, CIT Bank employees have provided over 700 hours of service, an average of 14 hours per employee.

CIT Bank is proud to partner with City Center Credit Union to improve the services it provides to residents in Provo, Utah.

**TAB BANK**

**TAB BANK PROVIDES METAL FORGING COMPANY WITH A $3.5 MILLION ASSET-BASED REVOLVING CREDIT FACILITY**

TAB Bank is pleased to announce it has provided a $3.5 million asset-based revolving credit facility for a metal forging company located in Texas. The company forges and machines aluminum and steel into mission critical aircraft components for the aerospace, defense, and industrial markets.

TAB Bank provides custom working capital solutions to commercial businesses from many industries. These solutions are provided in all stages of business life cycles during any economic conditions. TAB Bank does this through Accounts Receivable Financing, Lines of Credit, Equipment Finance, Asset Based Loans, Business Accounts, and Treasury Management Services.

**TAB BANK PROVIDES MANUFACTURING COMPANY WITH A $4 MILLION FLEX ASSET-BASED CREDIT FACILITY**

TAB Bank is pleased to announce it has provided a $4 million Flex Asset-Based credit facility for a manufacturing company located in California. The company is a manufacturer and supplier of imaging support products and accessories for wholesale and retail image processing entities (e.g. Walgreens, Shutterfly, CVS). The new facility contains a $1 million sub-limit for inventory and will provide for the ongoing working capital needs of the company.

TAB Bank provides custom working capital solutions to commercial businesses from many industries. These solutions are provided in all stages of business life cycles during any economic conditions. TAB Bank does this through Accounts Receivable Financing, Lines of Credit, Equipment Finance, Asset Based Loans, Business Accounts, and Treasury Management Services.

**TAB BANK PROVIDES TRANSPORTATION COMPANY WITH A $2.8 MILLION REVOLVING CREDIT FACILITY**

TAB Bank is pleased to announce it has provided a $2.8 million revolving credit facility for a transportation company located in the Midwest. The company is a full-service, asset-based logistics provider. The company provides service in all of the lower 48 states, with the majority of their service being provided in the Midwest.

Proceeds of the facility will be used to pay the company’s previous lender and to provide for the ongoing working capital needs of the company. In addition to the $2.8 million revolving credit facility, the company also secured $517,000 in equipment financing through a term loan from TAB Bank.
TAB BANK PROVIDES $11.3 MILLION IN TRUCKING EQUIPMENT LOANS IN 2014 3RD QUARTER

TAB Bank is pleased to announce it provided $11.3 million in trucking equipment loans for 22 transportation companies during the 3rd quarter of 2014. Based in different regions of the country, these companies represent a broad spectrum of trucking entities including one-truck owner-operators and small and large fleets. Year-to-date TAB has increased its trucking equipment lending by 56% from 2013 to 2014 through the end of the 3rd quarter.

“Trailer sales and Class 8 truck sales continue to build momentum as we enter the final quarter of 2014. We see many reports that trucking equipment sales are seeing very high numbers as trucking companies nationwide replace their equipment and upgrade their fleets. We are poised to meet the financing demand for the increase in sales and assist trucking companies of all sizes get the funding they need to purchase needed new equipment. We have helped many companies get the equipment financing they need and we are very excited to help many more,” stated Jan Allen Ackley, Chief Lending Officer for TAB Bank.

Ackley continued, “In addition to providing financing for trucking equipment, we also offer customized working capital solutions through our Accounts Receivable Financing and Asset Based Lending programs. Many times, our clients in the trucking industry utilize both our equipment financing and working capital funding due to our expertise and knowledge of the industry. Our commercial finance and business banking teams are full of professionals with years of experience in providing financial service and support to trucking companies.”

CONSTRUCTION MATERIALS SUPPLY COMPANY CHOOSES TAB BANK FOR A $500 THOUSAND REVOLVING CREDIT FACILITY

A construction materials supply company in the Southwest has chosen TAB Bank for a $500 thousand revolving credit facility. The company specializes in producing and supplying gravel, sand, concrete, asphalt blocks, and road construction materials. The facility is based on accounts receivable, is made available through a multi-year agreement, and will provide for the ongoing working capital needs of the company.

TAB Bank provides custom working capital solutions to commercial businesses from many industries. These solutions are provided in all stages of business life cycles during any economic conditions. TAB Bank does this through Accounts Receivable Financing, Lines of Credit, Equipment Finance, Asset Based Loans, Business Accounts, and Treasury Management Services.

TAB’s nationwide team of Business Development Officers possess years of experience developing client relationships and structuring credit facilities in the commercial finance arena.

TAB BANK ANNOUNCES NEW DIRECT EQUIPMENT LEASING AND FINANCE PROGRAM

As TAB Bank continues to expand its product offerings it is pleased to announce a Full Service Direct Equipment Leasing and Finance program. TAB will now be able to provide direct financing on many types of equipment to companies from a wide array of industries as well as offer vendor programs on a nationwide basis. This new product offering is in addition to TAB’s existing truck and trailer financing programs for the transportation industry as well as the bank’s current third party lease originator financing product.

Grant Finch has joined the TAB Bank team in the role of Business Development Officer to create and cultivate new business opportunities for this new product offering. He will be responsible for identifying cross sell opportunities within TAB’s existing A/R Financing and Asset-Based Lending portfolios as well as offering the product to small and medium-sized businesses from across the country.

Grant brings over thirty years of equipment finance and leasing experience to TAB Bank. Prior to joining the TAB team, Grant owned an equipment finance company, NBF Capital LLC. Grant also worked previously for Wells Fargo Equipment Finance, First Security Leasing, and Valley Bank Leasing.

“We are very excited to announce this new product offering and we are very confident we will have the opportunity to help many companies get the equipment they need to operate and grow their business. Our ability to provide direct equipment finance and leasing will complement the working capital we provide to many businesses through our A/R Financing and Asset-Based Lending programs. Grant is the right person to build momentum for this new opportunity as he brings many years of experience in the equipment finance and leasing industry to TAB Bank. He understands equipment finance and will be able to be a great asset to our current and prospective customers alike,” stated Justin Gordon, Senior Vice President of Sales and Marketing for TAB Bank.
SEVENTEEN GREATER SALT LAKE NONPROFIT GROUPS AWARDED U.S. BANK FOUNDATION GRANTS

Photographed left to right: Jana Ryan, U.S. Bank and Kayleen Simmons, Executive Director, People Helping People.

“U.S. Bank, through the U.S. Bank Foundation, is awarding a total of $68,000 in grants to 17 nonprofit organizations in the Greater Salt Lake. The grants are being awarded for organizations that support arts and culture, economic opportunity, and education in the Greater Salt Lake community.”

U.S. Bank is fortunate to be a part of the Greater Salt Lake community,” said Damon Miller, president of U.S. Bank in Utah. “We are grateful for the excellent and much needed services they provide to help improve the quality of life in our community.”

Artistic and cultural enrichment grants are awarded to organizations and programs that build audiences for the arts, especially among underserved populations, bring select and limited civic amenities to underserved, rural communities or promote the arts in education.

Economic opportunity grants support organizations that provide affordable housing, encourage self-sufficiency, and assist economic development.

Educational grants are provided to innovative programs that help low-income and at-risk students succeed in school and prepare for post-secondary education, provide financial literacy training, or offer effective mentoring programs.

The organizations that received grants from the U.S. Bancorp Foundation are:

- AFA Fair Credit Foundation - economic opportunity;
- Art Access - artistic and cultural enrichment;
- Artspace Inc. - economic opportunity;
- Big Brothers-Big Sisters of Utah Inc. - education;
- Columbus Foundation Inc. - economic opportunity;
- David Eccles School of Business - education;
- Davis Applied Technology College Foundation Inc. - education;
- Discovery Gateway - education;
- Junior Achievement of Utah, Inc. - education;
- NeighborWorks Provo - education;
- Ogden-Weber Applied Technology College Foundation - education;
- People Helping People - economic opportunity;
- Salt Lake Neighborhood Housing Services Inc. - education;
- Salt Lake Valley Habitat for Humanity - economic opportunity;
- South Valley Sanctuary Inc. - economic opportunity;
- Spy Hop Productions - artistic and cultural enrichment; and
- The Road Home - economic opportunity.

The U.S. Bank Foundation contributes to the strength and vitality of local communities through partnerships that improve the educational and economic opportunities of low- and moderate-income individuals and families and enhance the cultural and artistic life of the communities in which U.S. Bancorp operates.

ZIONS BANK

ZIONS BANK NAMED AMONG “BEST BANKS TO WORK FOR” IN AMERICAN BANKER MAGAZINE

In the November issue of American Banker magazine, Zions Bank was honored among the Best Banks to Work For in 2014. Zions ranked No. 2 in the category of banks with more than $10 billion in assets and No. 31 overall.

The banks were chosen based on employee surveys, along with competitive pay and benefits policies. Wellness programs, as well as career growth opportunities and open communication, were among the factors considered.

Zions Bank was recognized for its career development efforts, including career university nights, during which employees interact with senior managers to learn about opportunities in various departments. The bank’s wellness program and new gym at its head office were also noted in the article.

This year marks the second that Zions Bank has ranked among American Banker magazine’s Best Banks to Work For list.
Zions Bank senior-level women accept American Banker magazine’s Top Team award in its October 2014 “Most Powerful Women in Banking” issue.

American Banker magazine’s October 2014 “Most Powerful Women in Banking” issue listed Zions Bank among its Top Teams in the nation. This marks the fifth time Zions’ senior-level women have been recognized by the publication as a top team.

LeeAnne Linderman, Zions Bank’s executive vice president of retail and omnichannel banking, ranked No. 14 on the magazine’s list of the “25 Most Powerful Women in Banking” and was also featured in an article about her efforts to create Veteran Mothers, a new nonprofit benefiting homeless veteran mothers.

According to American Banker, Zions is one of five banks “where women are playing outsized roles in setting strategy and driving results.” Women comprise 40 percent of Zions Bank’s corporate officer positions, and female executives make up 36 percent of the bank’s Executive Committee.

Linderman has been individually listed among the women’s rankings in the magazine seven times. As head of Zions Bank’s Retail and Omnichannel Division, she is responsible for Zions Bank’s network of 126 financial centers and 1,114 employees in Utah and Idaho. She also directs internet and mobile banking, ATMs, consumer and mortgage lending, retail sales administration, Executive Banking, and the bank’s diverse markets initiative.

Zions Bank Executive Vice President of Retail and Omnichannel Banking LeeAnne Linderman was ranked No. 14 on American Banker magazine’s recent list of the “25 Most Powerful Women in Banking.”

The Freedom Award is the Department’s highest recognition given to employers for exceptional support of Guard and Reserve employees. This year’s recipients were selected from 2,864 nominations received from Guardsmen and Reservists for going far beyond what the federal law requires to support their military employees.

Zions Bank was nominated by Army National Guard 1st Lt. Helaman Hurtado from the 145th Field Artillery and Senior Airman Alison Putnam of the Air Force Reserves 419th Fighter Wing. Zions pioneered a professional development program offering internships and training specifically to service members and veterans, which has launched civilian careers throughout the Intermountain West.

The Zions Bank Military Relations Group maintains contact with deployed employees and their families, providing home repairs, lawn maintenance, holiday gifts, and financial assistance. The bank also launched a military employee forum to facilitate networking opportunities for service members.

Zions Bank Chief Financial Officer Kay Hall accepts the Freedom Award from Secretary of Defense Chuck Hagel in Washington, D.C.
Annual UBA Conferences

Utah Bankers Association’s conferences provide annual updates for Utah bankers on hot topics, emerging trends, current and pending legislation, new products and services, and innovative ways to enhance profitability and reduce risk. They provide an invaluable opportunity to network with peers as well as stay current on important issues affecting our rapidly changing industry.

Upcoming for 2015…

Ag Outlook and Conference
The Ag Outlook and Conference is an annual event held the beginning of each year. This conference creates a means whereby bankers and their agricultural customers can enhance their relationships and gain valuable information to become better informed about the latest matters and innovations in agriculture and agricultural-related businesses. The conference proudly features the traditional Ag Outlook provided by Utah State University.
2015 Conference: January 22-23, 2015, Riverwoods Conference Center, Logan, Utah

Bank Executive Winter Conference
The Bank Executive Winter Conference addresses a wide range of current issues in the banking industry, including strategic issues, technology trends, regulatory and economic changes, and leadership topics. Bank CEOs, presidents, directors, and senior management benefit from the opportunity to connect with peers, share insights about critical issues in banking, and discover strategies and tools to help build bank profitability. This conference compliments the annual UBA Convention held in June.
2015 Conference: February 5-6, 2015, Marriott Hotel, Salt Lake City, Utah

Women in Banking Conference
This power-packed conference held in the Spring is designed for anyone wanting to advance their career in banking and provides an invaluable opportunity to network and collaborate with peers on challenges and successes. The Women in Banking Conference has a heavy focus on industry issues, professional development and how to successfully grow and stretch their skills.
2015 Conference: April 15, 2015, South Town Expo, Sandy, Utah

Community Reinvestment Conference
UBA’s newest conference, the Community Reinvestment Conference features a wide range of cutting-edge workshops and addresses from foremost experts and advocates sharing new developments, best practices and innovative ideas for community reinvestment.
2015 Conference: September, TBD

Fall Compliance Conference
The UBA Annual Fall Compliance Conference offers bank compliance officers, CRA officers, auditors, in-house and outside counsel and anyone involved in bank compliance up-to-date information on compliance issues, CRA and developments in bank regulations, as well as proven techniques for maintaining an in-bank compliance program. Most importantly, it offers a forum whereby those responsible for regulation compliance and CRA can discuss current issues and exchange ideas with peers.
2015 Conference: October, TBD

Leadership Conference
The Leadership Conference held in late fall is charged with furthering the leadership, communications and performance skills of high-potential leaders building a career in banking. The conference delivers expert speakers addressing timely issues affecting the banking industry and provides an invaluable opportunity for attendees to network with like-minded peers.
2015 Conference: TBD
Bankers on the Move

John Allen was hired to originate leads and will be responsible for developing business relationships for Bank of American Fork's new St. George branch. Allen has 45 years of commercial banking experience, with 39 of those years in Washington County. In his early banking days, Allen worked as an assistant operations officer, assistant cashier, and consumer loan manager.

Curtis Anderson joins Town & Country Bank as a Vice President in the bank’s loan department. Mr. Anderson has over 19 years of business lending experience at various financial institutions, and has underwritten loans ranging from multi-million dollar business transactions to small working capital loans. An SBA loan specialist, he is widely regarded for delivering superb customer service.

Rick Anderson was recently promoted to senior vice president and chief operations officer for Bank of American Fork after serving as a regional manager for six years and Anderson will oversee operations, IT, and the credit card department. Prior to working for Bank of American Fork, he was with Far West Bank for 30 years, where he was the chief financial officer and on the board of directors.

Jacqueline Candelario, IRA Specialist, Salt Lake City, works on CIT Bank's IRA deposit products

Viviane Consoni, Associate, moved from Royal Bank of Scotland (RBS) to provide risk policy support for CIT Bank.

Jonathan Cooley, Report Analyst, Salt Lake City provides reporting for deposit operations for CIT Bank

Cheryl Cragun joins Town & Country Bank as a Concierge Banker. Ms. Cragun began her banking career in 1984 in Fredonia, Arizona before joining a bank in St. George four years later. Since that time, she has worked in a variety of roles at three financial institutions in St. George, including service manager, teller supervisor and new accounts representative.

Mike Draper was recently promoted from Bank of American Fork’s branch administration specialist to the branch operations manager for the bank’s recently-announced St. George branch. Draper will take the lead on customer service and help ensure that Bank of American Fork offers the same small-town service it has been known for since its first branch opened in 1913.

Ryan Jones has been promoted to senior vice president and north region manager at Bank of American Fork and is responsible for overseeing the bank’s northern branches. He has been with Bank of American Fork for nine years as a commercial lender and branch manager and serves as a loan committee member at the Utah Microenterprise Loan Fund and volunteers as a Scoutmaster for Boy Scouts of America.

Mike McDonald was recently hired by Bank of American Fork as a vice president and commercial loan officer. Previously, McDonald worked as a commercial loan officer for 13 years at AmericanWest Bank in Provo after graduating from Utah Valley University.

Alana Medina, IRA Specialist, Salt Lake City, works on CIT Bank’s IRA deposit products

Jeff Rose has been hired as a commercial loan officer by Bank of American Fork, bringing to the bank his experience in commercial and industrial lending, and already, great new customers. Rose has been in banking for 12 years and one of the few bankers in the state who is also a licensed CPA, giving him a unique understanding of customers. Rose also volunteers as the head of the finances committee and a board member for a local charter school.

Bradley Stucki was hired to be the branch manager of Bank of American Fork’s St. George branch. Stucki will oversee the branch in offering products and services that fit the St. George community. His experience comes from more than a decade in commercial and industrial lending and commercial real estate lending as a vice president at Zions Bank, where he originated more than $300 million in loans.

Sam Taylor was recently promoted to branch manager at Bank of American Fork’s Murray branch and is responsible for overseeing the branch and ensuring that it remains profitable. Prior to his promotion, Taylor was a loan officer at the bank’s Draper branch, and before that, he was a credit analyst at Community First Bank and a risk analyst for Volvo Commercial Credit.

Kyle T. Winther was hired by Bank of American Fork as a loan officer for the bank’s Riverton branch and is responsible for building and maintaining a portfolio of commercial loans and establishing relationships with customers so they can benefit from the bank’s products and services. Winther has gained more than 20 years of experience in commercial lending, primarily in equipment leasing and financing, including as the credit manager for Tetra Financial Group in Cottonwood Heights.
INFORMATION = POWER

Get in shape for your next exam!

Request a free Custom Exam Preparation Report and get prepared for your next exam.

This report is driven by thousands of bankers who have anonymously taken our survey.

No more exam surprises!

Request your Custom Exam Preparation Report at www.allbankers.org
Expect More from Your CPA Firm

With Eide Bailly you get the best of both worlds – specialists who have been working with financial institutions for more than 60 years, and our peer-to-peer approach to service that results in unmatched solutions. From your complex tax and audit needs, to assistance with loan reviews, regulatory compliance, IT risk advisory services, ERM, internal audit and M&A activity, our professionals can help you position your financial institution for the future.

We pride ourselves on being a regional firm that offers personal, attentive service along with national-firm resources. Experience the Eide Bailly difference—visit our website to learn more.
THE THERE ARE A NUMBER OF WAYS TO HELP YOUR CLIENTS SUCCEED

One important number for you to remember is 504—as in SBA 504 loans. Contact Mountain West Small Business Finance and help your clients get a flexible loan with a low monthly payment, a low fixed interest rate, and that require only 10% down.

Use your SBA 504 loan to:
- Purchase land and/or a building
- Construct a new facility
- Purchase equipment
- Renovate or remodel existing facilities

EXCITING NEWS
Mountain West Small Business Finance now offers SBA Community Advantage Loans for operating capital to small businesses.

Call today to see how easy it is to work with Mountain West Small Business Finance to help your clients succeed!

See more Utah small business success stories at mwsbf.com

Mountain West Small Business Finance
GROWING SMALL BUSINESSES, JOBS, COMMUNITIES
Utah’s #1 Small Business Lender
801.474.3232 | mwsbf.com
Academy Mortgage
1220 E. 7800 S.
Sandy, UT 84094-7285
Tel: 801-233-3700
Contact: Crawford Cragun
Email: crawford.cragun@AcademyMortgage.com

Agri-Access
PO Box 396
McCammon, ID 83250
Tel: 208-404-8094
Contact: Randy Wheatley
Email: randy.wheatley@agri-access.com

AMC Links
3051 W. Maple Loop Drive, Ste. 325
Lehi, UT 84043
Tel: 866-439-9546
Contact: James Isbell
Email: james@amclinks.com

Bank Financial Services Group
22650 Echo Lake Road
Moreno Valley, CA 92557
Tel: 951-712-1106
Contact: Larry Rowley
Email: lrowley@bfsgroup.com

Bank Trends
979 East 800 South
Salt Lake City, UT 84102
Tel: 801-717-6743
Contact: Michael Stinson
Email: michael@bank-trends.com

Bankers’ Bank of the West
1099 18th St., Ste. 2700
Denver, CO 80202-1927
Tel: 303-291-3700
Contact: Dallas Kiburz
Email: dkiburz@bbwest.com

BMA Banking Systems
2151 South 3600 West
West Valley City, UT 84119-1121
Tel: 801-978-0200
Contact: Casey Timmerman
Email: casey@bmacorp.com

Callister Nebeker & McCullough
10 E South Temple, Ste 900
Salt Lake City, UT 84133-1115
Tel: 801-530-7300
Contact: W. Jeffrey Fillmore
Email: JFillmore@cnmlaw.com

Cintas Document Management
3120 W. California Ave., Suite H
Salt Lake City, UT 84104
Tel: 801-977-9800
Contact: Matt Holladay
Email: holladaym@cintas.com

D.A. Davidson & Co.
8 Third Street North
Great Falls, MT 59401
Tel: 406-268-3084
Contact: Tom Hayes
Email: thayes@dadco.com

Deluxe Corp
5820 W. Harold Gatty Dr
Salt Lake City, UT 84116
Tel: 801-332-4234 X 156538
Contact: Joyce Short
Email: joyce.short@deluxe.com

Diebold, Incorporated
2302 S. Presidents Drive
Salt Lake City, UT 84120
Tel: 801-498-2773
Contact: Jim Hawkes
Email: jim.hawkes@diebold.com

Dorsey & Whitney LLP
136 S. Main St., Suite 1000
Salt Lake City, UT 84101
Tel: 801-933-7365
Contact: Steven T. Waterman
Email: waterman.steven@dorsey.com

Eide Bailly LLP
5929 Fashion Point Dr., Ste 300
Ogden, UT 84403-4684
Tel: 888-777-2015
Contact: Gary Smith
Email: gsmith@eidebailly.com

Dorexio
10235 South Jordan Gateway
South Jordan, UT  84095
Tel: 801-858-3607 X156
Contact: Brock Blake
Email: brock@dorexio.com

Federal Home Loan Bank of Seattle
1001 Fourth Ave, Ste 2600
Seattle, WA 98154
Tel: 206-340-2344
Contact: Chris Thomas
Email: cthomas@fhlsea.com

Fiserv
618 Lafayette Drive NE
Albuquerque, NM 87106
Tel: 505-890-8449
Contact: Rob Durham
Email: rob.durham@fiserv.com

FPS GOLD
1525 W. 820 N.
Provo, UT 84601-1342
Tel: 801-429-2126
Contact: Matt S. DeVisser
Email: mattd@fps-gold.com

Harland Clarke
4867 Harold Gatty Drive
Salt Lake City, UT 84116-2815
Tel: 801-288-2133
Contact: Michael Kelly
Email: Michael.Kelly@harlandclarke.com

InnoVentures Capital Partners
515 South 700 East Ste 2A
Salt Lake City, UT 84102
Tel: 801-741-4200
Contact: Steve Grizzell
Email: steve@innoventures.com

Jones Waldo
170 S. Main St., Ste 1500
Salt Lake City, UT 84101-1644
Tel: 801-521-3200
Contact: George Sutton
Email: gsutton@joneswaldo.com

Lendio
10235 South Jordan Gateway
South Jordan, UT  84095
Tel: 801-858-3607 X156
Contact: Brock Blake
Email: brock@dorexio.com

Merrill Lynch
2425 Towne Center Drive
Salt Lake City, UT 84108
Tel: 801-773-4800
Contact: Michael Giovia
Email: giovia.michael@merillllynch.com

National Bank & Trust
230 W. Temple Street
Salt Lake City, UT 84101
Tel: 801-521-2220
Contact: Gary White
Email: gwhite@nationalbankut.com

Pepco Energy Services
220 E. 800 S.
Salt Lake City, UT 84111
Tel: 801-737-2594
Contact: Tim Callender
Email: tim.callender@pepcoenergy.com

Pepco Stores
500 E. South Temple
Salt Lake City, UT 84111
Tel: 801-530-2222
Contact: Tom Cook
Email: tom.cook@pepcoenergy.com

Richard C. White
835 E. South Temple, Ste 800
Salt Lake City, UT 84111
Tel: 801-530-7300
Contact: W. Jeffrey Fillmore
Email: JFillmore@cnmlaw.com

Solution Services
10 E South Temple, Ste 900
Salt Lake City, UT 84133-1115
Tel: 801-530-7300
Contact: W. Jeffrey Fillmore
Email: JFillmore@cnmlaw.com

The Salt Lake Board of Realtors
311 S. Main St., Suite 1000
Salt Lake City, UT 84111
Tel: 801-530-7300
Contact: W. Jeffrey Fillmore
Email: JFillmore@cnmlaw.com

UBA Associate
Academy Mortgage
1220 E. 7800 S.
Sandy, UT 84094-7285
Tel: 801-233-3700
Contact: Crawford Cragun
Email: crawford.cragun@AcademyMortgage.com
McGladrey, LLP
300 S. 4th St. Ste. 600
Las Vegas, NV 89101-6017
Tel: 702-759-4000
Contact: Matt Youngman
Email: matt.youngman@mcgladrey.com

Moss Adams LLP
601 W. Riverside Ave., St. 1800
Spokane, WA 99201
Tel: 509-747-2600
Contact: Mike Thronson
Email: mike.thronson@mossadams.com

Mountain West Small Business Finance
2595 E. 3300 S.
Salt Lake City, UT 84109-2727
Tel: 801-474-3232
Contact: Steve Suite
Email: steve@mwsbf.com

Office Depot Business Solutions
281 West 2100 South
Salt Lake City, UT 84115-1830
Tel: 801-977-7994
Contact: Warren Schroer
Email: Warren.Schroer@officedepot.com

Premier Data Corporation
2182 S West Temple
Salt Lake City, UT 84115-2531
Tel: 801-521-3282
Contact: Kevin G. Dabb
Email: kdabb@pdatacorp.com

Prince, Yeates & Geldzahler
15 West South Temple, Suite 1700
Salt Lake City, UT 84101
Tel: 801-524-1000
Contact: William Marsden
Email: wgm@princeyeates.com

Promontory Interfinancial Network, LLC
1515 North Courthouse Road, Suite 1200
Arlington, VA 22201
Tel: 703-292-3462
Contact: Glenn Martin
Email: gmartin@promonetwork.com

Ray Quinney & Nebecker P.C.
36 S State Street, Ste. 1400
Salt Lake City, UT 84111-1451
Tel: 801-532-1500
Contact: Kevin Glade
Email: kglade@rqn.com

Sandler O’Neill + Partners, L.P.
1251 Avenue of the Americas, 6th Floor
New York, NY 10020
Tel: 212-466-7800
Contact: Jonathan Rupp
Email: jhrupp@sableroneill.com

Scalley Reading Bates Hansen & Rasmussen
15 West South Temple, Ste. 600
Salt Lake City, UT 84101
Tel: 801-531-7870
Contact: Jonathan Rupp
Email: jhrupp@sableroneill.com

Simpson & Company, CPAs
1111 E. Brickyard Road, Ste. 112
Salt Lake City, UT 84106-2592
Tel: 801-484-5206
Contact: Kenneth R. Simpson
Email: ksimpson@simpson-co.com

Snell & Wilmer, LLP
15 W. South Temple, Ste. 1200
Salt Lake City, UT 84101-1547
Tel: 801-257-1900
Contact: Lori Newey
Email: lnewey@swlaw.com

Supernal Software, LLC
127 Marina Drive
La Crosse, WI 54603
Tel: 608-785-7101 x1018
Contact: Kathi Millard
Email: kmillard@supernal.com

Tanner LLC
36 South State, Suite 600
Salt Lake City, UT 84111-1400
Tel: 801-532-7444
Email: nheward@tannerco.com

Travelers Insurance
6060 S Willow Drive
Greenwood Village, CO 80111
Tel: 720-200-8447
Contact: Janu Cambrelen
Email: jcambrel@travelers.com

Universal Business Insurance, Inc.
9980 South 300 West #320
Sandy, UT 84020
Tel: 801-984-6014
Contact: Brett Mayer
Email: Bmayer@ubinsurance.com

Utah Community Reinvestment Corporation
1165 East Wilmington Ave., Ste. 200
Salt Lake City, UT 84106
Tel: 801-366-0040
Contact: Steven L. Graham
Email: sgraham@ucrc.biz

Van Cott
36 South State Street, Suite 1900
Salt Lake City, UT 84111
Tel: 801-352-3333
Contact: Thomas T. Billings
Email: tbillings@vancott.com

Zions Correspondent Banking Group
310 South Main Street, Suite 1400
Salt Lake City, UT 84101
Tel: 801-844-7854
Contact: Steve Campbell
Email: Steve.campbell@zionsbank.com
Excess Liquidity Can Stress Your Banks Balance Sheet

Turn excess liquidity into fee income with Demand Deposit Marketplace℠

- Quickly generate fee income
- Send excess deposits off balance sheet and improve capital ratios
- Lower your FDIC assessment costs
- Provide millions in FDIC insurance coverage

Contact us to learn more about DDM’s other flexible deposit relationships: Send, Receive, Reciprocal, and Reciprocal Plus/Minus
The COMMERCIAL LENDING AND BANKING GROUP at Jones Waldo recently closed the following types of transactions:

- Construction loans for office, retail, medical, hotel, apartments and mixed-use condominium developments
- Real estate acquisition loans
- Corporate credit facilities
- Affordable housing tax-credit construction loans
- New market tax-credit construction loans
- Ski resort financings
- Asset based acquisition loans
- Credit provider representation for credit enhanced bond financings
- Syndicated real estate and corporate financing transactions
- Real estate and corporate credit restructuring transactions
- Financial institution owned real estate sale transactions
- Judicial and non-judicial foreclosures
- Ongoing advice regarding bank regulatory compliance issues

Jones Waldo’s commercial lending group provides the level of specialization and skill that comes only with seasoned professionals who represent both local and national clients. To learn more call us at 801-521-3200 or visit our website at www.joneswaldo.com.
A good website establishes professional presence, draws traffic, is an *invaluable marketing tool*, and *increases revenue*.

If your website isn’t performing as it should, **Call us.**