

**OKLAHOMA BANKERS ASSOCIATION**  
**Meeting of the Board of Directors**  
**Noon, Wednesday, Sept 22, 2021**

**AGENDA SUMMARY**

**Agenda** – A tentative agenda for the Board meeting on Wednesday is enclosed with this Agenda Summary for your review.

***ANY ITEMS REQUIRING BOARD ACTION APPEAR IN RED.***

**Approval of Minutes** — Copies of the minutes of the August Board Meeting is included with the Agenda Summary and marked collectively as **Exhibit A**.

***Question Presented: Whether to approve the Minutes of the August meeting as presented.***

**Committee Reports** — **Performance and Oversight – Rick Walker, Chairman**

**Financial Statements** — Following is a summarized view of the consolidated and association-only income statements. The OBA financials are included in the board packet as **Exhibit B**.

**Consolidated Performance**

	<b>Actual</b>	<b>Plan</b>	<b>Prior Year</b>
Income	\$1,799,162	\$1,026,714	\$ 991,765
Expense	1,069,625	1,033,055	957,293
Net Profit (Loss)	729,537	(6,341)	(34,472)

The consolidated entities have a Net Income of \$729,537 which is \$735,878 better than Plan and a positive variance of \$764,009 from Prior Year. On a consolidated basis, Actual Income is ahead of Plan and Prior Year. The comparison to Plan for revenues shows a variance of \$772,448 which is a 76% variance. Actual Income exceeds Prior Year with a variance of \$807,397 which is an 82% variance. Consolidated Expense is more than Plan (\$36,570/4%) and Prior Year (\$112,332/12%).

Included in Actual Income is forgiveness of both Association PPP draws totaling \$523,400. This amount is included in the Miscellaneous/Gain on Sale line of the detailed income statement.

On a consolidated basis, most program revenues are comparable or more than Plan. The only exception is investment-related revenue. Current fiscal year includes both Convention and Senior Management. Neither of these events were included in Plan or Prior Year. The inclusion of Convention and Senior Management are the primary reasons for the increase in Education Revenue of \$195,501/73% compared to Plan and \$330,445/245% compared to Prior Year.

On a consolidated basis, most expenses, by program, are less or comparable to Plan and Prior Year. Exceptions are Education and Newspaper. As noted above Education Revenue is \$195,501 more than Plan while Education Expense is \$115,875 more than Plan. The increase in expense is more than offset by the increase in income. Newspaper expense has increased as a result of increase in indirect expenses.

Employee Compensation and Benefits Expense is well below both Plan and Prior Year. Office, Building/Grounds, Travel, Promotion and Products/Services Expenses are higher than Prior Year because of increased activity this year compared to Prior Year when COVID diminished business activity. Office, Building/Grounds, Travel, Promotion and Products/Services Expenses remain lower than Plan. Depreciation Expense is more than Plan as a result of changes in timing of asset replacement.

**Association Only**

	<b>Actual</b>	<b>Plan</b>	<b>Prior Year</b>
Income	\$ 1,681,874	\$ 905,214	\$ 886,024
Expense	939,857	892,093	827,857
Net Income (Loss)	742,017	13,121	58,167

At the Association level, Actual Income exceeds Plan (\$776,660/86%) and Prior Year (\$795,850/90%). Association Actual Expense is more than Plan (\$47,764/6%) and Prior Year (\$112,000/14%). The Association has a Net Income of \$742,017 compared to Plan Net Income of \$13,121 and Prior Year Net Income of \$58,167.

**Question Presented: Whether to accept and approve the financial statements as presented.**

**Education and Training** — Here’s a summary of the education department activities for the September, 2021.

Sept 8	Supervisor Bootcamp, Tulsa	23	Vicki Kraai
Sept 9	Supervisor Bootcamp, OKC	27	Vicki Kraai
Sept 14-15	Real Estate Compliance, OKC	36	Jack Holzknecht
Sept 16	CRA, OKC	28	Jack Holzknecht
Sept 21	CyberSecurity, OKC	41*	Jeff Spann
Sept 23	Credit Analysis Basics, Tulsa	14*	David Osburn
Sept 24	Credit Analysis Basics, OKC	26*	David Osburn
Sept 29	BKD Symposium, OKC	34*	Various BKD reps

\*counts as of 9/14/21

**INTERMEDIATE SCHOOL:** The 2021 Distinguished Graduate was recognized as follows:

- Robert Reed, Community State Bank-Poteau  
Lexie Garrison, 2021 school chairman, and Jerold Phillips, 2022 chairman, presented the award.

## 2022 Convention and Senior Management Forum:

- Senior Management Forum April 3 – 5, Bellagio, LV
- Convention May 18 – 20, Omni, OKC

## August Webinars:

- 44 webinars purchased
- \$6,200 revenue

**WOMEN IN BANKING:** The 2022 conference is tentatively set for Tuesday, March 22, in OKC. Once again, we will be working with the Federal Reserve Bank and the CBAO.

## OBASCO —

### New Strategic Members\*:

1. Transfund\*
  2. Hotel Broker One
- \*Endorsed

- **2022 Photo Calendar Contest/Order** – We had 27 banks that participated in the photo contest with over 175 photo submissions. Opened orders for banks to put their logo on the calendar June 1 at price point of .99 by Aug 31 and then \$1.09 after. Goal is to exceed last year's sales of \$47k. Turning in order at \$40k.
- **Bankers' Night Out Fall Sponsorships** – Working on sponsorships and getting materials ready to prepare packets for this series. Current sponsorship amount is \$25k.
- **OBA Speaker Proposal** – Updated speaker proposal for 2022 SMF & Annual Convention speaking opportunities for strategic members. Sent out 9/9 with submission deadline of 10/20.
- **Bankers Hall of Fame** – Working on sponsorship & advertising packages. Florist booked. Trying not to use regular strategic members, will get other organizations for this event. Currently at \$17k in sponsorships. Goal is to exceed \$52k in 2020.
- **2021 Banking Code & Trust Books** – Books updated, being put together for bank purchase.
- **The Oklahoma Banker Newspaper Advertising** – Still reaching out to several strategic members to advertise in the newspaper in lieu of sponsorships this year.
- **Endorsements:**
  - **NFP** – Group BNO Sponsors
  - **Office Depot** - Royalties to the OBA last quarter have gone down to \$1,400 with 27 banks currently participating. Really need help ramping up this endorsement.
  - **Purple Wave** – Group BNO Sponsors
  - **Promontory MortgagePath** – Group BNO Sponsors
  - **Transfund** – New Endorsement & Strategic Membership – BNO Group Bar Sponsor Luke Shoemaker will be attending Ardmore.

## **Committee Reports — Planning & Business Development – Amada Alvidrez,** Chairperson

**State Legislative Matters** — Next week the House of Representatives will host the interim study focusing on land acquisition by foreign nationals. Very rarely will you see an interim study where there isn't any opposition to the issue being discussed. We can't imagine that anyone will testify that what is happening is a good deal and we should just leave it alone. Megan and Adrian will be at the meeting and will have a chance to report on our findings at the actual Board Meeting.

During last year's legislative session, you might recall that one of the "hottest" issues was a privacy bill authored by Rep. Colin Walke (D-OKC) and Rep. Josh West (R-Grove). This privacy bill was different than what other states had passed as it was an "opt-in" rather than an "opt-out" piece of legislation. Almost every business and trade association in the state came out opposed to the bill, it passed the House and never received a hearing in the Senate and ultimately died. We met with Rep. Walke early in the process to make sure that our language was in the bill, and it was. The language that we have to have is, "Nothing in this Act shall be deemed to apply in any manner to a financial institution or an affiliate of a financial institution that is subject to Title V of the federal Gramm-Leach-Bliley Act of 1999 and rules promulgated thereunder." Title V governs the treatment of nonpublic personal information about customers by financial institutions. Last week Rep. Walke and Rep. West issued a press release that they are bringing the bill back again this year. We haven't seen the language yet, but we are assuming it is very similar to what was ran last year. We'll make sure our language is part of the bill as it moves or doesn't move through the process.

There is a rumor that we will likely see a fair access bill introduced in Oklahoma. Several other states have seen similar legislation, what these bills do is, prohibit any entity from doing business with the state if they discriminate against the firearms industry or oil and gas. Two such bills were passed in Texas this year and they are causing the banking industry lots of heartburn. Wyoming also passed a bill related to firearms as did Louisiana, the Louisiana Governor vetoed the bill. Several other states have introduced similar language and they never made it through the legislative process. We'll definitely be on the lookout for anything filed in this area.

**Federal Legislative Issues** — The \$3.5T infrastructure bill in the House is by-far the largest piece of legislation out there right now. The House Ways and Means Committee is possibly going to meet this week to start hearing the framework that is going to be used to pay for this bill. Last week there was a big push by associations nationwide to reach out to Congress and ask them to vote NO on the IRS proposal. This proposal would require every financial institution to report every inflow and outflow for EVERY account that has a minimum balance of \$600. The initial draft released by the committee doesn't include the IRS language, that is a great win for the industry, the battle over this issue isn't over, but it looks like we might have successfully dodged a bullet. Don't feel bad for the IRS as they are definitely getting their fair share of the proposed bill:

- \$78,935,000,000 – necessary expenses for the IRS for strengthening tax enforcement activities.
- \$410,000,000 – appropriated for necessary expenses for the Treasury Inspector General for oversight of the IRS.

- \$157,000,000 – appropriated for the Tax Court to adjudicate tax disputes.

There are definitely a couple of items listed in the bill that are of concern, increasing the top individual tax rate from 37% to 39.6% and increasing the corporate tax rate from 21% to 16.5%. There could possibly be additional items added to the package in committee, but won't know what those are until the committee meets in the next couple of days.

The infrastructure bill is still not a done deal in the House, if you'll remember, the House still hasn't taken up a vote on the \$1T infrastructure bill that passed the Senate last month. There was an agreement made that a vote would be taken no later than September 27<sup>th</sup> on that bill to make some of the D's happy and hopefully they will support the \$3.5T bill. Sen. Manchin and Sen. Sinema still say that they won't support this bill should it make it over to the Senate. Sen. Sinema's issue is the cost of the bill and not necessarily the merits. Look for the price tag to be reduced as it moves along to hopefully appease members of both the House and the Senate.

Earlier this month the CFPB issued a 918-page Notice of Proposed Rulemaking (NPRM) to implement section 1071 of the Dodd-Frank Act. This section amended the Equal Credit Opportunity Act to require financial institutions to collect and report data regarding credit applications made by women-owned, minority-owned and small businesses. The proposals data collection requirements apply to financial institutions that have originated at least 25 covered credit transactions to small businesses within the preceding two calendar years.

**Definition of Small Business** – The NPRM uses the SBA's definition of "small business concern" and applies to those that had \$5million or less in gross annual revenue for its preceding fiscal year.

**Covered Credit Transaction** – The NPRM required that covered transaction be an "extension of business credit" that is not a trade credit, public utilities credit, securities credit and incidental credit. It does include, among other things, loans, lines of credit, credit cards and merchant cash advances.

**Data Points** – All financial institutions would be required to collect and report certain data points mandated by statute. For the collection of data that is self-reported by the applicant, the financial institution is generally not required to verify the information.

**Implementation period** – Comments on the NPRM will be due no later than 90 days after the date it is published in the federal register. Covered financial institutions would be required to report their data on June 1 the following year. Compliance with the final rule would not be required until approximately 18 months after the final rule is published in the federal register.

**PAC Report** — Fundraising totals for the year are behind of the same point last year. At the end of August, the State PAC has raised \$53,398 while the FED PAC has raised \$13,772 for a total of \$67,170. This total is \$32,534 less of where we were at this date last year. While this number is initially alarming, I'm not concerned yet. Last year we had one bank that contributed close to \$22,000 to the PAC, we are working with them to find a date in October or November to have them host a Special Board Meeting. There is another bank that always hosts a Special Board Meeting and contribute almost \$9,000 to the PAC. Last year this meeting was held in August, this year they hosted the meeting in early September. Their contribution will be reflected in next months PAC report. Adrian will be sending a letter to all

President/CEO's later this month to all of those that haven't contributed to the PAC and encouraging them to do so.

We are receiving several fundraisers requests every day, our elected officials are working to gather as many funds as possible prior to the legislative session. We need to make sure that we gather as much support as we can for the PAC, we've always been very active in many races and that's played a significant role in our success at the Capital.

There are several ways that you can contribute, you can do a one-time personal check, a monthly EFT or have your bank host a Special Board Meeting. All of these options are easy and greatly appreciate. We are thankful for all the support that we have received from the bankers in 2021. We still have a lot of work to do this year as it's going to be very busy. Any chance you have to talk to other bankers about the PAC will be greatly appreciated as we continuously work to educate the membership on the important role the PAC plays in our success. Should you have any questions please don't hesitate to contact Adrian.

**Legal Report** — There will be an update, if needed, at the board meeting.

## **Committee Reports** — External/Member Relations – Bryan Cain, Chairman

### **Member Relations** —

#### **OBA Bankers' Night Out programs ready for fall**

The dates for the OBA Bankers' Night Out programs have been finalized. Mark your calendar for the date of the program that's in your area of the state and plan to attend.

Bring your coworkers with you so that everyone can be up to speed on the most recent developments affecting their job. In addition to state and federal legislative updates, the program will include a discussion on the recent developments in your industry.

As in the past, the schedule for each of these meetings is:

5:30 p.m. – Drinks

6:15 p.m. – Program

7 p.m. – Dinner

PRE-REGISTRATION IS REQUIRED. The cost is \$50 per person. Locations and dates for this year's events are:

- Ardmore, Sept. 16.
- Krebs, Sept. 23.
- Tulsa, Oct. 12.
- Oklahoma City, Oct. 26.
- Woodward, Nov. 2.
- Lawton, Nov. 4.

[Click here](#) for a registration form or visit the [OBA events calendar](#) to register online for the program in your area.

*Please note: We will monitor the state's COVID climate and send any necessary updates before each event*

### **2021 Hall of Fame Luncheon & Induction Ceremony set for Dec. 2**

The OBA is proud to announce the group of inductees for the Oklahoma Bankers Hall of Fame, with the ceremony set for Dec. 2 in Oklahoma City.

Bruce Benbrook, a longtime Woodward banker who is currently CEO and chairman of The Stock Exchange Bank in Woodward; Steve Burrage, a southeastern Oklahoma stalwart who is chairman of FirstBank in Antlers; the Tulsa-area's Carlisle Mabrey III, current executive chairman with Mabrey Bank in Bixby; and the late Tracy Kelly, a longtime Bristow banker who was a guiding force for SpiritBank, will comprise the third group to be inducted into the Hall of Fame, as voted on by a panel of their banking industry peers.

The luncheon and induction ceremony is scheduled for 11:30 a.m. on Thursday, Dec. 2 at the Oklahoma History Center, which is located at 800 Nazih Zuhdi Dr., in Oklahoma City.

If you are interested in attending the event, please RSVP by Nov. 26 to the OBA's Nancy McKinnis ([nancy@oba.com](mailto:nancy@oba.com)) or Joan Anderson ([joan@oba.com](mailto:joan@oba.com)) at 405-424-5252. The cost for an individual seat is \$75 and \$700 for a table of 10.

### **Registration open for ABA Virtual Washington Fly-In**

Join your peers and industry leaders from across the country for a virtual meeting with banking regulators and ABA policy experts. ABA is hosting this year's Washington Fly-in, in partnership with the OBA and other state bankers associations, to ensure policies critical to the banking industry remain front and center to agency officials and to provide a forum for your questions. There will be an orientation session on Sept. 23 with the other meetings scheduled for Sept. 27-29.

[Click here](#) for more information and to register.

**Fraud Department** — Temporary drivers licensure continues to be an issue with our banks. Most common usage right now is presentment of a bogus temporary DL with an insurance form that purports to be from Progressive Insurance with customer requesting encashment of checks. Sharing this pattern with your frontline is helpful in detecting some of the fraudulent documents.

Oklahoma bankers are reporting an increase in customers having Zelle or other payment apps added without their knowledge or participation. Cyber fraudsters have a tremendous amount of information on your customers from recent huge breaches like the T-Mobile breach in April. You need to be aware that this allows cyber criminals to SIM swap phones much more easily (moving all control of the phone

to a SIM card on a phone in their possession). Newly created cash apps with unusual increased activity on accounts can be a red flag and a reason for ensuring that the customer is aware of that activity.

Two upcoming events provide opportunities for great training for our bankers. The annual IWS Info Warfare Summit will be held Wednesday, October 6th in the Oklahoma Christian University Garvey Center. This training is cyber focused and primarily for your cyber/IT gurus. They can register at <https://www.eventbrite.com/e/information-warfare-summit-iws-14-registration-165425007651?aff=ISMAFIA>

The second is a work in progress at this point but hope is still alive that there will be some version of the SW BSA conference. It is now being re-considered as a virtual event but whatever the configuration it is always exceptional training. OBA will send an update on date, content and sign-up as soon as it becomes available.

**Communications/Public Relations** — Included in the agenda summary as **Exhibit C** is the communications department's annual social media report. In it, we attempt to compare the OBA's social media outreach efforts to other state bankers associations, to give at least a general idea of how the OBA is doing with its social media efforts. Jeremy will have more in-depth information on the report at the committee and board meetings.

Over the past few weeks, Jeremy has been working with local A/V companies in getting estimates on upgrading the a/v technology in the Harris Event Center. After comparing the estimates and talking with various companies, he has settled on Ford A/V to handle the work. Ford did the original install of equipment in the HEC when it was built in 2005.

The recent addition of communications intern Payton Moody to the department has already paid dividends: her first bylined story, a feature on the OBA's Nancy McKinnis, was in the September issue of Oklahoma Banker newspaper. You've also probably seen more examples of her work as she has quickly gotten up to speed on the OBA website and OBA Update. Look for more feature stories from Payton in the newspaper in the coming months.

**Other Business** — There will be an update, if needed, at the board meeting.