

OKLAHOMA BANKERS ASSOCIATION
Meeting of the Board of Directors
11 a.m., Wednesday, Sept. 18, 2024
Conference Call
Dial: (855) 257-8693
PIN: 1079557#

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.

Consent Agenda — Board minutes — The minutes from the August board meeting and executive committee meeting are in the board packet as **Exhibit A**.

Question Presented: Whether to accept and approve the August board minutes as presented.

Financials — Following is a summarized view of the consolidated and association-only income statements. Included at the end are several graphs demonstrating various trends. The significant spike in total revenue and net income during the 21-22 fiscal year is a result of receiving PPP funds during that fiscal year.

Consolidated Performance

	Actual	Plan	Prior Year
Income	\$1,381,153	\$1,352,653	\$1,264,783
Expense	<u>1,169,145</u>	<u>1,247,687</u>	<u>1,080,084</u>
Net Profit (Loss)	\$ 212,008	\$ 104,966	\$ 184,699

The consolidated entities have a Net Income of \$212,008 which is significantly better than Plan and Prior Year and a slight decline from the last report to the Board. On a consolidated basis, Actual Income is greater than Plan by \$28,500/2% and Prior Year by \$116,370/9%. Consolidated Expense is less than Plan (\$78,542/6%) and more than Prior Year (89,061/85).

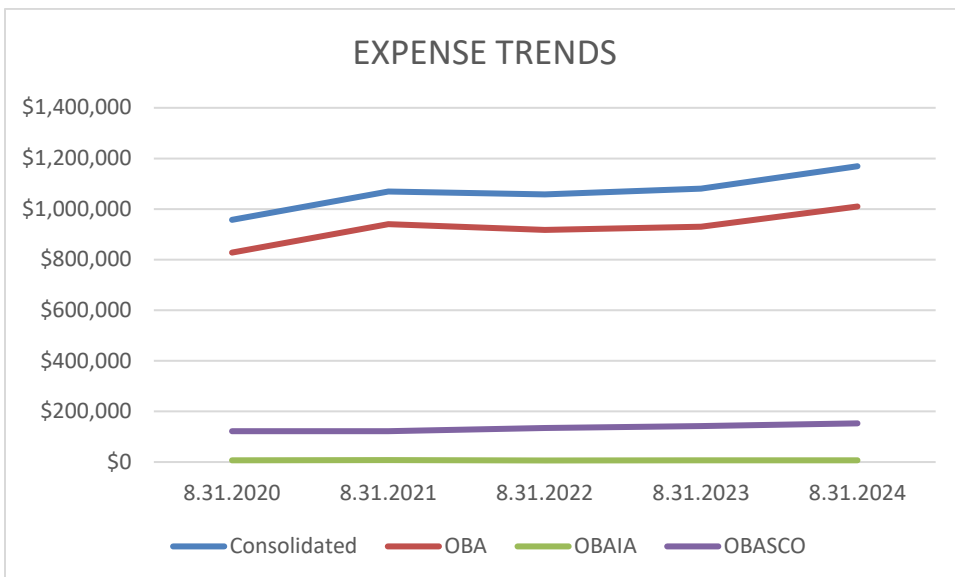
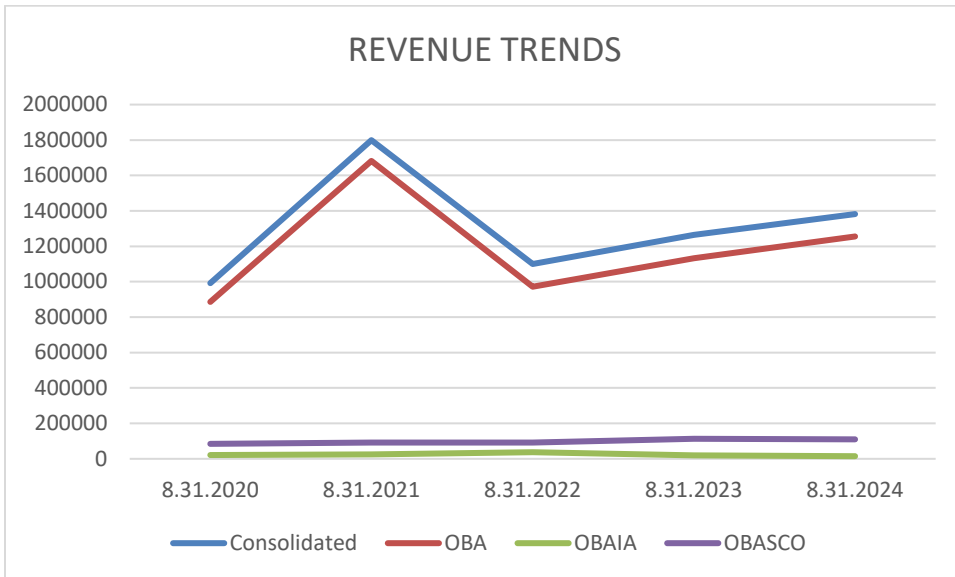
Dues revenues are comparable to both Plan and Prior Year. Revenue from Convention, Seminars, Schools & Subscriptions is comparable to Plan and better than Prior Year. Products and Services revenue and Insurance revenues trail both Plan and Prior Year. Advertising & Sponsorship revenue trails Plan but exceeds Prior year.

All expenses, by program, are less or comparable to Plan although higher than Prior Year. This should serve as confirmation that variances are based on planned changes.

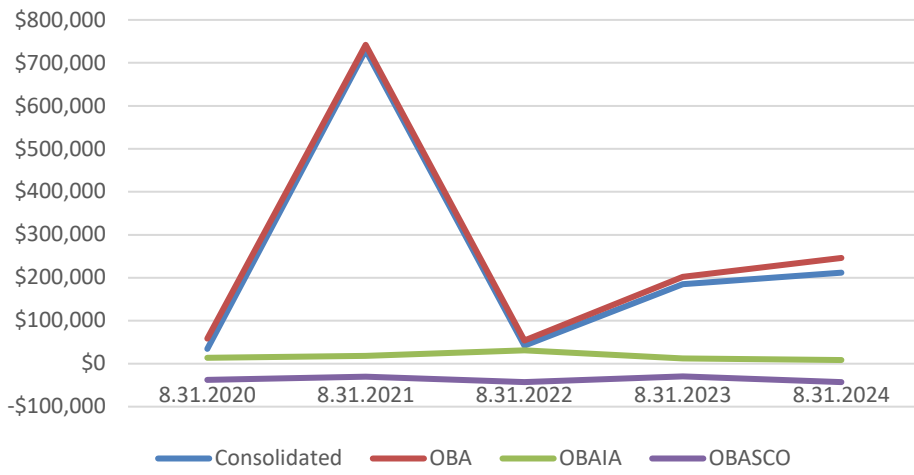
Association Only

	Actual	Plan	Prior Year
Income	\$ 1,255,962	\$ 1,205,865	\$ 1,132,582
Expense	<u>1,009,930</u>	<u>1,057,980</u>	<u>930,338</u>
Net Income (Loss)	\$ 246,031	\$ 147,885	\$ 202,244

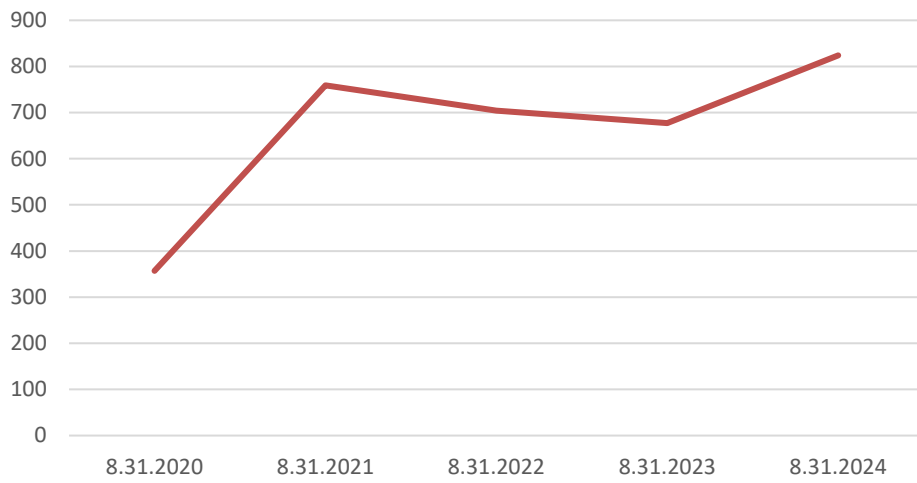
At the Association level, Actual Income exceeds Prior Year and Plan. Association Actual Expense is less than Plan and more than Prior Year. The Association has a Net Income of \$246,031 compared to Plan Net Income of \$147,885 and Prior Year Net Income of \$202,244.

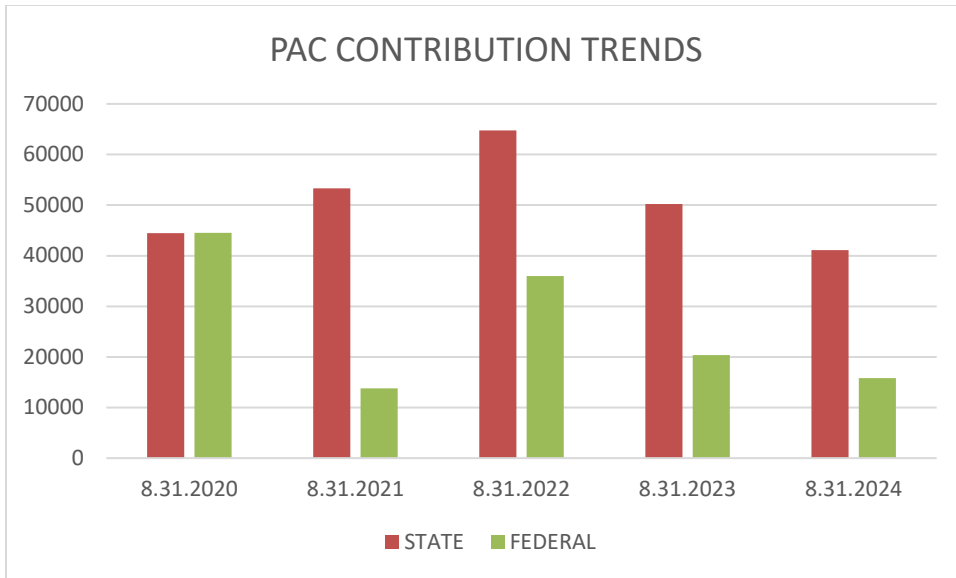


NET INCOME TRENDS



Education Attendance





The financial statements are included in your board packet as **Exhibit B**.

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

Staff reports —

Education and Training — Here's a summary for the education department activities for September:

September

4	Supervisor Bootcamp, Tulsa	33	Vicki Kraai
5	Supervisor Bootcamp, OKC	53	Vicki Kraai
16 – 19	Basic Banking School, OKC	33	various speakers
24&25	Real Estate Compliance, OKC	40*	Kimberly Boatwright
26	1071 Deep Dive	41*	Kimberly Boatwright

*Counts as of 9/10

WEBINARS (July)

- 23 purchased
- \$2,578 revenue

INTERMEDIATE SCHOOL

Awards were presented as follows:

- August 30 Jake Dwyer, Firststar Bank, Coweta, Distinguished Graduate
- Sept 5 Ryan Ward, Great Plains Bank, OKC, Honors Graduate

Janis and school chairman, Kendra Barnes, presented the awards.

CONSUMERLENDING SCHOOL

Enrollment continues through September 20. Currently we have 31 registered. This is significantly lower attendance than prior years.

WOMEN IN BANKING

The committee held a conference call September 10. Discussion points included:

- Speakers and topics for upcoming luncheons
- Lunch sponsors
- Luncheon locations

The next luncheon will be held Friday, November 15, in OKC. Great Plains Bank will sponsor the meal. Several committee members are contacting potential speakers.

OBASCO — New Strategic Members:

1. The Bankers Solutions
- **OBA/Blanchard 2024 Surveys**
 - Comp Trends & Employee Benefits Survey results available now.
 - Salary & Cash Comp Survey – Participation closed - Results available end of Sept.
 - **2025 Photo Calendar Contest/Order** – We had 15 banks that participated in the photo contest with over 150 photo submissions. Opened orders for banks to put their logo on the calendar in June at price point of 1.10 by Aug 31 and then \$1.25 after. Sales close Sept 15. Goal is to exceed last year's sales of \$43k, currently at \$43k. Added several major holidays.
 - **OBA Speaker Proposal** – Updated speaker proposal for 2025 SMF & Annual Convention speaking opportunities for strategic members. Sent out 7/29 with submission deadline of 9/27. Only a handful of submissions.
 - **Washington Visit Sponsorships*** - \$14k
 1. **CSBS** – Tuesday Lunch Sponsor - \$3k
 2. **FHLB Topeka** – Welcome Reception - \$3k
 3. **NFP** – Transportation Sponsor – \$3k
 4. **PRI** – Monday Break Sponsor - \$1k
 5. **Oklahoma State Banking Dept** – General Sponsor - \$5k
 6. **Performance Trust** – Monday Breakfast Sponsor - \$2k
 - **Fall Golf Tournament Sponsorships** – Mon. Oct. 21 @ Belmar Golf Club. Sponsorship flyer sent out to strategic members & registration brochure went out via email will go out in next mailing to all members next week. Currently at \$11k.
 - **Oklahoma Bankers Hall of Fame** – Deadline for nominations Aug. 31, planning on doing the same format for sponsorships unless otherwise directed. Currently have a few sponsors in the books. *Working with*
 - **The Oklahoma Banker newspaper advertising** – Working with current advertisers and new ones on various ads & articles.
 - **Endorsements:** *Working with Lea Ann on these endorsements*

- **Office Depot – Now called Office Business Solutions (ODP)**
 - **New Rep: out of Austin, TX. Robert Todd 512.982.9813 | Robert.Todd@odpbusiness.com**
 - Interior Workspace/Furniture: Cheryl Krawczyk, Cheryl.Krawczyk@workspaceinteriorsod.com
- New Endorsement with **Kentucky Bankers Association:**
 - **Bank Performance Report (BPR)** –Quarterly publication electronic and/or printed format for banks to see where they rank based on 8 different performance categories. Q2 2024 reports has 178 Oklahoma banks avail for sale.
- **Profit Resources Inc. (PRI)** – New Core Contract Endorsement.
 - Contact: Brady Chianciola - bchianciola@profitresources.com (413) 544-1584 (Cell)
- **Banc Card** – New Merchant Services Endorsement.
 - Contact: David Miller – dmiller@banccard.com (405) 439-0228 (Cell)
 - Cord West (OKC Metro), Chase Trammel (Guthrie, Enid, North Central OK)
 - Brett Appling (Moore, Western Metro), Blaine Richards (Western, OK)
 - Jacob White (Pauls Valley), Matthew Danuser (Eastern, OK), Rick McElhaney (Tulsa)
- **Servis1st** –Card Program Endorsement through the ABA – Karen Grahn KGrahn@servisfirstbank.com
- **ABA** - \$10k sponsorship commitment for 2024-2025
- **Compliance Alliance** – Reached out to Victoria Stephens, General Counsel to possibly help us write Record Retention Handbooks for our members.

GRC Report and PAC report — State Issues

We are able to take a few moments to catch our breath as things are going to be quiet at the state level for a couple of weeks. We have made it past the primary races and the run-offs are complete. We now have to get ready for the general elections in November. We'll preview those races as well as the federal elections the closer that we get to November.

There are several interim studies that we are tracking as they are presenting issues that are important to us. Interim studies are held every year and it's an opportunity for legislators to bring in outside experts to discuss certain topics and hammer out the details, sometimes these studies result in legislation and sometimes they don't. Below are the studies we are watching:

- HSP2006 – Study on unclaimed property returns
- HSP2007 – Study on creating a transactional gold & silver depository
- HB2077 – Study on Article 8 of the UCC and property rights to invest securities held by Oklahomans
- HSP2018 – A study on CBDC
- SSP2003 – A study on gold & silver depository

We are also working with the State Treasurer and the Department of Agriculture on reviving the Ag Link Deposit program.

Treasurer Russ has reached out to the OBA to help educate and inform Oklahomans regarding the unclaimed property fund. We are meeting with them soon and will report to board what our role will be in moving this program forward.

Federal Issues

H.R. 1806 (Small Lender Act)

This bill exempts certain financial institutions and transactions from the CFPB reporting requirements with respect to data about small business credit applications. Under the bill, the requirements apply only to financial institutions that originate at least 500 credit transactions to small businesses in each of the preceding two years.

The bill further defines small businesses as those with annual revenue of \$1 million or less.

Currently, the CFPB has proposed a rule that the requirements apply only to financial institutions that originate at least 25 annual credit transactions to small businesses in each of the preceding two years. The rule further defines small businesses as those with annual revenue of \$ 5million or less.

H.R. 1810 (Bank Loan Privacy Act)

This bill requires the CFPB to issue a rule prior to deleting or modifying publicly available small business loan data due to privacy concerns. Specifically, the bureau must describe the intended modifications and deletions and explain how such modifications and deletions will advance a privacy interest.

Trigger Leads

Sen. Jack Reed (D-R.I.) and Sen. Bill Hagerty (R-Tenn.) recently introduced the Homebuyers' Protection Privacy Act (S.3502). The Act would amend the Fair Credit Reporting Act to prohibit credit reporting agencies from selling trigger leads in certain circumstances. Trigger leads are a marketing product sold by credit bureaus containing contact information for consumers who have had a credit report pulled while in the process of shopping for a mortgage loan. In the bill, a consumer reporting agency would not be able to furnish a trigger lead to a third party unless: the third party certifies to the consumer reporting agency that the consumer has authorized the solicitations; or the third party certifies it has originated the consumer's current residential mortgage loan, is the servicer of the consumer's current residential mortgage loan, or is an insured depository institution or insured credit union and holds a deposit account for the consumer to whom the consumer report relates. Similar legislation has been introduced in the House.

Credit Card Competition Act (S.1838)

- Durbin 2.0
- Being pushed by big box merchants
- Government imposed routing mandates.
- Data Security Risks
- Rewards program would be eliminated
- NDAA & other must pass pieces of legislation
- The proposal would mandate requiring banks with more than \$100B in assets to offer merchants multiple credit card processing networks.
- The practical impacts of this mandate on the largest issuers would fall on smaller issuers as well, likely making community bank cc issuance uneconomical.

The Protecting Consumers from Payment Scams Act (S.4943/H.R.9303)

- This Act would amend The Electronic Fund Transfer Act
- This Act would require banks to reimburse customers for electronic fund transfers that took place because the customer was scammed into sending the payments.
- The bill mandates that reimbursement payments to the customer be evenly split between the customers sending bank the receiving bank.

Pac Report

Fundraising totals for the year to date are behind from the same point last year. At the end of August, the State PAC has raised \$41,673 while the FED PAC has raised \$15,842, for a total of \$57,515. This total is \$10,527 behind the previous year.

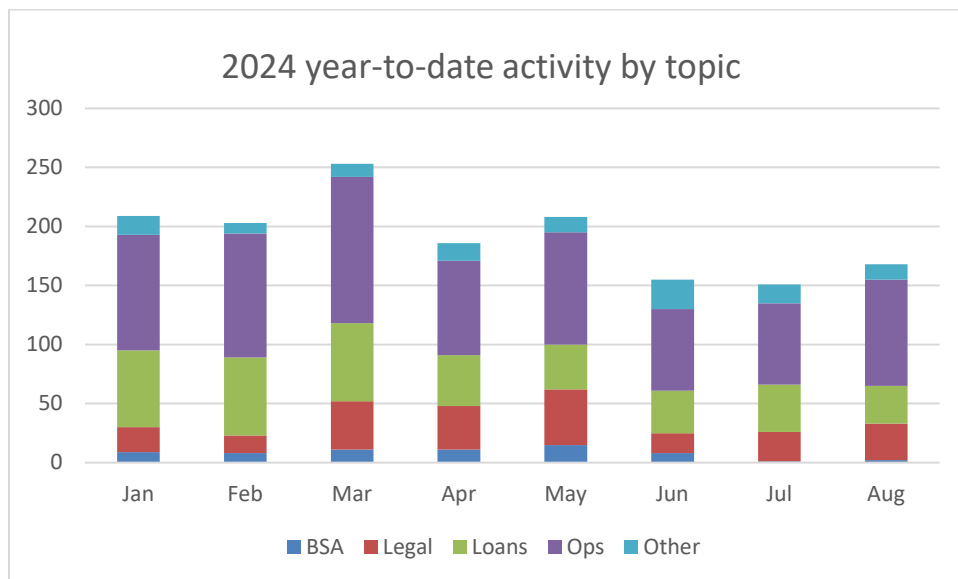
We still feel good about where the PAC is situated, we had a regularly scheduled Special Board Meeting in August that we now have scheduled for September. After we receive the contributions from this meeting, we will be right on pace with where we were last year. We will continue to push the PAC all the way to the end of the year, we should be seeing some good momentum over the next couple of weeks.

The two most popular ways to contribute to the PACs are with a personal check or signing up for a monthly EFT. Both are easy and I will be more than happy to discuss these with you should you have any questions. Should you have any questions regarding the PAC please don't hesitate to contact us.

Legal Report — The following is a recap of the Compliance Team's activities for the month of August, 2024.

The team handled 41 calls and approximately 127 email contacts/questions for 168 in total. This averaged 7.6 contacts per business day. Some of the emails and calls are counted twice because they involved combinations of legal issues and operations or lending questions. For example, an operations or lending question issue might require interpretation of a trust or other legal document to determine positions or rights of the parties.

54% of the June total contacts were operations related, 19% pertained to loans, 18% involved legal issues, and 9% centered on BSA and other miscellaneous issues.



Starting below are sample email questions we fielded. Some questions come to us in a series of follow-up questions.

Q1: If a bank will not verify funds, can we place an extended hold on a deposit? [Variations of this question have been posed since the inception of Regulation CC.]

A1: No, you received no reason for a hold. I believe the vast majority of drawee banks refuse to verify funds, and the refusal to verify funds does not give a reason to doubt collectibility. I would suggest you not use the term "verify" If you do call the drawee bank but rather couch your question in this manner: "If a check in the amount of "\$x" was presented to your bank at this time, would the check be paid?" If the answer is "no," you would be able to used reasonable doubt of collectibility for a hold.

Q2: If we have a deceased customer who received a retirement benefit after the date of death (not Social Security) can we automatically send it back if they request it or do we have to have the authorization of the joint owner on the account?

A2: If your bank has received a written demand for payment from the Originator, you may return the benefit payment without obtaining permission from the surviving account owner, per section 2.11 (Reclamation Entries and Written Demands for Payment) of Nacha's Operating Rules.

I do suggest contacting the surviving account owner, however, to verify that he or she has not already reimbursed the Originator (as unlikely as that sounds, I've known it to happen). If the surviving account owner protests, explain that you have received a written demand for payment from the Originator, and that the bank must return the funds.

If the account has insufficient funds to honor the written demand for payment, your responsibility to the Originator is limited to the amount in the account when you received the written demand for payment.

Q3 Somewhere over the last year or two we got in our heads that business accounts can have interest bearing accounts other than the Money Market accounts. I'm sure I remember a class at OBA that we were at but we may have miss understood?

A3: You have been able to offer interest-bearing business checking accounts for more than 13 years under the Dodd-Frank Act, which repealed the prohibition on paying interest on demand deposits and Reg Q effective July 21, 2011. Please read the January OBA *Legal Briefs*, which covers that topic. What the bank cannot do is offer businesses NOW accounts unless the businesses are eligible under the exceptions in Reg D. NOW accounts eligibility was covered in the April 2012 OBA *Legal Briefs*.

Q4: If a borrower is purchasing a residence for investment property that happens to be ag land, would the spouse need to be on the mortgage as well, even though the spouse is not listed on the title work as an owner? We have some discrepancies between departments, so we are trying to help clarify this for everyone.

A4: If the transaction is a purchase and only one spouse will be in title, then the non-title holding spouse need not sign the mortgage. If the transaction is NOT a purchase, the spouse must sign the mortgage regardless of whether the collateral is raw land, commercial property, or agricultural. If he or she doesn't sign, once the mortgage is of record for 10 years, the missing signature is no longer a problem. Alternatively, the spouse who is not in title can record an affidavit stating he/she had no claim for dower.

Resources:

Title Examination Standards

Chapter 1, App.

Chapter 7. Marital Interests

§7.3. Marital Interests Purchase Money Mortgages.

The homestead interest of a spouse who is not in title to homestead property is inferior to the lien of a purchase money mortgage. Therefore, the validity of a purchase money mortgage is not affected by the failure of a non-title-holding spouse to execute a purchase money mortgage on homestead property.

Authority: Cimarron Federal Savings Association v. Jones, 1991 OK CIV APP 67, 832 P.2d 426, approved for publication and given precedential effect, Cimarron Federal Savings Association v. Jones, 1992 OK 55, 832 P.2d 420.

Q5. We received this subpoena [attached to email] in the mail today. The account numbers that were listed do not match anything that we have on file. There are no other names or tax ID numbers for us to search.

I am not sure how to proceed; please advise.

A5. I looked, and it does not appear that your bank has any offices in Nevada. Therefore, unless the subpoena was processed through an Oklahoma court, it is ineffective against your bank.

There is a "No Jurisdiction Letter Template for Out of State Subpoenas, Levies and Garnishments" available in the Miscellaneous section of the OBA Legal Links page (you need to be registered with the OBA office to gain access) that can be used to respond to the subpoena.

In the unlikely event that the subpoena is re-issued with a stamp or seal of an Oklahoma court, and if there is no new information identifying a target name or an account number that is in your records, you can simply respond that the bank has no information on the names or accounts listed.

Member relations —

OBA Emerging Leaders Academy 24-25 class coming soon

At the time of this report, we are just around the corner from the Emerging Leaders Academy application deadline. If someone from your bank has not yet applied, please encourage a representative from your bank to submit an [application](#).

Watch for this year's roster in the coming weeks!

2024 Washington Visit

We are rapidly approaching the 2024 OBA Washington Visit. At this time, we have 86 Oklahomans traveling to Washington D.C. September 22-24. The “in a nutshell” schedule is listed below. If you were unable to attend this year’s Visit, please plan on 2025.

Day	Date	Time	Event
Saturday	Sept. 21	TBD	Informally gather to watch football
Sunday	Sept. 22	4:30 p.m.	Welcome Reception
Monday	Sept. 23	8:30 a.m.	Arrival/Breakfast
Monday	Sept. 23	9 a.m.	ABA Briefing
Monday	Sept. 23	10:30 a.m.	Refreshment Break
Monday	Sept. 23	10:45 a.m.	FDIC
Monday	Sept. 23	11:45 a.m.	FHFA
Monday	Sept. 23	12:30 p.m.	Lunch
Monday	Sept. 23	1 p.m.	Federal Reserve
Monday	Sept. 23	2 p.m.	OCC
Monday	Sept. 23	3 p.m.	CFPB
Monday	Sept. 23	4 p.m.	SBA
Monday	Sept. 23	4:30 p.m.	OBA wrap-up / Group Photo
Monday	Sept. 23	5 p.m.	Adjourn for day
Tuesday	Sept. 24	8 a.m.	Bus departs The Mayflower
Tuesday	Sept. 24	8:30 a.m.	Arrival/Breakfast
Tuesday	Sept. 24	9 a.m.	FinCEN
Tuesday	Sept. 24	9:30 a.m.	Treasury
Tuesday	Sept. 24	10:15 a.m.	CSBS (conversation with CEO Brandon Milhorn)
Tuesday	Sept. 24	11:45 a.m.	Sen. James Lankford
Tuesday	Sept. 24	12:05 p.m.	Lunch
Tuesday	Sept. 24	12:30 p.m.	Rep. Josh Brecheen
Tuesday	Sept. 24	1 p.m.	Rep. Frank Lucas
Tuesday	Sept. 24	1:15 p.m.	Rep. Stephanie Bice
Tuesday	Sept. 24	2:30 p.m.	Sen. Markwayne Mullin
Tuesday	Sept. 24	3 p.m.	Rep. Tom Cole
Tuesday	Sept. 24	3:30 p.m.	Rep. Kevin Hern
Tuesday	Sept. 24	4 p.m.	Adjourn for day
Tuesday	Sept. 24	4:15 p.m.	Bus departs Capitol Hill Club

ABA Annual Convention

Registration is open for the ABA Annual Convention scheduled for Oct. 27-29, 2024 at New York Hilton Midtown in New York City. [Click here](#) for more information.

OBA Oktoberfest Golf Tournament

Show off your golfing skills or simply join your banking peers as a social registrant at the 2024 OBA Oktoberfest Golf Tournament on Oct. 21 at Belmar Golf Club in Norman.

The tournament fee is \$175 and the registration deadline is Oct. 14. The tournament will begin with registration and lunch. Immediately following the tournament, we will hold an awards ceremony. [Sign up now to reserve your spot](#). We hope to see you on the course! Not golfing? Join your banking peers as a social attendee for lunch, refreshments and fellowship on the patio. Social attendee registration fee is \$50.

[Click here](#) to access the registration form. If you are interested in sponsorship opportunities, contact [Thi Pham](#).

Tournament Schedule

10 a.m. – Registration

11 a.m. – Lunch

12 p.m. – Shotgun Start

Immediately Following Golf – Awards

External/internal communications —

The “revamping” of the OBA’s social media effort, courtesy of a collaboration between Jeremy and one of his former students/interns, continues and has shown definite signs of success. Jeremy will have more in next month board meeting, along with his annual social media report, comparing the OBA’s social media efforts with other state bankers associations.

The first banker-submitted article was featured in the Oklahoma Banker newspaper in September. Suitably, it was from our current chair, Alicia Wade. We’d like to include one such article in each issue of the newspaper going forward, as it is thought bankers would like to hear insights and news on the industry from OTHER bankers.

Fraud Department — Current Trends:

- ATM jackpotting (Are your hard drives **encrypted**?)
- Fraudulent online account and loan applications (ID Theft)
- Bust-Out Fraud – 3 banks, \$376k loss
- Consumer scam victims withdrawing cash to mail or deposit into crypto ATMs
- Consumer and business fraudulent wire transfers – BEC/EAC, customers falling for scams
- CrimeDex Alerts – August (12)

Projects in the works:

Fraud Loss Action Plan - immediate actions needed to increase recovery options

Fraud Prevention Questionnaire – documented proof of customer counseling on fraud

Statewide MAFIA or information sharing group meetings in Oklahoma City, Lawton, Texoma (Durant) and Stillwater. No meeting in your area and you would like to start one, please let us know.

Oklahoma Banker articles – August New Account Fraud; September Scams Funded by Gold Purchases

Weekly Update articles – 8/12 #BanksNeverAsk campaign; 8/19 Helping customers understand they are being scammed, and uptick in ATM scams.

Events include:

- 8/26-30 International Association of Financial Crimes Investigators (IAFCI) annual training conference in Henderson NV. The 2025 conference will be held in OKC 8/25-29
- 9/4 Northwest Oklahoma Bankers Association, Enid (Bankers)
- 9/11 Bankers Bank Operations Council Conference (Bankers)
- 9/13 IS MAFIA (Bankers)
- 9/17 Community State Bank of Canton (Community)
- 9/18 OBA Basic Banking School (Bankers)
- 9/19 BancFirst Stillwater (Bankers)
- 9/24 Oklahoma Society of CPAs Norman Chapter
- 9/30-10/1 IAFCI SW BSA & Financial Crimes Forum, Tulsa (OBA is a sponsor)
- 10/8 Western Oklahoma Bankers Association, Elk City (Bankers)
- 10/9 OBA Consumer Lending School (Bankers)
- 10/14 FNBT Chickasha (Bankers)
- 10/24 OBA Bank Fraud Investigations 101 (Bankers)
- 11/14 Southeastern Oklahoma Bankers Association, Krebs (Bankers)

Board Calling Reports — We will discuss the pending board calling initiative.

Other business — If there is any other business for the board to discuss, we will bring it up here.