

South Dakota Banker

Your Premier Source to South Dakota's Financial Services Industry | September 2017



SDBA Emerging Leaders Networking Meetings

Connecting Bank Leaders of Today and Tomorrow

Page 10

INSIDE.....

**The Challenges of Affordable
Housing**

Page 5

Fall Training Lineup

Page 8

**How the FCS Gets Away with
Accepting Deposits**

Page 12

South Dakota **Development Corporation**

for your next business expansion project,

THINK SDDC

Brandi Did!



“The SDDC MicroLOAN program allowed us to purchase inventory, as well as provide a little extra working capital. The three percent fixed rate MicroLOAN was very appealing.”

*Brandi Barth, Owner
Fetch Dog Boutique, Pierre, S.D.*

WWW.THINKSDDC.COM



Serving Bankers Since 1884

PO Box 1081 | 109 West Missouri Avenue
Pierre, SD 57501
Phone: 605.224.1653 | Fax: 605.224.7835
Website: www.sdba.com

SDBA OFFICERS

CHAIRMAN

Dave Rozenboom, First PREMIER Bank, Sioux Falls

CHAIRMAN-ELECT

Karl Adam, First Dakota National Bank, Pierre

VICE CHAIRMAN

Shawn Rost, First Interstate Bank, Rapid City

IMMEDIATE PAST CHAIRMAN

Paul Domke, Heartland State Bank, Redfield

SDBA BOARD OF DIRECTORS

David Bangasser, Dacotah Bank, Sioux Falls

Steve Bumann, BankWest, Pierre

Craig Davis, First National Bank, Pierre

Jeff Davis, Bryant State Bank, Bryant

Rick Nath, Citibank NA, Sioux Falls

David D. Nelson, First Fidelity Bank, Platte

Kristina Schaefer, First Bank & Trust, Sioux Falls

Brad Seaman, First State Bank of Warner, Aberdeen

SDBA STAFF

Curt Everson, SDBA President

ceverson@sdba.com

Mike Feimer, President of Insurance and Services

mfeimer@sdba.com

Halley Lee, Administrative Vice President

hlee@sdba.com

Alisa DeMers, Communications Coordinator

ademers@sdba.com

Nadine Kepford, IS/Business Manager

nkepford@sdba.com

Jeanine Dyce, Administrative Assistant

jdyce@sdba.com

Roger Larson, Commercial Lines Specialist

rlarson@sdba.com

Michelle Guthmiller, Licensed Insurance Specialist

mguthmiller@sdba.com

Robin Feimer, Licensed Customer Service

Representative

rfeimer@sdba.com

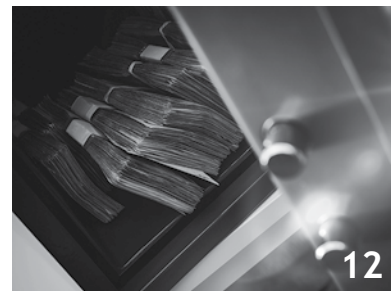
EDITORIAL: Published monthly by the South Dakota Bankers Association, South Dakota Banker is dedicated to enhancing the state's banking profession by providing useful and timely information on important events and trends in the banking industry. Statements of fact and opinion are made on the responsibility of the authors alone and do not represent the opinion or endorsement of the SDBA. The magazine welcomes news from SDBA members. Articles may be reprinted with permission. Email ademers@sdba.com.

ADVERTISING: Advertisements within this publication do not necessarily represent endorsement of those products and services by the SDBA. The editor reserves the right to refuse any advertisement or editorial copy deemed to be unsuitable. For advertising details, see the SDBA 2017 Media Kit at www.southdakotabanker.com.

SUBSCRIPTIONS: Member banks, branches and associate members receive one complimentary subscription. Additional subscriptions are \$45 per year for members or \$90 for non-members. Call 605.224.1653 or email ademers@sdba.com.

South Dakota Banker

Your Premier Source to South Dakota's Financial Services Industry | September 2017



features

8 Education

Fall Training Lineup

10 Connecting Bank Leaders of Today and Tomorrow

SDBA Emerging Leaders Networking Meetings

12 Farm Credit Watch

How the FCS Gets Away with Accepting Deposits

14 Banking Schools

- South Dakota Bankers Receive Diplomas from GSBC
- Dakota School of Banking Celebrates 44 Years

18 Technology

Banking on Technology

in every issue

4 Message from the Chairman

Advocacy is Our Top Priority

5 From the Executive Office

The Challenges of Affordable Housing

6 SDBIS Update

Will Obamacare be Repealed?—YES

17 Washington Update

Tax Reform: A Hard Job Worth Doing

19 Bank Notes

21 Classifieds

22 Education Calendar



message from the chairman.....

BY DAVE ROZENBOOM | President | First PREMIER Bank, Sioux Falls

ADVOCACY is Our Top Priority

Advocacy is the top priority of the SDBA and one of the key reasons that each of your banks support the Association with your dues each year. Together, we accomplish this task in a variety of ways.

At the state and local level, we have worked hard to create and sustain a pro-business environment to help support the economic growth and vitality of our communities. We have also worked diligently to support leaders and representatives that take a reasonable, common-sense approach to lawmaking and regulation. On top of that, we rely on the talented and experienced staff and resources of the SDBA to identify emerging issues that may affect our industry and work to provide relevant information and offer solutions that work. It's been a good combination that has allowed South Dakota banks to serve our customers and communities well.

That said, it's no secret that the majority of the issues and challenges that our industry faces are at the federal level. On these matters, we partner with the American Banker's Association (ABA) and are an active member of the ABA State Association Alliance. In July, SDBA President Curt Everson and I represented the SDBA at the ABA Summer Leadership Conference to learn of the progress being made and offer our collective support.

At that meeting, Rob Nichols, president and CEO of the ABA, outlined each of the issues at hand and the strategies that are being pursued. One of my takeaways was how well organized the ABA is in advocating on multiple issues and multiple fronts for banks and the customers we serve. The list is long and includes regulatory relief, tax reform, arbitration, appraisal thresholds, fiduciary rule, improved exam appeals, and the overtime rule—just to name a few. For each of these issues, a specific action plan is in place, both with Congress as well as the various regulators. I encourage you to visit the ABA website at www.aba.com to learn

«
: The reality is that our trade
: associations need our help to
: reinforce their efforts.
: »

more, particularly of the issues that are most relevant to your bank.

The reality is that our trade associations need our help to reinforce their efforts. I hope you took the opportunity to provide your direct input to our congressional delegation during the recent August recess on the matters most important to you. If you didn't, please pick up the phone or send an email to them. While it's easy to get frustrated by the slow pace of change, please know that good, tangible progress is being made, and there's simply no substitute for them hearing directly from you to keep the momentum going.

On a related note, I encourage you and one or two of your emerging leaders to participate in one of the SDBA's upcoming regional Emerging Leaders Networking Meetings this fall. (See the story on page 10 or visit www.sdba.com.) The meetings will be a great way to recognize and reward the next generation of leaders in your bank and help get more people involved in advocating for our industry, customers and communities. Please join us! ■

.....
Dave Rozenboom is president of First PREMIER Bank in Sioux Falls. Rozenboom can be reached at 605.357.3026 or drozenbo@firstpremier.com.

EMERGING LEADERS NETWORKING MEETINGS

Connecting Bank Leaders of Today and Tomorrow

Sturgis | Sept. 28



Aberdeen | Oct. 2



Humboldt | Oct. 4



Pierre/Fort Pierre | Oct. 11

Visit www.sdba.com or call 800.726.7322 for details.



from the executive office.....

BY CURT EVERSON | President | South Dakota Bankers Association

The Challenges of Affordable Housing

The South Dakota Legislature's interim study committee on affordable workforce housing, under the leadership of Rep. David Lust (R-Rapid City), met for a second time in Pierre on Aug. 1. Legislators heard several hours of testimony regarding the various challenges facing community development officials and real estate developers. Covering regulatory compliance costs is a big challenge for developers and builders in the affordable housing realm, especially in the case of smaller-scale, multi-family housing projects typically found in rural communities.

But regulatory compliance is just one cost factor that is driving new construction north of \$100 to \$125 per square foot. When one translates those costs into a monthly rent or a mortgage payment, all too often that cost exceeds prevailing rates paid for rental housing in a community and the portion of monthly income that the average household can afford to pay for housing. As a result, committee members ended up wrestling with the question of public subsidies to help bridge the gap between housing development cost and affordable rent. In a state where profitability challenges in production agriculture and ever-growing untaxed online sales continue putting downward pressure on growth of state and local sales tax collections, where would those public subsidies come from? Ugh!

One point of agreement among all parties represented, government and private sector alike, is that there is no single solution to address every challenge facing affordable workforce housing developers. That said, most parties were pleased to learn that the Governor's Office of Economic Development has set aside \$1 million of Community Development Block Grant funds to support its "Bulldoze, Build and Beautify" program. These funds are available to match local funds on a 50/50 basis to help defray the costs of cleaning up blighted residential properties to make way for new residential housing construction. GOED announced this program in mid-July, and the deadline for the first round of grant applications was Aug. 18. A second round of applications can be submitted beginning Aug. 28. Property qualifiers are:

Property Type: Residential properties only; may be single- or multi-family.

Property Condition: Must be in unoccupied and in blighted, dilapidated or abandoned condition.



Ownership: Must be owned by a county, city or local nonprofit organization—e.g. economic or housing development corporation. Title must be clear of any prior liens. If not owned, the county, city or local nonprofit must have an enforceable contract giving it the option to purchase the property within 18 months of the grant award.

A full list of BBB program details can be found at <http://sdreadytowork.com/BBB-program.aspx>. (See a story on *Bulldoze, Build and Beautify* on page 7.)

By reducing the cost of providing a build-ready lot to support construction of either single- or multi-family housing, this program certainly seems like it could help remove one impediment to the development of workforce housing, especially in our rural communities. Plus, the elimination of eyesores can send a positive, can-do message to employers and prospective workers.

The issue of federal income tax credits used in support of affordable housing development also received considerable discussion between committee members and housing developers. I was struck by the number of regulatory hurdles that a developer/financier of an affordable multi-family housing project must navigate up front and over the life of the housing project to prove that the project meets federal tax credit requirements. Chief among those requirements is the continual need to verify that occupants' income is at or below allowable thresholds. If you don't rent to enough low-income families, you lose eligibility for those tax credits.

Contrast that with your local credit union. In 2016, South Dakota's largest credit union, Black Hills Federal

Continued on page 7



Will Obamacare be Repealed?—YES

Well, the first and second attempts to repeal Obamacare fell on their face. The next attempt will succeed.

There is a real problem with politicians thinking they understand the most complex, multifaceted, broken health care system in the world. They really do not understand it. And the proof is Obamacare and the only single payer system (VA) that does not work. No one will address the real issue—the outrageous costs charged by the providers and pharmaceutical companies.

However, as we have seen, there is a businessman in the Oval Office now. There will be no more leading from behind; instead we are addressing the problems head on. First, people will be given a chance to promote their agendas, but if that does not work then business logic steps in to address the issues. It's about time.

We have just witnessed Speaker of the House Paul Ryan putting forth his answer to repeal and replace Obamacare. It fell far short of expectations, and well-intentioned Republican groups boycotted this bill and offered a more direct approach. Representative Ryan had to pull his bill and go explain to the White House what happened—logic prevailed. Ryan listened and developed a more direct alternative. That passed, and the Senate even went further to repeal. But three Republicans alongside all Democrats and Independents voted against the bill in the Senate on July 27.

Next, it's about time those in D.C. get to see how it is to live under the grips of Obamacare. President Trump is thinking about eliminating subsidies for the House and Senate. We will see if that brings a slice of reality to them.

In January of this year, I had a lengthy discussion with Sen. Mike Rounds and sent him a list of 15 items that should be considered in repealing and replacing Obamacare. Sen. Rounds is not on the committee directly active with this mission; however, one of the major points we discussed was the formation of a 50-state high-risk pool supported with federal and state funding. I was very happy to see that state high-risk pools are in the next proposal as it is one way to help lower premiums.

The new House bill has not been shared in its entirety,

but my biggest concern is I do not see controls being put on the cost of health care. That is really the biggest driver. You can tell people you will be getting tax credits, you can go across state lines, you can keep children on to age 26, you can expand health savings account, etc., but it really does not affect the real systemic problem of health care—the cost. Until this is addressed, we will not manage our health care system.

Below are my top five to do list that I feel will drive down costs and make health insurance more affordable and available to those that want it.

1. Get all states involved. Re-establish the 35-state high-risk pool and mandate all states to establish a high-risk pool. There is a built-in funding system already in place.
2. Utilize Medicare/Medicaid (CMS pricing) for people that do not qualify for underwritten health coverage. Help the states high-risk pools lowering cost for service.
3. Eliminate Obamacare mandates and taxes.
4. Eliminate medical facilities (hospitals and doctor groups) from owning insurance companies. This will reestablish third party “true insurance companies” to be able to negotiate pricing down for procedures. This is very important.
5. Mandate on drug companies that sell overseas that there cannot be more than a 25 percent differential in the drugs sold in the United States over what they sell it for in other countries. For example, a course of drug treatment (Solvadi) for Hepatitis C is priced at \$84,000 in the United States and is available for less than \$900 in India, Saudi Arabia and Egypt. The U.S. must stop paying for other countries prescription drugs. ■

Mike Feimer is president of South Dakota Bankers Insurance & Services (SDBIS) Inc. Feimer can be reached at 605.660.2341 or mfeimer@sdba.com.

Affordable Housing...continued from page 5

Credit Union at \$1.1 billion in assets, booked net income \$9.5 million. They paid ZERO federal income tax and ZERO bank franchise tax, all without any need to prove that they are serving low-income families.

Here's another shining example of why the federal tax code is ripe for review. A recent issue of American Banker carried a story about a \$5.2-billion Grand Rapids-based credit union, Lake Michigan Credit Union, buying a \$400-million community bank based in greater Naples, Fla. Assuming that bank posted a 1 percent ROA, this credit union acquisition means \$4 million in net income that is currently taxed won't be once the transaction is finalized. Once that income is rolled into Lake Michigan Credit Union's books, ZERO tax will be paid....forever.

In CY2016, Lake Michigan Credit Union booked \$85 million of net income. Rolling the Naples bank into that will likely increase their untaxed income to \$90 million.

Here is my question for policy makers in Washington, D.C. Do you suppose the good citizens of Naples, where the median household income is above \$90,000, are in dire need of more tax-payer subsidized financial services? ■

Curt Everson is president of the South Dakota Bankers Association in Pierre. Everson can be reached at 605.224.1653 or ceverson@sdba.com.

SD GOED Rolling Out 'Bulldoze, Build and Beautify' CDBG Program

The South Dakota Governor's Office of Economic Development has set aside \$1 million for a new Bulldoze, Build and Beautify (BBB) activity under the Community Development Block Grant program.

"We're excited to launch this program after a lot of hard work and planning," said Commissioner Scott Stern, GOED. "For communities to determine eligibility, and to address blighted properties in and understand the application process and timeline, we invite you to please review the eligibility requirements carefully. Interested applicants can also talk to regional planning districts for support and answer to questions as you prepare your materials."

Eligibility requirements look at property type, property condition, ownership, site work, replacement housing, and match and limitation of awards. Interested cities or counties should submit an "Intent to Apply" package to GOED through their regional planning district, including the basic information described in the Intent to Apply Questionnaire and any supporting documentation. Visit <http://sdreadytowork.com/BBB-program.aspx>. ■



PROBLEMS CAN BE COMPLICATED. SOLUTIONS DON'T HAVE TO BE.

BUSINESS IS COMPLICATED. That's why we take a no-nonsense approach to find direct and efficient solutions to complex business problems. That way, you can make informed decisions and get on with your day.

- BUSINESS
- LITIGATION
- GOVERNMENT
- SECURITIES

- HEALTH LAW
- EMPLOYMENT LAW
- WORKERS COMPENSATION
- MERGERS & ACQUISITIONS

- ESTATE PLANNING & TRUSTS
- INTELLECTUAL PROPERTY
- IMMIGRATION
- FAMILY LAW



WOODS FULLER
SHULTZ & SMITH P.C.

Simplify the Complicated™

300 S. Phillips Ave., Sioux Falls, SD 57104
(605) 336-3890 WoodsFuller.com

Fall TRAINING Lineup

The days are getting shorter, the nights are getting cooler and fall is just around the corner.

As kids are heading back to school, the SDBA is busy preparing a wide variety of educational opportunities for you as well. Grab your laptops, highlighters and notebooks and prepare to join the SDBA for the following offerings. Visit www.sdba.com for more details and to register or call 800.726.7322.

2017 BANK TECHNOLOGY CONFERENCE

Sessions, solutions, vendors, products, networking and more. To help you lead your bank in this ever-changing world of technology, the SDBA will offer the 2017 Bank Technology Conference Sept. 19-20 at the Ramkota Hotel in Sioux Falls.

Leaders and innovators in the field will provide sessions on cybersecurity, vendor management, regulatory issues and director education. In addition to the impressive line-up of industry experts, this conference will provide an opportunity to network and share resources with others in your field and a chance to visit with exhibitors to see and experience the latest in products and services.

2017 SECURITY SEMINAR

The SDBA's 2017 Security Seminar focuses on a range of issues of concern to security officers, facility personnel, and management. Using current trends and examples, the topics covered will run the gamut from facility safety and building design to internal fraud prevention to the latest security concerns brought about by newer technologies to a general overview of the most-perpetrated security mistakes.

Join the SDBA on Oct. 5 at the Sheraton in Sioux Falls to learn about these program highlights:

- The Four L's of Physical Security
- Incentives Gone Wrong!
- 15 Worst Security Mistakes
- You're Doing What? The Future is Now, So How Do You Survive?

IRA UPDATE SEMINAR

The SDBA will offer the IRA Update Seminar on Oct. 12 at the Ramkota Hotel in Sioux Falls. This seminar



builds on the attendees' knowledge of IRA basics to address some of the more complex IRA issues their financial organizations may handle. This course will also include all changes that have occurred and discuss any pending legislation.

This is a specialty session, previous IRA knowledge is assumed. The instructor uses real-world exercises to help participants apply information to job-related skills. Course highlights include:

- Plan agreement changes and amendment update
- IRA transfer versus IRA rollover
- Moving QRP money as a direct or indirect rollover
- Overview of IRA RMDs
- Inherited IRAs: setting up, distributions and reporting to IRA; deceased accountholder; beneficiaries
- Roth distributions: qualified versus non-qualified
- Conversions: how and why
- Getting ready for year end reporting procedures: fair market statements, 1099-R, 5498, withholding reminder notice and RMD letters
- DOL fiduciary responsibility update
- Current events

ONSITE CERTIFIED BANKING SECURITY MANAGER

On Oct. 18-19, the SDBA, ICBSI and SBS Institute will host an Onsite Certified Banking Security Manager opportunity at the Sheraton Sioux Falls & Convention

Center. Through this certification, you will learn:

- U.S. information security laws and regulations
- Information security program components
- Security awareness programs
- IT audit
- Social engineering
- Preparing for your IT examinations
- Running effective IT and audit committees

ABA NATIONAL AGRICULTURAL BANKERS CONFERENCE

Changing cycles in agriculture will require new strategies to help sustain growth for your bank. Building your resources and expanding your network will be key to your success. Join bankers from across the country at the ABA National Agricultural Bankers Conference on Nov. 12-15 in Milwaukee, Wis.

ABA, in cooperation with Wisconsin Bankers Association, will deliver more than 40 hours of high-quality content, exploring pressing topics like managing risk, managing credit risk, the economic outlook and strategies to compete in a changing ag marketplace.

Learn from more than 60 speakers and find out where the opportunities are and how to help position your customers and yourself to be on the mark and ready to go!

Visit <http://www.aba.com/Training/Conferences/Pages/AGR.aspx> for more information and to register. ■

Siouxland Dairy Lender's Seminar

Agricultural lenders will receive useful information at the Siouxland Dairy Lender's Seminar on Nov. 2 at the Forrester Community Center in Rock Rapids, Iowa. Lenders who serve ag clients and especially lenders who work with dairymen in Iowa, Minnesota, Nebraska and South Dakota are encouraged to attend.

This year's focus is on market outlooks for livestock, grains and dairy, long-term weather influences for ag plus dairy finances and ag policy.

"Ag lenders know that price risk management continues to be a major variable for profitability in many ag enterprises and understanding the current market trends and risks is a necessary part of farm management assistance," says NW Iowa Extension Dairy Field Specialist Fred M. Hall. "Lenders working with dairymen have the additional necessity of understanding a complex system of milk marketing, labor inputs and federal policy implications."

Register by Oct. 27 and the cost to attend is \$80 for the first person from an institution and \$50 for each additional person. To register, contact the Sioux County Extension office at 712.737.4230 or email Hall at fredhall@iastate.edu for registration information. ■



THE NATION'S — FIRST — BANKERS' BANK

First For Your Success

United Bankers' Bank is proud to be the nation's first and the upper Midwest's largest bankers' bank, covering 14 states and serving over 1,000 community banks from the Pacific Northwest to the Great Lakes. We can't wait to share our passion for community banking with you!

**For more information, contact your
South Dakota Calling Team:**

Pete Switenki
VP, Investments
952.885.9485
pete.switenki@ubb.com

Doyle Hardie
VP, Lending
605.681.5020
doyle.hardie@ubb.com

Todd Holzwarth
VP, Correspondent Banking Officer
605.214.0957
todd.holzwarth@ubb.com



First for Your Success™
www.ubb.com • Member FDIC
800.752.8140



EMERGING LEADERS NETWORKING MEETINGS

Connecting Bank Leaders of Today and Tomorrow

Attract, Develop, Engage



The SDBA will host a series of regional meetings across the state this fall to build and deepen the connection of the next generation of banking leaders to the Association. The SDBA invites member bank leaders to bring at least one of their bank's young, emerging leaders to the meetings.

The general business session will be a chance for bankers to learn more about the SDBA, current issues of concern to the industry, how they can engage in public policy debate, and a discussion on ideas for further engagement with emerging industry leaders.

The meetings will also provide an opportunity for networking and social interaction with peers during lunch, an afternoon of optional sporting clays/trap shooting and refreshments to follow.

Agenda

Business Session: 10 a.m.–noon

Lunch: noon

Sporting Clays/Trap Shooting: 1:00–3:00 p.m.

Refreshments: 3:00–4:00 p.m.

Meeting Dates and Locations

Sturgis | Thursday, September 28, 2017

Buffalo Chip Shooting Complex, 20622 Ft. Meade Way, Sturgis

Aberdeen | Monday, October 2, 2017

Aberdeen Gun Club, 38574 139th St, U.S. Highway 281
(seven miles south of Aberdeen)

Humboldt | Wednesday, October 4, 2017

Hunters Pointe Shooting Complex, 45743 260th St, Humboldt

Pierre/Fort Pierre | Wednesday, October 11, 2017

Meeting and Lunch: View 34, 4251 US Highway 34, Pierre

Sporting Clays/Trap Shooting: Willow Creek Wildlife Inc.,
20628 Willow Creek Road, Fort Pierre
(15 miles west of Fort Pierre)

Registration

The cost for lunch is \$15 per person, and the cost for sporting clays/trap shooting is \$35 per person. Register at www.sdba.com or by mailing/faxing your form to the SDBA by Sept. 20.

If sporting clays/trap shooting, please bring: Gun and appropriate ammo (7.5 or 8 shot). Eye protection is required.

Questions: Call the SDBA at 800.726.7322 or email Halley Lee at hlee@sdba.com. ■



THE CERTIFIED ADVANTAGE:

- **Develop an entire information security program framework** to take back to your institution.
- **Understand how to successfully implement and manage** each component of the information security program.
- **Boost your knowledge** of layered security programs.
- **Gain confidence** in your **decision making** with comprehensive cybersecurity knowledge.
- **Dive into FFIEC** cybersecurity guidelines.

WHAT YOU WILL LEARN:

- U.S. Information Security Laws and Regulations
- Information Security Program Components
- Security Awareness Programs
- IT Audit
- Social Engineering
- Preparing for your IT Examinations
- Running Effective IT and Audit Committees



DETAILS: This onsite certification is delivered over two days. It provides an opportunity to work closely with a security expert and network with peers.



Date: October 18th & 19th, 2017

Location: Sheraton Sioux Falls & Convention Center
1211 Northwest Ave, Sioux Falls, SD

ON SITE

Schedule: Day 1: 9:00 - 5:00 | Day 2: 8:00 - 4:00

TESTIMONIAL: "SBS helped me by providing the tools and information to be successful in reporting, documenting and creating proper assessments. As well as how to structure an adequate BIA and BCP plan, and those things necessary to prepare for an Audit or Exam. Taking the course helped build my confidence in my job field. I would recommend the CBSM course to anyone wishing to enhance their knowledge of the expectations of the IT Program of their institution."

- Hilarie Haack, GA



INSTRUCTOR:

Chad Knutson, CISSP, CRISC, CISA
President, SBS Institute

PRICE:

Certification: \$1,295
Membership Fee: \$295

MANAGER

- | | |
|--------------|----------------------|
| ■ ISO | ■ Security Officer |
| ■ Auditor | ■ Operations Officer |
| ■ IT Manager | |
| ■ Compliance | |

CORE CERTIFICATION



SPECIALIZED CERTIFICATIONS

Certified Banking
Vendor Manager

CBVM™

Certified Banking
Business Continuity Professional

CBBCP™

Certified Banking
Incident Handler

CBIH™

For more information or to enroll in this certification visit
<https://southdakota.sbscyber.com/> or call 605-269-0909.



Bert Ely's **FARM CREDIT WATCH**

Shedding Light on the Farm Credit System, America's Least Known GSE

How the FCS Gets Away with Accepting Deposits

Bankers in many areas of the country have discovered that the FCS associations they compete against effectively are accepting deposits. The associations accept these funds as one element of the cash-management services they offer to their member/borrowers. Technically, the funds deposited with the FCS represent an advance payment against an outstanding loan or line of credit from the association. Check the Compeer Financial website for a good example of the range of cash management services some associations offer. Note how frequently the word “deposit” is used.

FCS institutions are not authorized to accept deposits in the manner that banks do, but years ago the Farm Credit Administration and the Treasury Department constructed a legal justification for the manner in which deposits can now be accepted by FCS associations. First, the Farm Credit Act permits each of the four FCS banks to issue bonds both individually as well as collectively through the Federal Farm Credit Banks Funding Corporation. Second, in 1990 the Treasury Department issued a letter to the Farm Credit Administration (FCA) exempting FCS banks from key provisions of the Securities Exchange Act of 1934. This exemption permitted each FCS bank to sell bonds directly to FCS member/borrowers as well as to

FCS employees and retirees, without providing the disclosures usually associated with the sale of securities.

An FCS association acts as agent in selling the bonds of the bank that funds it. Funds deposited with an association are immediately forwarded to the bank to purchase the bank's bonds with a face value equal to the amount deposited with the association. Consequently, the association has no liability for the deposits it accepts. The Treasury letter required that purchasers of these bonds (effectively FCS depositors) be given “printed materials [that] clearly state that the [farm credit bank] and not the association is the issuer” of the bonds, that the bonds “are not direct obligations of the United States,” and that the bonds “are in no way insured or guaranteed as to principal or interest by the United States or any governmental entity.” It is highly unlikely that FCS depositors understand that they effectively are buying an uninsured bond. At the end of 2016, AgriBank had \$939 million of member investment bonds outstanding, and CoBank had \$1.5 billion of “cash investment services payable” outstanding. It noted that these payables mature within a year; if a bond can be redeemed overnight it effectively functions as a demand deposit. The other two FCS banks—Farm Credit Bank of Texas and AgFirst—appear not to offer

these bonds. Presumably, then, the associations they fund cannot accept deposits in connection with cash management services they offer to their member/borrowers.

Presumably the exemption the Treasury Department approved in 1990 enhanced the ability of the FCS banks to fund their balance sheets directly to complement the funds raised through the Funding Corporation. However, today more and more associations, in cooperation with the FCS banks, are using that exemption for an entirely different purpose—to compete against commercial banks in offering cash-management services. Offering cash-management is not why Congress created the FCS.

Credit-Quality Issues Emerging in Some Larger FCS Associations

The quarterly and annual FCS information statements published by the Federal Farm Credit Banks Funding Corporation include a table listing key data and ratios for all FCS associations with total assets exceeding \$1 billion. The spreadsheet lists the 37 associations that had more than \$1 billion of assets on both March 31, 2017, and March 31, 2016. They hold almost 90 percent of the total assets of all FCS associations. What is evident in these numbers is the variability across

these associations in key measures of performance and financial soundness.

For example, non-performing assets as a percent of total loans plus other property owned at March 31, 2017, varied from 2.46 percent down to .02 percent. The adequacy of loss provisioning, as measured by the allowance for loan losses as a percent of non-performing assets also varied significantly on that date, from 20.5 percent to 2800 percent. Especially troubling numbers for both measures are noted in red. The wide range of these numbers raises this question: Are some of the larger associations not being as diligent as they should be in identifying troubled loans and reserving for eventual losses on those loans? Time will tell. This question is especially relevant for the second-largest association, Louisville-based Farm Credit Mid-America (FCMA). Moving down the spreadsheet, rankings by return on average assets (ROA) and net interest margin (NIM) also show great variability, with ROA ranging from 2.51 percent to 1.20 percent and NIM ranging from 3.59 percent to 2.14 percent. Notably, FCMA is at or near the bottom of both of these rankings. FCW readers are encouraged to massage the data in this spreadsheet to see what conclusions they reach about the financial condition of the larger FCS associations.

On July 1, Five Associations Became Two

On June 27, the FCA gave final approval to two sets of mergers of FCS associations that became effective on July 1. The merger of Badgerland Financial and 1st Farm Credit Services into AgStar has created the third-largest FCS association, with total assets of approximately \$19 billion. Now called Compeer Financial—hardly suggestive of agricultural finance—it serves eastern and south Minnesota, western and southern Wisconsin, and northern and western Illinois. Separately, United FCS merged into AgCountry FCS to create the ninth-largest FCS association with total assets of approximately \$7 billion. It

serves western Minnesota, eastern North Dakota, and a portion of eastern Wisconsin almost 200 miles to the east. With these mergers, the 10 largest of the FCS's 70 associations hold 67 percent of total association assets. The FCS is increasingly dominated by very large, multi-state associations.

AgStar—an Out-of-Market 'Investor'

Prior to gobbling up two smaller associations to form Compeer, on Jan. 10 the FCA authorized AgStar to invest up to \$2 million in bonds issued by a long-term care facility in Wisconsin. Although the facility may have been located within the territory served by AgStar, financing a long-term care facility, however worthy the project may be, hardly fits within the scope of the FCS's financing authority. Further, these bonds are really a loan recast to look like an investment. More troubling, though, was the FCA's April 7 authorization for AgStar to "invest up to \$2.5 million in taxable bonds to be issued by a rural continuous care facility in Texas," which of course is hundreds of miles south of AgStar's territory. Leaving aside the propriety of such an investment, what could AgStar possibly know about the continuous care market in Texas? Most interestingly, on June 5, the FCA authorized CoBank "to invest up to \$1 million in taxable bonds to be issued by a continuous care facility in Texas." Quite likely, this is the same facility whose bonds AgStar is purchasing. One can reasonably ask why Texas-based FCS associations or the Farm Credit Bank of Texas are not buying those bonds. ■

To contact Bert Ely email bert@ely-co.com, phone 703.836.4101 or mail PO Box 320700, Alexandria, VA 22320.

If your bank belongs to the American Bankers Association (ABA), you can enjoy a free email subscription to Farm Credit Watch or you can read it monthly online at www.aba.com. To receive FCW by email or to manage your subscription, visit ABA E-mail Bulletins and check or uncheck the appropriate boxes. For other inquiries, email Barbara McCoy at bmccoy@aba.com or call 1-800-BANKERS.



Call me at
605.201.1864

Gene Uher

Based in Sioux Falls, SD,
serving South Dakota, Nebraska,
Minnesota and Iowa.

Bell  Bank

Why choose Bell as your bank's lending partner?

As your partner, we share your values. You'll find service, integrity and trust – and the feel of a community bank like yours.

Together, let's make it happen.

- Commercial & ag participation loans
- Bank stock & ownership loans
- Bank building financing
- Business & personal loans for bankers

bellbanks.com | Member FDIC



14027-V4

banking schools.....

South Dakota Bankers Receive Diplomas from Graduate School of Banking at Colorado

Four South Dakota banking professionals were part of the 2017 graduating class at the Graduate School of Banking at Colorado (GSBC).

The South Dakota graduates were: Chris Conrad, First Bank & Trust, Sioux Falls; Eric Haugland, The First National Bank in Sioux Falls, Sioux Falls; Eric Krogman, First Bank & Trust, Brookings; and Tyler Wenbourne, Dacotah Bank, Aberdeen.

GSBC awarded 176 total graduates from across the nation with a diploma in banking during a ceremony on July 27 at the Folsom Field Stadium Club on the University of Colorado campus in Boulder, Colo.

GSBC prepares bank industry professionals to take on senior management roles within their organizations. Each student has been recognized by his or her bank CEO, president and supervisor as a rising star within his or her organization. During the 25-month program, which meets two weeks each July for three consecutive years, students are required to complete six intersession research projects, on-campus coursework, exams and a bank management simulation.



L-R: South Dakota bankers Tyler Wenbourne, Eric Krogman and Eric Haugland graduated from the Graduate School of Banking at Colorado. Not pictured is Chris Conrad.

The 2018 school session will be held July 15-27. Visit www.gsbcolorado.org for details. ■

HELPING FIRST TIME (& NOW REPEAT)
BUYERS' DREAMS
COME TRUE SINCE 1973.

FIRST-TIME & REPEAT HOMEBUYER PROGRAMS:

- 🏠 Downpayment & Closing Cost Assistance
- 🏠 Competitive Rates
- 🏠 Tax Credit – Mortgage Credit Certificate (MCC)

SOUTH DAKOTA
HOUSING
DEVELOPMENT AUTHORITY

605-773-3181 | www.sdhda.org



BRANCH TRANSFORMATION IS...

- Analyzing your branches
- Creating the best customer experience
- Creating a consistent customer experience
- So much more than just a video teller

Contact us today to learn how an assisted service banking machine may be the answer you are looking for.



MHM
MONEY HANDLING MACHINES
ESTABLISHED 1963

800.228.2581

MoneyHandlingMachines.com

Dakota School of Banking

Celebrates 44 Years with Record First-Year Class

In its 44th year, the Dakota School of Banking trained 61 bankers, including four from South Dakota, and had its largest first-year class ever with 33 students. The school, sponsored by the NDBA and endorsed by the SDBA, was held June 18-23 on the University of Jamestown campus in Jamestown, N.D.

"The Dakota School of Banking offers important perspectives on forces that shape the banking industry," said Dorothy Lick, NDBA senior vice president of education. "Through a well-rounded educational experience that develops skills and creates a resources network, DSB students enhance their performance to thrive in the evolving financial services marketplace."

Students at the Dakota School of Banking are enrolled for two years, attending one week each summer. The first-year session provides a general overview of the banking industry and the departments that make up a bank. The second-year session builds on the general banking knowledge gained in the first year and adds a computerized bank management simulation to reinforce technical and functional management skills.

The 45th session of the Dakota School of Banking will be held June 17-22, 2018, in Jamestown. ■



L-R: Lance Vilhauer and Terry Simon with Plains Commerce Bank in Aberdeen were 2017 graduates of the Dakota School of Banking.



L-R: First Interstate Bank employees Julie Gardner, Spearfish, and Mary Weber, Sturgis, were first-year students at the Dakota School of Banking.

WORKPLACE CONCENTRIC AND
ECCENTRIC MUSCLE MOTION IN A
MANAGED DISTRIBUTED DENIAL OF
SERVICE PROTECTION SCENARIO

DDoS PROTECTION

A TECHNICAL ANALYSIS
BY SDN COMMUNICATIONS

SDN Communications' Managed DDoS Protection monitors, reports and prevents Distributed Denial of Service attacks that can stop internet services. So while your arm may measure just 25 inches from shoulder to fingertips, SDN provides 360 degrees of defense against DDoS attacks from all over the globe.

12.3 4.5123
412.2 4561
12 91991
124 3366

SDN COMMUNICATIONS.

Enjoy the UPTIME. | sdncommunications.com

25" REACH

360° NETWORK PROTECTION



SMART CREDIT STARTS WITH YOU

This October, join the thousands of volunteer bankers participating in the national **Get Smart About Credit** campaign. Our 2017 program will focus on five critical areas: Paying for College, Protecting Your Identity, Knowing Your Credit Score, Managing Your Money and—new this year—Careers in Banking. Take advantage of this opportunity to raise your bank's profile in the community while bringing the lessons of sound money management to young people.

Get Smart About Credit Day is October 19, 2017. Register today!



NEW! BANKERS AND YOU

PRESENTATIONS THAT EXPLORE CAREERS IN BANKING.

aba.com/GetSmart



ABA FOUNDATION



washington update.....

BY ROB NICHOLS | President/CEO | American Bankers Association

TAX REFORM: A Hard Job Worth Doing

Nothing in Washington that is worth doing is easy, and tax reform is no exception.

There is no doubt that our tax code needs a rewrite. As Congress' Joint Committee on Taxation points out, since our last overhaul in 1986, our economy has nearly doubled in size, and the Internet and globalization have fundamentally changed the way we do business.

Today's tax code fails to recognize these changes, puts us at a global competitive disadvantage (the combined state and federal U.S. corporate tax rate of more than 39 percent is two and three times higher than that of "competing" countries) and ultimately hinders job and economic growth.

The good news is that leaders in the House, Senate and White House agree on the need for tax reform and are committed to its enactment. While that creates a solid foundation for this important effort, we all know it will take fortitude and persistence to change a tax code that now spans 74,000 pages.

ABA is strongly in favor of tax reform that strengthens economic growth and creates jobs. A stronger economy would be good for the country, our members, and their customers. We have made ourselves a resource to the lawmakers and staff who are at the center of this enormous undertaking, providing analysis and expertise. We also are encouraging bankers to raise this topic in meetings with their elected representatives.

Of course, like others, we have strong opinions about specific provisions, like the deductibility of interest and the tax-favored status of bank competitors. But we also know that economic growth—which tax reform is intended to spur—is priority number one for our industry, and that any package put forward must be evaluated as a whole, based on its net impact on the economy, banks and bank customers.

That is why we developed a set of core principles for tax reform that will serve as the basis for our comprehensive analysis of any package that emerges from the deliberations. Those principles, which are available in full on www.aba.com, urge policymakers to:

- Lower rates for all businesses substantially — 15 to 20 percent has been proposed — to boost growth

and allow U.S. businesses to be competitive in the global market.

- Broaden the base and simplify the tax code to level the playing field.
- Specifically eliminate favored tax treatment enjoyed by credit unions and the Farm Credit System.
- Consider carefully the effects of any potential effort to limit the deductibility of interest, which could adversely impact economic growth. (The extent of tax rate reductions will be a key factor in assessing the broader impact of any changes to the deductibility of interest.)
- Avoid industry-specific taxes, which would be punitive, unfair and slow economic growth.
- Provide adequate transition time for the market and balance sheets to adjust to the new system.

ABA developed these principles through an internal tax reform working group that has coordinated closely with ABA's banker-led Taxation Administrative Committee and solicited feedback from bankers in various forums. We have highlighted the principles in communications to Capitol Hill, informing members that we will strongly support tax reform efforts that align with these principles.

Our goal is to encourage a smart approach to comprehensive tax reform that can help America's communities thrive.

As a veteran of the Treasury Department in the early 2000s when tax cuts were enacted, I know this undertaking is hard—I have the bruises to prove it. But that doesn't mean it can't be done. It can, and we should do everything in our power to make it happen. ■

Rob Nichols is president and CEO of the American Bankers Association (ABA). You can reach Nichols at nichols@aba.com.



technology.....

BY STEVE DAVIS | Regional Director | Promontory Interfinancial Network

Banking on Technology

As a fintech firm, we are always interested in what technologies banks are investing in. Recently, we surveyed financial institutions about where they allocate budgetary resources for technology. Below we share some of the key findings.

Current Priorities. When asked what area of technology they are allocating the most budgetary resources to, banks ranked information security (36 percent) and online/mobile banking (36 percent) as the two top priorities by a wide margin. Data management/data mining and regulatory technology lagged behind. At the bottom of the list were fraud detection (5 percent), marketing/customer outreach (4 percent), and automatic underwriting/online lending (3 percent).

Investing Ahead. Given the growing threat of hackers and concern about online security and privacy, it's not surprising that banks are shifting their technology investments to some degree. When asked whether they expected their investment in technology to change over the next two years, banks listed fraud detection (78 percent) and information security (77 percent) as their top priorities for significant or moderate increases in funding. The listing of fraud detection as a major target for investment going forward signals an important shift for some banks from their current spending patterns.

Interestingly, a majority of respondents (56 percent) indicated they plan on maintaining current spending levels for automated underwriting/online lending.

Artificial Intelligence. In the banking sector, the movement toward using artificial intelligence (AI) has been rather slow compared to other industries. Yet, according to our data, the pace of adoption may be quickening. Fifty-four percent of respondents stated that they expect to see AI systems become a familiar part of American banking in less than five years. About 10 percent think it will happen in two years or less. Breaking the numbers down by asset size, larger banks believe AI will be integrated into the banking sector sooner than smaller-sized institutions. However, approximately 50 percent of community banks believe the integration of AI at their institutions will happen in five years or less.

We hope you find this information helpful. For more details, view the full Bank Executive Business Outlook Survey report at www.promnetwork.com/business-outlook-survey. ■

Chosen by more than 3,000 financial institutions nationwide, Promontory Interfinancial Network is the leading provider of FDIC-insured deposit placement services. Banks can use the company's solutions—Insured Cash Sweep, or ICS; CDARS; Promnet Repo; IND; Yankee Sweep; Bank Assetpoint; and Residential Mortgage Network—to build multi-million-dollar relationships, reduce collateral requirements, purchase funding, manage liquidity, and buy or sell loans. Visit www.promnetwork.com to find out how Promontory Network can help your bank to manage its balance sheet more profitably.

Brian J. Gatzke, ARA, MBA
Certified General Appraiser, SD & MN
311 Third St | PO Box 63 | Brookings, SD 57006-0063
P: 605.692.9445 | F: 605.610.0948
info@northernplainsappraisal.com | www.northernplainsappraisal.com

Our team of valuation professionals provide reports in Uniform Standards of Professional Appraisal Practice (USPAP), Yellow Book (USFLA) and IRS appraisal standards. Having grown up in rural communities and family farms in the Dakotas, we know the value of professionalism and integrity. We specialize in:

- Agricultural Properties
- Dairies, Farms & C.A.F.O.s
- Conservation Easements
- Wildlife Habitat
- Rural Residential
- Commercial Properties
- Single and Multi Family
- IRS
- Yellow Book (USFLA)
- Mini-Storage Warehouses
- Lake Properties
- Estates, Donations, & Trusts

Our team also offers: consulting services, MLS research, agricultural land advising and real property valuation.

Contact us today for a personalized quote!

bank notes.....

Two SD Banks Named 'Best Banks to Work For'



First Bank & Trust's 2016 Spirit of FFC winner Marissa Brinkman receiving her award from David Waligoske.



First PREMIER Bank and PREMIER Bankcard are the title sponsors of Jacks Bash at South Dakota State University.



Fargo's Bell Bank was named number five on this year's list of best banks for which to work.

American Banker Magazine on Aug. 28 published its fifth annual list of the 75 best banks to work for. South Dakota's First Bank & Trust in Brookings and Sioux Falls was named number 20, and First PREMIER Bank in Sioux Falls was named number 61. SDBA associate member Bell Bank in Fargo was named number five.

First Bank & Trust: First Bank & Trust each year hosts a 5K for employees and their families that raises money for charity. The location of the race rotates every year, allowing employees to spotlight their towns.

First Bank & Trust's Community Brigade program authorizes employees to provide up to \$150 to a person in need, reimbursed by the company. The bank's "Be the 1" program provides cash rewards for employees who think on their feet and make decisions. Coworkers and customers can submit stories of staff members taking initiatives.

First PREMIER Bank: To psych employees up for a core systems conversion, First PREMIER Bank sponsored an event at a local corn maze that featured pro bull riders

and prizes including a trip to Las Vegas. Employees were also given "Who Moved My Cheese?" a book about dealing with changes at work.

Last year, the bank sponsored Jacks Bash, a weekend celebration to mark the opening of the Dana J. Dykhouse Football Stadium at South Dakota State University. All employees got two tickets to a One Republic and Andy Grammer concert and \$50 to spend on concessions.

With a \$1 million contribution, First PREMIER Bank is the largest backer of a \$15.5 million fund for Forward Sioux Falls, an economic development program.

Bell Bank: Bell Bank offers employees access to a personal health coach through an online portal that syncs with Fitbit. Every year, the bank encourages employees to spend time with friends and family with an extra day off they can take at any time and a \$200 gift card. Employees also get cake for milestone birthdays.

The SDBA congratulates these and other banks for establishing a culture and amenities that help attract and retain top talent. View the list at www.americanbanker.com/magazine. ■

First Bank & Trust to Buy Two Minnesota Banks

First Bank & Trust in Brookings is acquiring two banks owned by Duke Financial Group (DFG) of Minneapolis.

Peoples Bank of Commerce has five locations in Minnesota, with assets of \$296 million, and State Bank of New Prague has one location and assets of \$112 million.

The name of the banks will change to First Bank & Trust.

"When considering an acquisition, our strategy has been to focus on banks in and around growing markets," said Kevin Tetzlaff, president of First Bank & Trust, Brookings. "The addition of Peoples Bank and State Bank will allow us to expand our presence in Minnesota with locations that have strong ties to their communities."

Tetzlaff said his bank was attracted to Peoples Bank of Commerce and State Bank of New Prague because of the quality of their management and employees, as well as their commitment to community banking.

"We think we have a common philosophy that our customers are best served by bankers who are responsive and empowered to make decisions locally," he said.

With the acquisition, which still requires DFG shareholder and regulatory approval, First Bank & Trust will have assets of more than \$1.7 billion. David Waligoske, president and CEO of Fishback Financial Corporation (FFC), the holding company that owns FB&T, said this acquisition will enable First Bank & Trust to better compete regionally. ■

bank notes.....

South Dakota Farmers and Ranchers Reach Seven Million-Acre Stewardship Mark

South Dakota farmers and ranchers have reached a conservation milestone with more than seven million acres of land enrolled in USDA's Conservation Stewardship Program (CSP). No other state has even six million acres enrolled in the program.

"Our ultimate goal is to improve soil health across the state on croplands, pasturelands and rangelands, and all the positive effects that come downstream with that," said Karl Jensen, president of the South Dakota Association of Conservation Districts. "The CSP helps with that."

Lyman County producer Reed Petersek signed the contract that put the state at more than seven million acres of land. The signing was part of Ag Appreciation Day at the Sioux Empire Fair in Sioux Falls on Aug. 9.

"We're recognizing farmers and ranchers across the state—dedicated stewards who have already done a very good job of conserving soil, water and other resources, but who are willing to take risks to try new practices that take conservation to another level," said USDA Natural Resources Conservation Service's State Conservationist Jeff Zimprich, Huron. "CSP is a program for working lands—corn, soybeans, wheat and other crops as well as grasslands. The farmers and ranchers in the program are making those lands even more sustainable for the future. It's all about making South Dakota better."

Nathan Jensen, senior vice president of the agribusiness division of First Dakota National



Front L-R: Erin and Reed Petersek and sons Sam and Owen of Lyman County were on hand to sign a contract for the 7 millionth acre of stewardship in South Dakota with NRCS State Conservationist Jeff Zimprich.

Back L-R: SD Ag Secretary Mike Jaspers; Tyler Tordsen for Sen. Mike Rounds; SD Game, Fish and Parks Secretary Kelly Hepler; Rick Vallery for Rep. Kristi Noem; Karl Jensen with SD Association of Conservation Districts; Nathan Jensen with First Dakota National Bank; and Angela Ehlers with SD Association of Conservation Districts. (Photo courtesy of USDA NRCS.)

Bank, pointed out the economic benefits from sound conservation practices. Jensen, who has a farm near Beresford, said many farmers are doing some of the practices outlined in CSP and called it a natural fit. ■

Barbetta Joins Cornerstone Bank



Tim Barbetta has joined Cornerstone Bank as a home mortgage consultant in Sioux Falls.

Thanks to his father's military career, Barbetta lived in various locations while growing up including Germany, Thailand and the Philippines, as well as several locations in the United States.

However, he's happy to call Sioux Falls "home." Barbetta started his career in mortgage lending more than 17 years ago and has worked in various roles providing extensive experience.

From pre-qualification to closing the loan, Barbetta will work alongside home buyers to help them achieve their home ownership dreams. In addition to loan programs for buying a home, there are also programs for building, remodeling or refinancing.

Cornerstone Bank's holding company, Cornerstone Holding Company, is one of North Dakota's 10 largest financial institutions. Cornerstone Holding Company is an \$820 million financial institution. ■

Haberfeld Associates Joins SDBA as an Associate Member

Contact: Brett Walburn, Vice President

Address: 206 S 13th St, Suite 1500, Lincoln, NE 68508

Phone: 402.323.3612

Email: bwalburn@haberkfeld.com

Website: www.haberkfeld.com



Haberkfeld Associates is a 35-year-old company based in Lincoln, Neb., that delivers outstanding growth and profitability results for banks nationwide. We help our clients increase customer acquisition, growth, and overall profitability with a complete system of activities, including: consulting (products, policies, sales process and procedures), training (onsite and online, plus mystery shopping), targeted marketing (direct mail, digital/online, in-branch), and a referral strategy (online and in-branch). As a result of the significant customer growth, our client banks average 29 percent more ROA when compared to peer banks, and they dramatically increase core deposits, loan opportunities and non-interest/fee income. ■

classifieds.....

**Ag/Commercial Lender,
CorTrust Bank, Artesian, S.D.**

CorTrust Bank is seeking an ag and commercial lender. Position is responsible for developing new and deepening existing ag and commercial account relationships, underwriting and structuring and closing by ag and commercial loans as well as servicing existing loan relationships. Successful candidates' will possess demonstrated self-motivation and ability to take initiative in seeking out new opportunities, building strong relationships, problem solving and producing results. Ideal candidate will have degree in business or finance and five years lending experience. Please submit cover letter and resume to: HR@cortrustbank.com. ■

**AVP/VP Commercial Lending
Officer, Pioneer Bank & Trust,
Rapid City, S.D.**

Pioneer Bank & Trust is looking to hire a full-time lending officer to join our team. The successful candidate will be exposed to the following types of lending: commercial real estate acquisition/refinance and term loans, commercial and industrial related financings that include revolving lines of credit, agriculture revolving lines of credit and term real estate loans, residential housing/construction, consumer loans and SBA loans. Responsibilities: Soliciting, negotiating, underwriting and servicing a variety of commercial loan and deposit relationships. Evaluate the financial condition and creditworthiness of individuals/businesses. Promoting the bank externally and referring customers to appropriate staff for new services. Experience: Bachelor's degree and five-plus years of commercial lending experience preferred or related experience will be considered. Please submit resume to lyndsays@pioneerbankandtrust.com. EOE AA M/F/Vet/Disability ■

**Business Banker, Minnwest
Bank, Sioux Falls, S.D.**

Minnwest Bank is seeking a business

banker for a location in Sioux Falls, S.D. This position is responsible for managing their own credit portfolio and cross selling other bank services, deposit accounts and cash management services. The selected applicant will team with other business bankers, assisting with relationship management, ongoing customer communication and market growth in Sioux Falls. Duties and responsibilities include servicing the loan portfolio according to bank policy and managing all aspects of borrowing relationships; in addition to retaining and servicing existing clients, and developing additional accounts. Education/Experience Required: Bachelor's degree and five years of business banking experience or equivalent combination of education and experience. Formal credit training or equivalent required, including ability to analyze complex balance sheets, income statement ratios and cash flow statements. Please send resume to our Human Resource Department at joinourteam@minnwestbankgroup.com EEO/AA Employer. ■

**Business Banking Officer,
Starion Bank, Bismarck, N.D.**

Located in Bismarck, N.D., Starion Bank is seeking a business banking officer to be responsible for soliciting, developing and managing commercial banking relationships. Responsibilities include gathering information and analyzing credit requests, making credit decisions, generating prospects through active sales call efforts and community involvement and administering a loan portfolio within bank policy and regulatory guidelines. Qualified applicants will have a bachelor's degree and possess strong financial analysis, customer service and sales skills. Preferred candidates will have a minimum of three years of commercial lending experience and a working knowledge of documentation, compliance and regulatory standards. Familiarity with SBA loan programs is a plus, along with proficiency using Microsoft Excel. Starion offers a competitive salary and a full comprehensive benefit package including health, life, dental, vision, health savings

account, 401K, profit sharing, paid vacation and holidays. Join our team and work at a bank recognized as "Best of the Best" by Independent Banker magazine, "50 Best Places to Work" by Prairie Business magazine and "Top 10 Workplaces" by Bismarck-Mandan Young Professionals Network! Apply online at www.starionbank.com/careers. Starion Bank is an Equal Opportunity Employer of women, minorities, protected veterans and individuals with disabilities. ■

**Managing Officer, Western
Minnesota**

Managing officer for \$50 million, independent, community ag bank located in western Minnesota. Full time position, open salary with benefits, experience required. Reply to: McGinnis & Company, P.C., 301 East 14th St., Suite 100, Sioux Falls, SD 57104. ■

**President, Heartland State
Bank, Edgeley and Kulm, N.D.**

Our client Heartland State Bank, a locally-owned bank in Edgeley and Kulm, N.D., is seeking a visionary leader for the position of president. This position will be responsible for leading employees in attaining the bank's goals, mission and vision. Accountable for managing and operating the bank's resources in a manner that will increase its visibility and positively contribute to the revenue growth and maximize profitability. President will report to the Board of Directors. Qualifications include a bachelor's degree in accounting, finance or related field with five plus years banking management experience. The ideal candidate will possess the ability to motivate teams while simultaneously managing multiple projects. Excellent judgment and decision making abilities that maximize efficiency, effectiveness and impact are essential to this position. A background in IT is a plus. This position offers a competitive compensation and benefits package and a stable work environment. EOE. To apply, please visit - www.eidebailly.com/careers/positions-with-clients. ■

If you have a job opening at your bank or something to sell, send your classified listing via email to ademers@sdba.com and we will post it on the SDBA website, print it in one issue of South Dakota Banker and include it in the SDBA eNews. This service is free to member banks and associate members (200 word limit). The fee is \$50 for nonmembers. Questions, call 605.224.1653.

Seminars/Conferences/Webinars/Schools

SDBA EVENTS

Bank Technology Conference

Sept. 19-20, 2017 | Sioux Falls

Emerging Leaders Networking Meetings

Sept. 28, 2017 | Sturgis

Oct. 2, 2017 | Aberdeen

Oct. 4, 2017 | Humboldt

Oct. 11, 2017 | Pierre/Fort Pierre

Security Seminar

Oct. 5, 2017 | Sioux Falls

IRA Update Seminar

Oct. 12, 2017 | Sioux Falls

Onsite Certified Banking Security Manager

Oct. 18-19, 2017 | Sioux Falls

ABA National Agricultural Bankers Conference

Nov. 12-15, 2017 | Milwaukee, Wis.

IRA Basics Seminar

Dec. 7, 2017 | Sioux Falls

State Legislative Day

Feb. 7, 2018 | Pierre

IRA Update Seminar

Feb. 23, 2018 | Sioux Falls

WEBINARS

For a complete list of upcoming webinars, visit www.sdba.com/webinars.

Sept. 11, 2017

Loan Documentation for "Secured" Commercial Lending Transactions

Sept. 12, 2017

Right of Setoff

Sept. 12, 2017

Best-Ever Compliance Checklists for Commercial Loans

Sept. 13, 2017

CRA Nuts & Bolts-Five Steps to Pass the Exam

Sept. 13, 2017

Make Your Bank Less Attractive to Criminals Using CPTED

Sept. 14, 2017

What to Do When a Customer Dies

Sept. 14, 2017

Understanding Real Estate Loan Documents

Sept. 18, 2017

BSA Series: The Five Pillars of BSA

Sept. 19, 2017

Information Security Basics: Board of Directors Edition

Sept. 19, 2017

Equipment Lease Financing

Sept. 20, 2017

Wire Transfer Basics

Sept. 21, 2017

Regulation B-Joint Intent

Sept. 22, 2017

Oil & Gas Lending: Structuring & Restructuring

Sept. 25, 2017

For Sales Managers: Build a No-Excuses Bank Sales Environment

Sept. 25, 2017

Fair Lending Risk Assessment

Sept. 26, 2017

Mortgage Servicing Compliance

Sept. 26, 2017

Federal Benefit Payments Garnishment Requirements

Sept. 27, 2017

Debt Collection Review & Update

Sept. 27, 2017

10 Do's and Don'ts For Social Security and VA Accounts

Sept. 28, 2017

BSA Series: Seven Core Components of an AML Program

Sept. 28, 2017

Compliance Perspectives

Sept. 28, 2017

Transformational Growth: Enabling

Enterprise-Wide Innovation

Oct. 3, 2017

Building an Effective IT Audit Program

Oct. 3, 2017

Seven Habits of Effective Credit Administration in Commercial Banks

Oct. 4, 2017

ARM Disclosures Review & Update

Oct. 4, 2017

Legal Essentials for Bankers

Oct. 5, 2017

The ACH Audit & Risk Assessment: What you need to know

Oct. 5, 2017

Internal Audit

Oct. 10, 2017

Legal Liabilities when Check Fraud Occurs

Oct. 11, 2017

TRID Review and Update

Oct. 11, 2017

Understanding Regulation CC and the New Amendments

Oct. 12, 2017

Denials

SCHOOLS

SDBA IRA School

Sept. 6-8, 2017 | Sioux Falls

GSB Financial Managers School

Sept. 10-15, 2017 | Madison, Wis.

GSB Bank Technology Security School

Oct. 15-20, 2017 | Dallas, Texas

National School for Experienced Ag Lenders

June 25-28, 2018 | Spearfish, S.D.

Graduate School of Banking at Colorado

July 15-27, 2018 | Boulder, Colo.

Graduate School of Banking at Wisconsin

July 29-Aug. 10, 2018 | Madison, Wis.

For more details and to register for a training, visit the SDBA's online event calendar at www.sdba.com/events.
Or contact the SDBA's Halley Lee at hlee@sdba.com or 800.726.7322.

FARMER AC

ROAD SHOW 2017

EVENT DATES & LOCATIONS:



09.06 Iowa City, IA	09.19 Sioux Falls, SD	10.02 San Luis Obispo, CA
09.07 Ames, IA	09.20 Lincoln, NE	10.03 Fresno, CA
09.08 Holstein, IA	09.21 Manhattan, KS	10.05 Pasco, WA
09.11 Willmar, MN	09.22 Saint Joseph, MO	10.06 Portland, OR
09.12 Owatonna, MN	09.25 Columbia, MO	10.10 Oklahoma City, OK
09.13 La Crosse, WI	09.26 Quincy, IL	10.11 Colorado Springs, CO
09.14 Madison, WI	09.27 Bloomington, IL	10.12 Casper, WY
09.15 Rockford, IL	09.28 Indianapolis, IN	10.13 Rapid City, SD
09.18 Bismarck, ND	09.29 Columbus, OH	

*Last year over 700 lenders participated
Space is limited - Sign up TODAY*

Farmer Mac is hosting a series of free credit-focused workshops throughout the country this September and October. Attendees can prepare for the upcoming lending season and hear about the latest secondary market tools available through Farmer Mac's programs. The sessions are designed for new as well as existing program participants and topics to be covered include:

- ✓ Secondary market options for capital, liquidity and credit risk management
- ✓ National agricultural credit snapshot
- ✓ Fixed rates and other popular loan products, current pricing options & trends
- ✓ Competing for loans: a review of recent local Farmer Mac transactions
- ✓ Meet your underwriter – helpful tips to improve your loan submissions

TIME:

9:30 AM—1:00 PM | Lunch Provided

FREE REGISTRATION:

<https://www.farmermac.com/news-events/road-show/>

QUESTIONS:

Betsy Urso | 800-879-3276 | burso@farmermac.com

BONUS SESSION:

1:00 PM—2:00 PM

Receive additional insight on winning strategies successful Farmer Mac lenders use to structure and price their loans. Review case studies of local "Real Deals" that have recently closed.



Changing cycles in agriculture will require new strategies to help sustain growth for your bank. Building your resources and expanding your network will be key to your success. Join bankers from across the country at the **ABA National Agricultural Bankers Conference**. Get tools and information on managing credit risk, the economic outlook and strategies to compete in a changing ag marketplace.

Learn from over 60 speakers and find out where the opportunities are and how to help position your customers and yourself to be on the mark and ready to go!

2017 ABA National Agricultural Bankers Conference

November 12–15, 2017

Hilton Milwaukee City Center and Wisconsin Center | Milwaukee, WI

REGISTER NOW FOR EARLY BIRD RATES!

aba.com/AgConference | 1-800-BANKERS



American
Bankers
Association®