

# South Dakota Banker

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

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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

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## message from the chairman

BY PAUL DOMKE | President/CEO/CCO | Heartland State Bank, Redfield

# Initiated Measure Process Should Be Addressed



I hope this finds all of you entering a happy and optimistic New Year.

The SDBA Board of Directors and Legislative Committee met Dec. 8 after an evening celebrating Deb Gates' almost 40 years with the SDBA. We wish Deb well in her retirement.

SDBA President Curt Everson recently sent a letter to member bank CEOs regarding a new scholarship in Deb's name through the SD Bankers Foundation. Establishing the Deb Gates Scholarship will require \$100,000, of which First Dakota National Bank has agreed to donate the first \$10,000. I encourage all who have not yet contributed to the new scholarship to do so. Deb is writing the scholarship standards, so we know the recipients will definitely make an impact as she has done.

The Board is working to set action priorities for the SDBA's strategic plan. Along with the Legislative Committee, the Board also discussed the effects of South Dakota's initiated measures which were recently passed along with advocacy strategies for our industry in Washington. The implementation of Initiated Measure 22 (the Anti Corporation Act), has now been delayed.

It seems that the avenue for bringing initiated

measures that wouldn't pass our State Legislature is the way a minority of people in South Dakota wish to enact change. These initiatives are backed by out-of-state money and marketing campaigns that get the results they desire.

How these measures get on the ballot and are marketed definitely needs to be addressed going forward. Be it in changes such as a different means of gathering petition signatures or only allowing on the ballot those measures that have been thoroughly reviewed by our elected leaders. We need to talk to our local delegations on whether or not they approve of the current standards and if there are solutions to make complex proposals come through their ranks as opposed to enactment based on who has the best media marketing campaign.

Please mark on your calendar the SDBA's State Legislative Day on Feb. 8, 2017, in Pierre and try to bring additional people from your bank to attend. It will be a great opportunity to discuss these issues. SDBA staff is preparing an excellent agenda culminating in announcing the winners of the Business Plan Competition. ■

Paul Domke is president/CEO/CCO of Heartland State Bank in Redfield. Domke can be reached at 605.475.5500 or pdomke@hsbsd.com.

## NEW SDBA ASSOCIATE MEMBER

### Invictus Consulting Group, LLC

**Contact:** Jeremy Kowalski, Sales Director

**Address:** 1455 Washington Blvd. Apt 244, Stamford, CT 06902

**Phone:** 860.919.2813

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## Customer Stories Are Most Effective Message



**H**appy 2017 to all. The books are closed on 2016. For some in America who were disappointed in the results of the 2016 national or state elections, perhaps they couldn't turn their calendars to 2017 soon enough. For those of us who work on the banking industry's public policy priorities in Washington, D.C., I felt the same way, but for a different set of reasons.

For the past six years, our industry has consistently and forcefully voiced concerns about the need to re-visit the Wall Street Reform and Consumer Financial Protection Act of 2010, better known as Dodd-Frank. Our message has been that Dodd-Frank was not exempt from the omnipresent law of unintended consequences. Far from the steel, concrete and glass canyons of Wall Street, Dodd-Frank negatively impacted banks on main street U.S.A. Traditional, main street banks have experienced a crushing level of complex, new and expensive regulations that have not been positive for anyone, especially for bank customers.

Bankers and banking industry trade associations have consistently carried messages of concern to members of Congress in the years since Dodd-Frank was passed. We have also communicated concerns to the banking industry's regulators that, in fairness, have mostly just tried to carry out Congress' orders. But largely due to the ongoing threat of veto from a president who insisted that even modest changes to Dodd-Frank were off limits, a full congressional debate on the merits of legislation to revise any component of that 849-page bill has not taken place.

But state by state, the voters who showed up and cast ballots in the 2016 general election have changed the political dynamic in Washington, D.C. Political pundits will differ in their analysis of why voters put Donald Trump in office and why Democrats were not able to win enough seats to claim a majority in the U.S. Senate. Some Democrat-leaning analysts blame the Clinton campaign for its lack of focus outside of the nation's cities. Others pointed to a deep, and apparently growing, level of distrust that voters of both parties had for Hillary Clinton as a career politician. Still others opined that for all of his shortcomings, Donald Trump struck a chord with a broad cross-section of voters who voted for an outsider who could shake things up in the nation's capitol.

I have an opinion or two of my own. I tend to believe that a significant number of Americans, especially those living in small towns and rural areas, decided that the heavy hand of top-down, one-size-fits-all government regulatory policy hasn't been good for them. In the

wake of the Great Recession, our nation's economy has struggled to hit its stride. Many industries, banking included, have been forced to spend an increasing share of annual earnings on regulatory compliance. I'm not sure that companies in the electric power generation business using any type of fossil fuels can spend enough of their annual earnings to satisfy the Environmental Protection Agency.

In the case of banks, rather than being able to use earnings to grow capital that could be used to grow lending or improve customer service, they have had to hire more compliance staff, lawyers or consultants. Well-capitalized, plain vanilla banks spend inordinate amounts of time and effort demonstrating compliance with complex, Basel III-esque capital standards that were designed to apply only to large, complex, internationally-active banks.

The list of regulatory overkill goes on and on. But in the end, who pays the price? Everyday people who buy products and services from American business. The very same people who just voted for a significant change of policy direction in Washington, D.C.!

So, as we prepare to discuss the banking industry's priorities for policy change with those elected to serve this nation's citizens, we need to focus our attention and our messaging around the needs of bank customers. If you have a story to tell about customer frustration stemming from your duty to comply with complex, time-consuming, expensive bank regulations, I need to hear them...soon.

A group of our state's banking leaders will be going to Washington, D.C., to visit with members of our Congressional delegation on March 20-22, 2017, in conjunction with the American Bankers Association's annual Government Relations Summit. The most effective messages we can carry in support of much-needed regulatory relief are your stories. Members of Congress from both political parties care more about your customers than they do about your bank. Jot down some notes and share your stories with us at the SDBA. Be ready to share those stories directly with Sen. Thune, Sen. Rounds and Congresswoman Noem when the call goes out.

I look forward to carrying a positive, forceful message in support of regulatory relief legislation on this great industry's behalf in the months ahead. It's time for Congress to act! ■

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Curt Everson is president of the South Dakota Bankers Association. Everson can be reached at 605.224.1653 or [ceverson@sdba.com](mailto:ceverson@sdba.com).

# How to Heal Our Health Care System



**I**n October 2016, the South Dakota Bankers Benefit Plan Board of Trustees conducted an annual review of the SDBA's large group health plan at Blue Cross Blue Shield's headquarters in Sioux Falls. All banks participating in the health plan are invited, and we average around 65 people each year.

In starting this tradition three years ago, all attendees find it quite helpful to listen to the guest speakers, review the plan's previous year's results and ask questions, so everyone benefits from the interaction. This last meeting was no different as we had an excellent year in review.

A question came from Bruce Haerter, Farmers State Bank, Hosmer. "Mike, what can be done to help straighten the mess out called health insurance?" With a long pause, my first thoughts were that this needs to be spelled out so it is easy to follow and the logic makes sense to everyone. Next year, we may include a presentation on this topic at the annual review meeting.

Here is a quick overview of core issues that I think need to be addressed.

## Return to Insurance Companies Evaluating Risk

There are many elements to insurance risk—age, sex, pre-existing conditions, continuity of coverage, geographic, ethnicity, lifestyle choices, smoking, family history, weight/height, technology advances, predatory pricing by pharmaceutical companies and medical facilities. There was a time when these risk factors were taken into consideration to come up with a predictable premium that would cover a group of individuals for a 12-month period. With Obamacare, these evaluative tools were taken away from insurance companies.

To fix the market, insurance companies must return to assessing risk as that is what forced people to seek and keep their health insurance. Before Obamacare, we had high-risk pools in 35 states. We need to reestablish them and mandate all states establish a state-run, high-risk pool. In those 35 states, if people wanted insurance they could get it.

Young people can help start the rebuilding of risk pools; premiums will be lower and their excess profits will help rebuild risk pools. We should transition back to age 19 for kids to get their own coverage. I think it is OK that kids can stay on a parent's health plan until age 26 if attending school on a full-time basis.

## Selling Insurance Across State Lines

This is not a savings; insurers can sell across state lines now if they have the negotiated pricing to support that state's cost structure and pay state premium taxes.

Every insurance company negotiates with medical facilities in their state to set the cost for procedures done at their facilities. Each procedure done at a medical facility carries a CPT code identifying the procedure and cost of performing that procedure. The insurance company negotiates the price for medical procedures for a 12 to 36-month period (trying to lower the price).

The insurance company fights to lower the price of health care delivered; by him or herself, an insured has no power to lower the price of a procedure. Only an insurance company (or a regulatory agency) can realistically negotiate with providers to lower the price.

## Thoughts on HSAs

Health savings accounts (HSAs) are not the answer to lowering premiums, in fact, they put many people at a greater risk of personal loss. Health insurance was never meant to be an investment product.

If you can predict your health, which no one can, an HSA may work. If an individual has an HSA and he or she comes down with a "maintenance illness" like diabetes, cancer, arthritis, etc., each year that person will reach into his or her pocket for the entire deductible—\$5,000 to \$10,000. Most working people cannot afford this. We must lower deductibles and force providers to lower prices.

On behalf of the 2,700 people in the SDBA's health insurance trust, one part of my job is to give advice to the MET Board members on plan design. One element that takes a great deal of my time is evaluating utilization and how to curb what we call over utilization. We have been very successful. There is often a common thread as it relates to high-claims individuals—they had no idea it was going to happen to them. Cancer, renal failure and premature deliveries are where the real costs come into play. You cannot predict these conditions, and the HSA plan would have put an undue financial burden on these individuals and their families.

## Recommendations

1. Reestablish the state high-risk pools and mandate all states establish or join a high-risk pool. There is a built-in funding system already in place. Multi-state risk pools would be very advantageous to drive down regional price spikes.

2. Utilize Medicare/Medicaid (CMS pricing) for people in risk pools.
3. Eliminate ACA mandates and taxes.
4. Eliminate vertical integration in health care whereby medical facilities (hospitals, doctor groups) own health insurance companies. This will reestablish the ability of third-party payors to be able to negotiate pricing for procedures.
5. Share the development costs for prescription drugs with all nations. Note on the Hepatitis C drug: A course of Sovaldi, priced at \$84,000 in the United States, is available for less than \$900 in India, Saudi Arabia and Egypt. The U.S. must stop paying for other countries' prescription drugs.
6. Allow health premiums paid for by business to be tax advantaged.
7. Allow health premiums paid by employees to be paid with pre-tax dollars.
8. Increase pre-tax limits on Section 125 plans and allow 100 percent rollover to the next year.
9. Stop paying for health care for people in this country illegally.
10. Private insurance companies are the best way to curve the escalating medical cost curve. Once an individual has reached \$200,000 in medical cost (within 12 months), the cost assessed will be based on Medicare (CMS pricing). This will help drive the cost down in hospitals and stop the medical communities' escalating costs.
11. Resurgence of licensed insurance agents. Education funds made available to insurance companies to recruit, train and support field agents. Front-line offense and defense to implement new product for the public.
12. Allow alike groups with similar risk profiles to form large group risk pools across state lines.
13. Require and provide incentives for group members to stay with their groups long term. Shopping for plans and changing groups messes with the marketplace and limits the ability of payors to drive down costs.

The healthcare industry is extremely complex with very powerful players. It's rare that consumers are in a market where they have little or no ability to compare the price of services and no incentive because a third party is on the hook to pay it. It's an industry which requires regulation at some level to succeed. The drug companies and medical industry have driven costs to the breaking point.

Obamacare gave both industries the leeway to increase costs without any checks and balances. We must implement cost limits on medical providers to get a handle on this facet of our businesses. ■

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

## Secure Banking Solutions Changes Name to SBS CyberSecurity

**S**ecure Banking Solutions, an SDBA endorsed vendor and associate member, has changed its name to SBS CyberSecurity.

The change is a result of the growth and transformation of the cybersecurity industry and the threats facing the nation. The demand from clients outside financial services has grown, creating opportunities for SBS CyberSecurity to assist all industries affected by increasing cyber crime.



SBS CyberSecurity has deep roots in the financial services industry and will continue to provide industry-leading cybersecurity products, services and education to financial institutions across the country.

SBS began in 2004 to assist financial institutions in creating tailored information security programs and meeting regulatory requirements. SBS has grown to a team of more than 75 employees that work diligently to help protect the security of businesses from across the United States and abroad. SBS' original headquarters is in Madison, S.D., with expanded regional headquarters in Jonesboro, Ariz.

To learn more about SBS CyberSecurity, visit [www.sbscyber.com](http://www.sbscyber.com). ■

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## Dr. Kevin Streff Speaks on Fraud Protection

**S**BS CyberSecurity's Dr. Kevin Streff was featured along side South Dakota Attorney General Marty Jackley and AARP South Dakota Director Erik Galkowski in a special edition of South Dakota Focus: Fraud Protection AARP on South Dakota Public Broadcasting.

The three covered simple practice to protect people's identity and finances.

Streff, a founder of SBS, is professor and chairman of the Department of Cyber Operations at Dakota State University in Madison, S.D.

You can watch and share the program, which aired on Dec. 15, 2016, with your customers at <http://watch.sdpb.org/video/2365916268>. ■



## SDDA Offers Ag Mediation & Finance Counseling

**A**s renewal season approaches, the South Dakota Department of Agriculture (SDDA) reminds lenders of its Farm Loan Mediation Program. The program is designed to provide assistance to borrowers and creditors who seek to use mediation as a method for resolving credit disputes.

South Dakota Codified Law requires a creditor to go through mediation before foreclosing on an agricultural debt of more than \$50,000. If debt is less than \$50,000, debtors and/or creditors may also request voluntary mediation.

"Ideally, if we can avoid a mandatory mediation, we would like to do that, and we encourage lenders to visit with their customers if they can see a credit issue on the horizon," said Nina Fromm, SDDA mediation specialist. "Perhaps a voluntary mediation and working with a finance counselor one-on-one can help that borrower turn the corner and prevent a mandatory mediation."

Once mediation is requested and accepted, confidential financial counseling services are offered free of charge during the mediation period to prepare the parties for mediation. SDDA contracts with private mediators and finance counselors which are located across the state, allowing mediation sessions to be conveniently scheduled in an area near the debtor/creditor.

A request for mediation must be received by the department to begin the process. Mediation fees are minimal and paid by all parties to the mediation.

For more information on mediation and finance counseling, contact SDDA at 605.773.5436 or visit <http://sdda.sd.gov>. ■

## ABA Seeks Regulatory Action to Mitigate Appraiser Shortage

**W**ith the shortage of qualified appraisers a priority issue for bankers – particularly those in rural markets including in South Dakota – the American Bankers Association (ABA) on Dec. 6, 2016, urged the federal banking agencies to take action to mitigate the ongoing challenge. The letter focused on three issues of greatest concern – the shortage of appraisers, real estate-related de minimis and federally-related transactions.

Specifically, as the Appraiser Qualification Board deliberates slowly on changing qualifications to address the shortage, ABA urged the regulators to decide whether they can issue guidance that would prod the process along.

"If left unresolved, we forecast negative effects on banks' abilities to process and originate real estate related loans and to serve their customers," ABA said.

ABA also recommended that the agencies double to \$500,000 the de minimis transaction threshold at which bankers may use an evaluation instead of an appraisal by a licensed professional and clarify the definition of "federally-related transactions" with respect to appraisals.

"Bankers in South Dakota, especially ag and commercial lenders operating in rural areas, have long expressed concerns about the ever dwindling number of qualified real estate appraisers," said SDBA President Curt Everson.

"This memo not only documents the market forces at work that are contributing to the short supply of appraisers, but also suggests that it is time for the FFIEC to consider whether or not the appraisal industry is in need of some guidance and encouragement to change current policies in a way that would help attract, train and retain qualified appraisers."

The letter is part of an ongoing effort led by ABA to address the appraiser shortage in rural areas, including advocacy before the Appraiser Qualifications Board and education of regulators and members of Congress.

Read the letter at [www.aba.com/Advocacy/LetterstoCongress/Documents/FFIEC%20Letter%2012-6-2016.pdf](http://www.aba.com/Advocacy/LetterstoCongress/Documents/FFIEC%20Letter%2012-6-2016.pdf). For more information, contact ABA's Rod Alba at [ralba@aba.com](mailto:ralba@aba.com). ■



# SDBA PUBLICATIONS HOT OFF THE PRESS

## 2017 SD Bank Directory



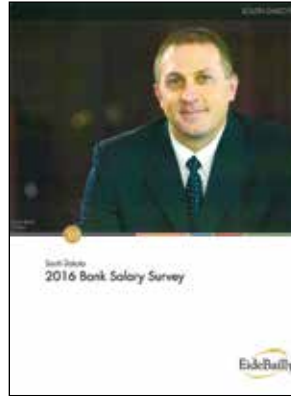
The SDBA's 2017 South Dakota Bank Directory is now available.

The South Dakota Bank Directory provides detailed information on all South Dakota banks, including addresses, telephone and fax numbers, important contact names and additional pertinent information. The directory also contains information on the SDBA, banking associations, regulatory agencies, endorsed vendors, associate members and South Dakota officials.

All SDBA member banks and branches receive one complimentary directory. Associate members will receive a complimentary directory when they pay their 2017 membership dues.

Additional copies are available for purchase. The member cost is \$30 plus tax for a single copy, or \$25 each plus tax for multiple copies. The non-member cost is \$45 plus tax for a single copy, or \$40 each plus tax for multiple copies. Orders can be placed online at [www.sdba.com/bank-directory](http://www.sdba.com/bank-directory) or contact the SDBA at 800.726.7322. ■

## 2016 SD Bank Salary & Fringe Benefit Survey



Each year, Eide Bailly LLP conducts a survey of South Dakota banks to obtain valuable information on compensation and fringe benefit programs in banking.

The 2016 South Dakota Bank Salary & Fringe Benefit Survey is an 83-page summation which contains information from 19 participating banks on 52 common positions in a community bank. The summation will provide you with reliable information to compare your bank's compensation and fringe benefit programs with other comparable banks.

The cost is \$300 for members, \$400 for associate members and \$500 for non-members. To order a copy, visit [www.sdba.com/salary-survey](http://www.sdba.com/salary-survey) or contact the SDBA at 800.726.7322. ■

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# SDBA 2017 State Legislative Day

February 8, 2017 | Ramkota Hotel & Conference Center | Pierre, S.D.



The SDBA 2017 State Legislative Day is your opportunity to stay up-to-date on both state and federal legislation which could affect the banking industry and to visit with state legislators. The day will include a luncheon and banking legislation review, discussion on the new administration in Washington and what it may mean for business and banking, a chance to visit

with legislators at the State Capitol, and an evening reception. The Governor has also been invited to speak.

## Schedule

8:00 a.m.: **SDBA Board Meeting**

10:00 a.m.: **SDBA Legislative Committee Meeting**

11:30 a.m. - 12:00 p.m.: **Conference Registration**  
(Ramkota Hotel & Conference Center Lobby)

12:00 - 1:00 p.m.: **Luncheon & Program**

### Legislative Update

- ★ **Paul Domke**, SDBA Chairman  
President/CEO/COO, Heartland State Bank, Redfield
- ★ **Curt Everson**, SDBA President & Lobbyist
- ★ **Brett Koenecke**, SDBA Counsel & Lobbyist

1:00 - 2:00 p.m.: **View from the Executive Office**

- ★ **The Honorable Dennis Daugaard** (*invited*)  
Governor, State of South Dakota

2:00 - 3:30 p.m.: **"The New Administration"**

- ★ **Jennifer Duffy**, Senior Editor, U.S. Senate & Governors, The Cook Political Report

3:30 p.m.: **Visit with Legislators at the Capitol**

5:00 p.m.: **Heavy Hors d'Oeuvres Reception  
& Business Plan Competition Awards**

Join legislators and constitutional officers for a heavy hors d'oeuvres reception at the Ramkota Hotel. During the reception, winners of the South Dakota Bankers Foundation's Business Plan Competition will be announced and recognized.

## Feature Speaker: Jennifer Duffy

Jennifer Duffy is a senior editor for The Cook Political Report, where she is responsible for U.S. Senate and governors races. Founded in 1984, The Cook Political Report provides analyses of presidential, U.S. Senate, House and gubernatorial races. The New York Times has called The Cook Political Report "a newsletter that both parties regard as authoritative."



Duffy has 30 years of experience in campaign politics, the last 27 of which have focused on non-partisan political analysis. In 1985, she served as press secretary for the National Republican Senatorial Committee; she joined The Cook Political Report in 1988 as its first assistant editor. While continuing to work as the Report's contributing editor, Duffy also was a senior account executive with Hill and Knowlton Public Affairs Worldwide and an associate with the lobbying firm of Cassidy & Associates.

In 1995, Duffy rejoined Cook & Company full-time. She has served as an off-air analyst for NBC News on election nights from 1996 through 2014. She has been quoted in numerous publications and has appeared on ABC, NBC, CBS, CNN, PBS and C-SPAN's "Washington Journal." In June of 2011, BusinessInsider.com named her one of the 13 savviest political analysts in the country. Duffy is a frequent public speaker on elections and national political trends.

A native of Rhode Island, Duffy received a bachelor of arts degree in American government from Georgetown University in 1985. In May of 2012, Rhode Island College awarded her an honorary doctorate in social science.

Duffy will speak at the SDBA State Legislative Day on the new administration in Washington and what it may mean for business and banking.

## More Information

Visit [www.sdba.com](http://www.sdba.com) for more details and to register online. Questions, call the SDBA Office at 605.224.1653 or 800.726.7322. ■

# BANKING BEYOND BORDERS

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## 2017 Quad States Convention

**JUNE 4-6, 2017**

**Rushmore Plaza Civic Center  
Rapid City, South Dakota**

Be watching for details at [www.sdba.com](http://www.sdba.com).



# SDBA PREPARES FOR 2017 SESSION

**T**he SDBA Board of Directors and Legislative Committee met on Dec. 8, 2016, in Pierre to discuss potential legislation for the 2017 State Legislature.

## Initiated Measure 22

One item discussed was the passage of Initiated Measure 22, dubbed the Anti-Corruption Act. The measure places a \$100 annual limit on “gifts” that any lobbyist or employer of a lobbyist gives to any elected state officer, legislative official or staff person, or executive department official or staff person. A “gift” to an immediate family member of any of that list of people is counted toward the state official’s \$100 limit. Violation of these provisions is a Class 1 misdemeanor criminal offense.

SDBA President Curt Everson provided Board and committee members a list of concerns about the kinds of activities that SDBA engages in that could cause SDBA officials (staff, board members and bankers) and state officials to be in violation of limits on gifts. The list includes items such as the SDBA’s State Legislative Day, High School Scholarship Program, the South Dakota Bankers Foundation’s other scholarships, and contributions to candidates and leadership PACs.

While the law went into effect a week after the November election, a lawsuit was filed by some affected legislators, spouses of legislators and one interest group that hires a lobbyist. Plaintiffs asked for an injunction, which Circuit Court Judge Mark Barnett issued on Dec. 8, 2016.

Everson visited with legal counsel and SDBA staff on the matter and said the Board needs to determine quickly what to do about the SDBA State Legislative Day. After much discussion on the issue, the Board decided to continue with the event. But instead of a sit-down meal with state legislators and elected

officials, the event will conclude with a heavy hors d’oeuvres reception. Winners of the Business Plan Competition will be announced during the reception.

For now, the South Dakota Bankers Foundation will continue with its scholarships and Business Plan Competition.

## Property Assessed Clean Energy Legislation

Rick Bell with Sustainable Environmental Energy Engineering in Rapid City has been pushing for South Dakota to enact legislation in support of having local governments provide a structure to make loans in support of green energy projects associated with commercial and possibly residential properties.

Proponents suggest that property assessed clean energy (PACE) is a financing mechanism for energy efficiency and renewal energy projects that provides property owners with benefits that typical lending institutions may not be able to offer.

While Everson hasn’t seen any detailed legislative proposals, he believes the PACE concept envisions the use of local government debt issuing authority to float bonds that would be used to fund loans made to owners of real property for the purpose of putting green energy systems in place. The loans would then be repaid through assessments on the owner’s property for the life of the loan.

Everson said his understanding is that these “loans,” like a tax lien, would have priority over the primary mortgage in the event of foreclosure.

Bell would like the banking industry to support PACE legislation in South Dakota. SDBA Board and Legislative Committee members voted unanimously to oppose PACE-enabling legislation out of concerns about more government or quasi-government involvement in

lending on commercial or residential properties. The SDBA will be watching for potential legislation this session. If introduced, the SDBA will oppose such legislation.

## Stocks as Unclaimed Property

In his budget address on Dec. 6, Gov. Dennis Daugaard said he was considering legislation requiring unclaimed property stocks to be converted to cash before transferred to the state as unclaimed property.

The Governor said this would reduce risk to the administrator, simplify the state’s comprehensive annual financial report, and allow the state to sell the existing unclaimed stock portfolio that has accumulated over the years. This would generate \$13 million in one-time revenue.

Everson said presumably anyone holding this type of financial asset has to make efforts to maintain contact with its owners. It is only after unsuccessful attempts to contact the owner for three consecutive years that a holder of such an asset has an obligation to turn it over to the state treasurer. Then the state treasurer as the unclaimed property administrator continues to try to find the rightful owners.

If a bank happened to hold stock certificates in a safe deposit box and was unable to contact the owner, under the Governor’s proposal the bank would be required to sell the stock and remit the proceeds to the state of South Dakota.

Since the SDBA’s Dec. 8 meetings, Everson discussed the issue with officials in the Daugaard administration, expressing banker concerns about requiring holders to liquidate stock they do not own. Upon hearing these concerns, those officials indicated that these requirements would be removed from their legislative proposal. The SDBA will continue to monitor any related legislative proposals. ■

## **SDBA 2016-2017 Legislative Committee Members**

### **Chairman**

Lynn Peterson, CorTrust Bank, Yankton

### **Vice Chairman**

Steve Conzet, Wells Fargo Bank NA, Rapid City

### **Term Ending April 30, 2017**

- Patrick Burchill, U.S. Bank, Rapid City
- Jeremy Keizer, Reliabank Dakota, Tea
- Brad Moore, Dacotah Bank, Aberdeen
- Keith Robbennolt, Black Hills Community Bank, Rapid City
- Grant Seaman, First State Bank of Warner, Warner

### **Term Ending April 30, 2018**

- Joshua Hogue, Reliabank Dakota, Watertown
- Todd Hopkins, CorTrust Bank, Sioux Falls
- Michael Hudson, First National Bank, Pierre
- Tanner Kost, Dakota Prairie Bank, Fort Pierre
- Lynn Schneider, American Bank & Trust, Huron
- Kerry Swingle, Great Western Bank, Aberdeen
- Kevin Tetzlaff, First Bank & Trust, Brookings
- Cindi Walsh, U.S. Bank, Aberdeen

### **Term Ending April 30, 2019**

- Bruce Byrum, Black Hills Community Bank, Spearfish
- Julie Choudek, The First National Bank in Sioux Falls, Sioux Falls
- Travis Ellison, Dacotah Bank, Lemmon
- Nicole Gordon, BankWest, Pierre
- Tyler Haahr, MetaBank, Sioux Falls
- Don Nolan, Farmers State Bank, Marion
- Roger Porch, First National Bank in Philip, Philip
- Rodney Wolforth, First Bank & Trust, Garretson

**Stay Current on South Dakota  
Banking Industry Legislation  
[www.sdba.com/state-  
legislature](http://www.sdba.com/state-legislature)**

## **2017 Session Calendar**

Jan. 10	Session opens.
Jan. 16	Martin Luther King Jr. Day Holiday
Jan. 17	Executive orders filed.
Jan. 20	Concurrent resolution limited introduction deadline. (J.R. 6B-3)
Jan. 26	Last day for unlimited bill and joint resolution introduction (J.R. 6B-3).
Jan. 31	All bill drafts with sponsors due back in LRC.
Feb. 2	Last day for introduction of individual bills and joint resolutions.
Feb. 3	Last day for introduction of committee bills and joint resolutions.
Feb. 8	Last day for JCA selection of general fund revenue targets. (J.R. 7-11.1)
Feb. 20	President's Day Holiday
Feb. 21	Last day to use J.R. 5-17.
Feb. 22	Last day to move required delivery of bills or resolutions by a committee to the house of origin.
Feb. 23	Last day to pass bills or joint resolutions by the house of origin. Last day for introduction of concurrent resolutions.
Feb. 28	Last day for an appropriations committee to move required delivery of special appropriation bills to house of origin.
March 1	Last day for house of origin to pass special appropriation bills delivered by an appropriations committee.
March 2	Last day for introduction of commemorations. J.R. 5-13 in effect.
March 6	Last day to move required delivery of bills or resolutions by a committee to the second house.
March 7	Last day for a bill or joint resolution to pass both houses.
March 8	Reserved for concurrences or conference committees.
March 9	Reserved for concurrences or conference committees.
March 27	Reserved for consideration of gubernatorial vetoes.

# Scholarships Available for SD Bankers to Attend Emerging Leaders Forum

SDBA to Provide \$250 Stipend to GR Summit Attendees

The American Bankers Association (ABA) is offering two South Dakota bankers a \$750 scholarship to help cover the expenses of attending its 2017 Emerging Leaders Forum on March 20. The Forum is being held in conjunction with the ABA's 2017 Government Relations Summit March 20-22 at Washington Marriott Marquis in Washington, D.C.

The Emerging Leaders Forum is an opportunity for new voices in banking to share challenges and strategies, network with peers from across the country and gain new perspectives on leadership. There will be a private reception following the Forum.

While there is no fee to attend, the scholarship can help cover travel expenses. Pre-registration is required. Visit [www.aba.com/Training/Conferences/Pages/ELForum.aspx](http://www.aba.com/Training/Conferences/Pages/ELForum.aspx).

Bankers interested in applying for the scholarship should contact the SDBA's Halley Lee at 605.224.1653 or [hlee@sdba.com](mailto:hlee@sdba.com).

## Government Relations Summit

The SDBA will provide a \$250 stipend to a banker from each member bank to help cover expenses to attend the ABA Government Relations Summit on March 20-22. The SDBA will issue the stipends following the Summit.

Join bankers from across the U.S. as they come together to tell Congress how America's Banks deliver jobs and growth to communities across the country. Visit [www.aba.com/Summit](http://www.aba.com/Summit).

## Women's Leadership Forum

On March 22, the ABA will also hold the Women's Leadership Forum. This forum will feature a panel of women bank CEOs discussing how to develop, engage and retain women leaders, roundtable discussions, and a networking lunch that will encourage an exchange of ideas and solutions sure to result in valuable takeaways.

Learn more at [www.aba.com/Training/Conferences/Pages/WLForum.aspx](http://www.aba.com/Training/Conferences/Pages/WLForum.aspx). ■

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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.

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# ABA government relations. summit 2017

March 20–22 | Washington, DC

It's a pivotal year for Washington—and soon a new presidential administration, and a new Congress, will take office. These changes are an opportunity to ensure incoming lawmakers know the value of a strong banking industry.

Join us as we come together to tell Congress how America's Banks deliver jobs and growth to communities across the country.

**OTHER EVENTS TAKING PLACE:**

**Mutual Community Bank Forum**, March 19–20

**Emerging Leaders Forum**, March 20

**Women's Leadership Forum**, March 19

Register today  
[aba.com/Summit](http://aba.com/Summit)



American  
Bankers  
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# Why the Impact of MMF Reform Is Likely to Benefit Community Banks

By Steve Davis, Regional Director, Promontory Interfinancial Network, LLC

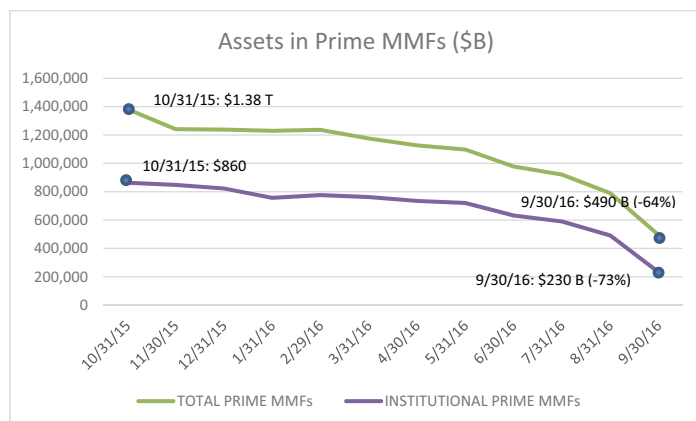


**N**ow that the U.S. Securities and Exchange Commission's (SEC's) new rules on money market funds (MMFs) have gone into effect, institutional cash managers are taking a new look at community banks.

The October 2016 launch of the new SEC rules, coming after a two-year implementation period, changes how prime money market funds calculate value. Up to now, these funds have transacted at a stable net asset value (NAV)—meaning that they could be bought and sold at the same price, regardless of the movement in the underlying investments. Additionally, the new rules provide for redemption gates that can be enforced during times of financial stress on the funds, as well as liquidity fees.

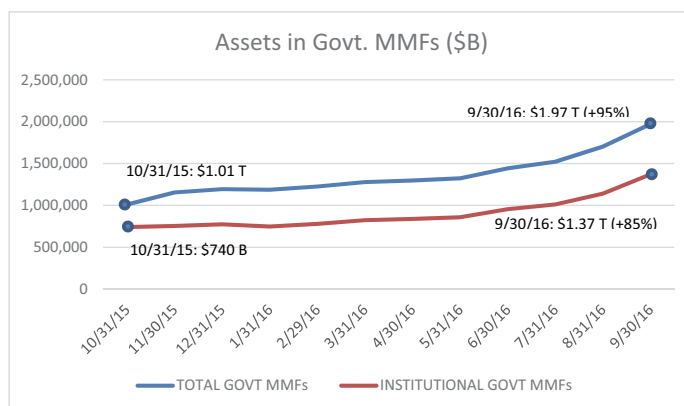
Following the SEC's initial announcement of the rule changes, there was a subdued response from institutional investors. The two-year timeline that the SEC specified for implementation gave a long runway for investors and fund managers to adapt.

With the changes now in effect, institutional money managers are starting to look at how to adjust their investment strategies with many investors looking for the exits, at least from prime funds. Data from Crane Data's Money Fund Intelligence shows that, by the end of September (leading up to the rule change), prime funds, which invest in higher yielding securities like commercial paper, had lost more than \$900 billion in assets since the beginning of 2015.



Source: Crane Data's Money Fund Intelligence

So far, many investors haven't completely exited the money fund market, but have largely transferred to government funds. Since October 2015, assets in government funds have nearly doubled, from around \$1 trillion to nearly \$2 trillion.



Source: Crane Data's Money Fund Intelligence

However, more recently, money has started to move out of money market funds entirely. According to Crane's, in the first two weeks of September 2016, prime money fund assets fell by nearly \$100 billion, with only \$52 billion of that moving to government funds.

So how could this benefit banks?

## 1. Institutional investors are shifting their investment strategies.

Institutional investors have an array of options when it comes to managing their cash deposits, and once a strategy is institutionalized, it takes work to go back and evaluate new options. In fact, for many institutional investors, investment practices are written into policies, further increasing the difficulty in reevaluation. This structure often leads investors to live by the idiom, "If it's not broken, don't fix it." However, the SEC rule change has effectively "broken" the investment policies for many institutional investors, triggering a reevaluation of investment practices. This opens a window of opportunity for banks.

Banks are a trusted resource for institutional depositors and have played a growing role in institutional investment strategies since the financial crisis, even before MMF rule changes. According to the AFP's 2016 Institutional Cash Management survey, institutional money managers allocate 55 percent of short-term

portfolios to bank deposits. For context, the same survey from 2007 showed just 27 percent of short-term institutional funds allocated to bank deposits. (2016 AFP Liquidity Survey, Report of Survey Results, July 2016, Association for Financial Professionals.)

Using Promontory's Insured Cash Sweep service, or ICS, banks have the ability to offer institutional cash managers the same kind of safety of principal and liquidity that they previously expected in prime funds, without having to lock up the deposits in collateral or repo sweeps.

## 2. Institutional investors will have fewer cash management options.

Not all institutional investors will be impacted by MMF reform. Institutions that historically have had a greater tolerance for risk and variance in their short-term investments won't see much of a shift in their practices. But many other institutional investors will face the prospect of a diminished range of short-term investment options. Many institutions are governed by rules that require a guarantee of principal on any deposit.

Changes in MMF reform have these risk-averse entities moving deposits out of MMFs or adjusting their investment practices to invest solely in government-backed investments, such as treasuries or agency notes, which has significantly reduced the yield on these instruments.

Again, bank deposits end up looking like an attractive option for many investors. With fewer investment options offering security for cash deposits, banks should be able to draw in safety-conscious institutional depositors, particularly by using ICS. The ICS service provides insurance on large-dollar deposits with daily liquidity options.

## 3. Yield expectations are likely to adjust downward.

Banks should be aware of the potential impact of MMF reform on customer interest rates. As MMF reform rules go into effect and institutional depositors move their funds to investment options that offer stability, they will expect to pay for this safety.

For banks, this change in expectations could mean that entire customer classes become more profitable. The true safety-conscious customers will be comparing bank rates against government MMFs. At the end of September, the top government money funds were yielding less than 30 bps, below what many banks would be willing to offer for these same deposits. (MONEY FUND INTELLIGENCE XLS - Historical Asset Totals & Crane Indexes, September 2016, Crane Data.)

With the lure of the higher yields paid by MMFs gone or severely reduced, much of this money will migrate back to its traditional home — banks. And by using ICS, banks have the flexibility to negotiate the rate directly with the institutional depositor, balancing bank and depositor priorities.

This could hardly come at a better time for banks, particularly for community banks, which have had a harder time attracting new deposits, according to recent FDIC data that shows most deposit growth centered in larger banking institutions. (FDIC Summary of Deposits Survey, 2016.) The exact impact that a flood of institutional deposits could have on customer rates is still uncertain, but for reasons stated, it could have a moderating influence on deposit rates.

Given this confluence of factors, as the fallout from money market fund reform settles and the environment for institutional deposits becomes clearer, banks may very well continue to grow as an essential partner to these depositors, and ICS could be an essential tool for banks looking to take advantage of this opportunity. ■

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Steve Davis is regional director for North Dakota, South Dakota and Minnesota banks for Promontory Interfinancial Network, an SDBA associate member. Promontory provides unique balance sheet and liquidity management services, including CDARS®, ICS®, IND®, Yankee Sweep®, Bank Assetpoint® and Residential Mortgage NetworkSM for members of its nationwide network of banks. For more information, contact Davis at 515.240.5451 or sdavis@promnetwork.com. Or visit [www.promnetwork.com](http://www.promnetwork.com).



## Regulators Streamline Call Report for Small Banks

**T**he federal regulatory agencies on Dec. 30, 2016, finalized a new, streamlined Call Report with simplified instructions for banks with less than \$1 billion in assets and no foreign offices.

The new Call Report reduces the total number of pages from 85 to 61 as a result of removing approximately 40 percent of the required data items. The new Call Report takes effect with the March 31,

2017, filing date.

ABA has long advocated for a simplification of the Call Report and has helped over the past several years to facilitate conference calls with community bankers and regulators to explain Call Report burdens and offer suggestions for streamlining it.

Read more at <https://www.ffiec.gov/press/pr123016.htm>. ■



## A Winning Game Plan for 2017



To say the 2016 election changed the outlook for banking policy is something of an understatement. It fundamentally altered the landscape and set the stage for a potentially very productive year in Washington. That's not to say there won't be challenges. Here's what bankers hoping for meaningful regulatory relief need to know.

With a Republican House, Senate and White House, odds of pro-growth legislation being enacted are significantly increased but not guaranteed. For any bill to succeed, it will need 60 votes in the Senate. That means bipartisan support—and strong grassroots engagement by bankers—is essential. That said, it's clear our industry will be starting 2017 with our advocacy efforts closer to the 50-yard line than our own 5-yard line. This greatly improves our odds of scoring important successes for economic growth.

The outlook is also positive on the regulatory side, where new leadership at the banking agencies will provide many significant opportunities to improve banking conditions. The Trump administration will have the task over the next several months of appointing new heads of the OCC (Comptroller Tom Curry's term expires in March), FDIC (Chairman Marty Gruenberg's term expires in November), Federal Reserve Board (Janet Yellen's term as chair expires in February 2018) and the Consumer Financial Protection Bureau (Director Richard Cordray's term expires in July 2018). ABA will work collaboratively with the new leadership at these and other key regulatory agencies as we seek to reform and modernize the regulatory system itself.

Of course, the agenda in Washington will be very crowded, and we'll need to work together to make sure our policy priorities get—and stay—on Congress' radar. It helps that our priorities are geared toward helping our customers, clients and communities thrive—a goal that clearly aligns with lawmaker concerns.

In fact, when ABA's Government Relations Council leadership and Board of Directors met in December, the bankers discussed the value of advocating not just much-needed changes like mortgage lending regulatory relief and simpler capital rules, but also policy solutions that are less parochial in nature and help the economy grow. These include ways to help those with heavy student debt, urban housing solutions and a stronger Small Business Administration. The council and board members agreed that it made sense to embrace such big-picture issues given the role bankers play as community leaders and economic stewards.

.....  
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that the policy positions we  
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forward-thinking and tell the  
story of what banks are for,  
not what we are against.  
.....

It's even more important that the policy positions we advocate are positive and forward-looking and tell the story of what banks are for, not what we are against. We are for economic growth. We are for job creation. We are for prosperity for our communities. Such optimism drives our industry, and it's what should drive our advocacy, too. It's far more compelling than an anti-this, anti-that platform.

So how can we best take advantage of the more favorable legislative and regulatory climate to ensure our "Blueprint for Growth," as we are referring to our policy priorities, is advanced? The single most important way is for you and bankers like you to actively engage at the grassroots level. That means working closely with your state bankers association to ensure your state's lawmakers—whether they are newly-elected freshmen or seasoned politicians—are hearing from you and your colleagues early and often.

It also means showing up in force at this year's ABA Government Relations Summit, March 20-22, 2017, in Washington, D.C. This event is the largest industry meeting in our nation's capital, with around 1,000 bankers with a range of titles and responsibilities attending each year. Given all that is at stake this year, I hope we will double that number. This simply must be our largest and best attended Summit ever. To that end, if you've attended the Summit before, please come again and bring a colleague. And if you've never attended the Summit before, make this your year to start. Find out more at [www.aba.com/Summit](http://www.aba.com/Summit).

The 2016 election was a game-changer in many ways, but there's one thing that remains the same: it will take the help of bankers from the C-suite to the tellers on the front lines to move the ball down the field and score meaningful legislative victories. ■

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

## Scholarships Available for GSB at Wisconsin



**Graduate School of Banking**  
at the University of Wisconsin – Madison

Since 1945, the Graduate School of Banking at the University of Wisconsin-Madison (GSB) has helped develop banking leaders through a program of advanced management education. The 2017 school session will be held July 30 to Aug. 11 at the University of Wisconsin-Madison.

GSB students acquire a broad knowledge and understanding of major bank functions and their interrelationships and develop the skills required to lead and manage effectively. The school's curriculum reflects the contemporary trends impacting the financial services industry. Core courses address broad areas of finance, marketing, management and the environment in which banks operate while elective courses allow students to customize their learning experience.

Prochnow Educational Foundation/SDBA scholarships will be awarded to two South Dakota bankers attending the 2017 Graduate School of Banking program. The scholarship amount is \$1,300 for each year of the student's attendance (approximately one-third of the annual tuition fees), for a total value of \$3,900.

This scholarship is for people who will be entering their first year at GSB. The deadline to apply for the scholarship is May 1. A separate application for the school must be completed via the GSB website at [www.gsb.org](http://www.gsb.org).

In addition, one scholarship to attend GSB's Human Resource Management School will be awarded to a South Dakota banker. The recipient will receive a \$925 discount on registration. The school, which will be held March 26-31, is designed specifically for HR professionals in the financial industry and addresses today's most critical HR issues. The deadline to apply for the scholarship is Feb. 10.

For both GSB scholarship applications, visit [www.sdbsa.com/gsb-wisconsin](http://www.sdbsa.com/gsb-wisconsin). ■

# T<sub>oo</sub> B<sub>ig</sub> T<sub>o</sub> F<sub>ail</sub>

02.13.2017

SDSU Performing Arts Center (1601 11<sup>th</sup> St., Brookings) at 7 PM

Ron Feldman, EVP, Federal Reserve Bank of Minneapolis, will speak on

"The Minneapolis Plan to End Too Big To Fail"



@JMSantos\_MBS

Inquiries: [joseph.santos@sdstate.edu](mailto:joseph.santos@sdstate.edu)  
Sponsored by the SDSU Department of Economics.

## Dacotah Bank Announces Management Changes

**D**acotah Bank announced several changes to the company's management team for 2017. The company's four geographical regions have been condensed to three and a new management position, chief financial services officer, has been created to lead the bank's insurance, trust and wealth management, marketing, sales and card services, and mortgage departments.

The firm's executive vice president and general counsel, Robert Fouberg, will assume a new level of responsibility, said Dacotah Bank President/CEO Joe Senger.

"Robert will provide leadership to Dacotah Bank's three regional presidents, the new chief financial services officer, and the bank's chief credit officer," Senger said. "He has proven to be a good leader, thoughtful listener, and strategic thinker. Dacotah Bank will continue to perform well with Robert in his new role."

Rob Keil, formerly Dacotah Bank's senior vice president credit administration, will become the company's senior vice president and chief credit officer. His team is responsible for the oversight of the bank's lending services and its \$1.8 billion in loans to local businesses, ag producers and individuals.

Brad Moore of Aberdeen will continue to serve as regional president for the Mid-Dakota markets of Aberdeen, Faulkton, Lemmon, Mobridge, Sisseton, Webster and their affiliated branches.

Dan Vollmer of Minot, N.D., will continue as regional president for the company's Northern markets of Dickinson, Jamestown, Minot, Rolla, Valley City, and their local branches.

The Southern region consisting of Brookings, Clark, Rapid City, Sioux Falls, Watertown and Morris, Minn., and their branches will be led by

Dave Bangasser of Sioux Falls.

Rick Rylance is the new senior vice president and chief financial services officer. Rylance has been the bank's regional president for the Western region and will be relocating from Rapid City to Aberdeen — the company's home office.

"Rick has been a road warrior for Dacotah Bank," Senger said. "He started his career in Aberdeen in the operations department while attending Northern State University. He has worked at Dacotah Bank in Lemmon and has been a bank president in Sisseton, Webster and Rapid City. He was born and raised in Aberdeen, so it's good to welcome Rick and his wife Rhonda back home."

As chief financial services officer, Rylance will lead the team of Aaron McCardle, senior vice president insurance; Steven Schaeffer, senior vice president trust and wealth management; Paul McDonald, vice president marketing; Kevin Burckhard, director of sales and card services; and Peggy Lunzman, director of mortgage banking.

Chad Bergan, a long-time member of the senior management team, will continue to serve as senior vice president and chief financial officer. Bob Compton, another long-time member of the senior team managing human resources, will become senior vice president and chief talent officer. Along with Bergan and Compton, others reporting directly to Senger will be Fouberg and Mike Hollan, senior vice president and chief operating officer.

Hollan's new operations team will include Kristen Fauth, senior vice president risk management; Diana Pfister, senior vice president compliance and credit operations; Bob Christensen, director of deposit operations; and Chad Ringgenberg, director of information technology. ■

## Farmers and Merchants Bank Adds to Nordby Exhibit Hall Gift

**F**armers and Merchants Bank in Huron, a branch of First National Bank, has provided an additional gift to the South Dakota State Fair Foundation for the Nordby Exhibit Hall for 4-H, Youth and Community. The bank donated another \$25,000, bringing its total donation to \$55,000.

Bank Branch President Spencer White said, "First National Bank recognizes the impact that 4-H has on the youth in our communities. We're proud to partner with the South Dakota State Fair Foundation to help bring the Nordby Exhibit Hall to life. Through 4-H programming our youth develop responsibility, leadership and experiential learning, specifically in the area of agriculture, which we are always proud to support. We're excited to contribute to our future leaders and look forward to the activities this new space will bring."

First National Bank has a history and commitment to customers that goes back to 1934. Since commencing operations in Pierre, the bank has been proud of its tradition as a family-owned business.

South Dakota 4-H meetings, learning activities, competitions and other 4-H events will take place in the new hall. The facility is also available for regional gatherings such as trade shows, receptions and conferences when not in use by 4-H.

The SD State Fair Foundation is carrying out its last part of its capital campaign for the new facility, with more than \$4.5 million of \$4.7 million raised. Opportunities to donate are still available, with only 200 bricks to go before the fundraising goal is reached. Contact the State Fair Foundation at 605.553.4251 or visit [www.sdstatefairfoundation.com](http://www.sdstatefairfoundation.com). ■



## classifieds

### **ACH Compliance Services Associate Director, UMACHA, Minneapolis/St. Paul, Minn.**

The Upper Midwest ACH Association (UMACHA) is a nonprofit, electronic payments based association, located in the Minneapolis/St. Paul area. UMACHA serves financial institutions and companies in the Ninth Federal Reserve District. Primary services include education, information and problem solving services, and compliance-based services dealing with the ACH network, along with check image processing. RESPONSIBILITIES: Schedule and complete ACH audits for member financial institutions when contracted. Schedule and complete ACH risk assessments for members when contracted. Complete RDC risk assessments for members when contracted. Travel at least 50 percent of the time (seasonal based on the deadlines for each service). Review and update the compliance services tools at least yearly. NECESSARY SKILLS INCLUDE: AAP (accredited ACH professional) required as well as any audit certifications or accreditations. Check, image and RDC

knowledge preferred. Two-plus years of experience in financial institution (bank or credit union) audit, operations or compliance. Two-year degree in accounting, finance or business, or commensurate experience. Self-motivated, able to work independently. Strong communications skills; verbal, presentational and written. Forward your resume and salary requirements to Angi Farren, EVP & COO, at [angif@umacha.org](mailto:angif@umacha.org). Go to our website at [www.umacha.org](http://www.umacha.org) to see the full job description. ■

### **Branch Manager, CorTrust Bank, Mitchell, S.D.**

CorTrust Bank has an excellent opportunity for a branch manager for our Mitchell Corn Palace location. The branch manager position oversees the daily functions and operations of the branch with primary emphasis on business and consumer lending activity, deposit activity, customer service activity and advocacy of CorTrust Bank within the community. If you are results oriented and have the experience, leadership and a personal effectiveness, then we welcome you to apply. Interested candidates

may email resume to [HR@cortrustbank.com](mailto:HR@cortrustbank.com) or visit our website for a full job description. <https://www.cortrustbank.com/careers/open-positions/> CorTrust is an EEO/AA/Minority/Female/Veteran/Disability employer. ■

### **Core System Administrator, Fishback Financial Corporation, Brookings, S.D.**

Fishback Financial Corporation is looking for an individual to fill a core system administrator position. This person should have a bachelor's degree plus three years of related experience or the equivalent. This position's responsibility includes assisting the core support manager with the overall integrity of the Jack Henry core processing system and ancillary systems, acting as a support resource for various systems users in order to maintain data integrity and improve efficiencies and quality, and working closely with various other FFC and business unit departments as well as third-party vendors. For more information and to apply online, please visit our website at [www.bankeasy.com/careers](http://www.bankeasy.com/careers). ■

If you have a job opening at your bank or something to sell, send your classified listing via email to [ademers@sdba.com](mailto: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.

## SD Bankers Foundation Provides Scholarships

**T**imothy Palmer, a student at Black Hills State University (BHSU) in Spearfish, and Zane Schumacher, a student at the University of South Dakota (USD) in Vermillion, were both selected to receive a \$1,500 scholarship from the South Dakota Bankers Foundation.

Timothy Palmer is a junior pursuing a degree in economics and finance. He is a member of the BHSU Student Advisory Board



*Timothy Palmer*

for the School of Business and is a peer mentor for younger students at BHSU.

After earning his undergraduate degree, Palmer plans to earn a master's in business administration. He would like to work in ag banking and eventually in an administrative position.

Zane Schumacher is a junior at USD studying finance. He is a member of Beta Theta Pi and is currently serving his third term as recruitment chair



*Zane  
Schumacher*

for the fraternity.

After earning his degree, Schumacher plans to pursue a career in finance as a financial advisor or in sales.

The South Dakota Bankers Foundational annually awards a \$1,500 scholarship to a junior majoring in economics and finance in the BHSU School of Business and a \$1,500 scholarship to a junior at the USD School of Business.

To learn more about SD Bankers Foundation scholarships at state colleges, universities and technical schools, visit [www.sdba.com/college-scholarships](http://www.sdba.com/college-scholarships). ■

# Seminars/Conferences/Webinars/Schools

## SDBA Events

### SDBA 2017 State Legislative Day

Feb. 8, 2017: Ramkota Conference Center, Pierre

### IRA Update

Feb. 24, 2017: Ramkota Hotel, Sioux Falls

### ABA 2017 Government Relations Summit

March 20-22, 2017: Washington Marriott Marquis, Washington, D.C.

### 2017 SDBA Agricultural Credit Conference

April 12-14, 2017: Ramkota Conference Center, Pierre

### 2017 FDIC Directors' College

May 2, 2017: Sioux Falls Convention Center, Sioux Falls

### 2017 Quad States Convention

June 4-6, 2017: Rushmore Plaza Civic Center, Rapid City

### 2017 National School for Beginning Ag Lenders

June 19-22, 2017: Black Hills State University, Spearfish, S.D.

## Webinars

The following are available as live webinars and/or recorded seminars. For more information and additional webinars, visit [www.sdba.com/webinars](http://www.sdba.com/webinars).

- Jan. 17, 2017: The New HMDA Rule: Implementation Challenges
- Jan. 18, 2017: Legal Account Ownerships, Titles, Sample Signature Cards and Legal Documentation
- Jan. 18, 2017: Online Deposit Account Opening
- Jan. 19, 2017: Will Your Frontline Cost You Millions?
- Jan. 19, 2017: Implementing the New Beneficial Ownership Rules
- Jan. 20, 2017: New Security Officer Training
- Jan. 24, 2017: BSA/AML and OFAC – Continuing Developments
- Jan. 24, 2017: Right of Setoff
- Jan. 25, 2017: Your Renter Dies. Who Can Access the Safe Deposit Box Now?
- Jan. 25, 2017: Creating the Right Enterprise Risk Management (ERM) Program for YOUR Community Bank
- Jan. 26, 2017: Compliance Perspectives
- Jan. 26, 2017: Advertising Compliance
- Jan. 26, 2017: Loan Underwriting Mistakes
- Jan. 27, 2017: ACH Rules Update

- Jan. 30, 2017: Flood Insurance Review and Update
- Feb. 2, 2017: Onboarding Your New Hire
- Feb. 2, 2017: Jack's Compliance Resource TBD (Lending)
- Feb. 3, 2017: Basic Cash Flow Analysis
- Feb. 6, 2017: Open-Ended Credit
- Feb. 7, 2017: Successful Workout Strategies for Problem Loans
- Feb. 7, 2017: New Trump Administration – New Employment Compliance Priorities for 2017
- Feb. 8, 2017: FFIEC Information Security Handbook Review
- Feb. 8, 2017: Using Personal Tax Returns for Global Cashflow: What's Cashflow and What Isn't
- Feb. 9, 2017: What is Covered by D&O Insurance – What is Not?
- Feb. 9, 2017: Compliance Rules for Commercial Loans Secured by Real Estate
- Feb. 10, 2017: Fair Lending Review and Update

## Banking Schools

### Schools of Banking: School of Lending Principles

March 6-10, 2017: Manhattan, Kan.

### GSB Bank Technology Management School

March 19-24, 2017: University of Wisconsin-Madison

### GSB Human Resource Management School

March 26-31, 2017: University of Wisconsin-Madison

### Schools of Banking: School of Banking Fundamentals

April 3-7, 2017: Grand Island, Neb.

### 2017 National School for Beginning Ag Lenders

June 19-22, 2017: Black Hills State University, Spearfish, S.D.

### Graduate School of Banking at Colorado

July 16-28, 2017: University of Colorado-Boulder

### Graduate School of Banking at Wisconsin

July 30-Aug. 11, 2017: University of Wisconsin-Madison

### GSB Financial Managers School

Sept. 10-15, 2017: University of Wisconsin-Madison

### GSB Bank Technology Security School

Oct. 15-20, 2017: Dallas, Texas

### GSB Advanced IT Forum

Oct. 24-26, 2017: University of Wisconsin-Madison

For more details and to register for a training, visit the SDBA's online event calendar at [www.sdba.com](http://www.sdba.com).

# Fundamentals of Ag Lending

## 2017 National School for Beginning Ag Lenders

**June 19-22, 2017**

**Black Hills State University  
Spearfish, South Dakota**



**REGISTRATION NOW OPEN**

This school will be limited to 60 students. Visit [www.sdba.com](http://www.sdba.com).

The 2017 National School for Beginning Ag Lenders is an intensive school designed to train in all facets of agricultural lending with emphasis on credit analysis, credit scoring, risk rating, problem loans and group case study.





Conference & Reception

# SDBA 2017 State Legislative Day

**February 8, 2017**

Ramkota Hotel  
& Conference Center  
Pierre, South Dakota

The SDBA's 2017 State Legislative Day is your opportunity to stay up-to-date on both state and federal legislation which could affect the banking industry and to visit with state legislators.



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