

President's Message



As January 2011 has quickly come to an end, our recent weather has reminded us how extreme the weather in South Dakota can be. Over the last ten days, we have experienced near 30 below temperatures and today we look forward to near 40 degrees above zero. With all of the snowfall and shoveling we have had this winter, most of us are looking forward to the spring thaw.

We have quickly moved into the legislative sessions both on the National and State level. The financial reform bill has kept us focused on

the activity at the national level. There appears to be substantial regulation pending, in 2011, that will affect the community banking industry, including Debit Card Interchange fees, new overdraft regulations, and continued 'talk' of regulation relief for community banks.

On the state level, there have been very few banking bills that have required much attention. Recently, however, SB157 (provided a priority lien for Ag suppliers) was introduced again. This bill would have had a severe impact on how we lend money to finance Ag boperating lines across South Dakota. It would have made it impossible to determine what lien position you may have had, despite your properly filed lien. By the time you are reading this message, I hope that this bill will have been killed in committee. Our lobbyist, Dean Krogman, opposed this bill on our behalf and had asked for a grass roots campaign to inform the committee members on how we stood on the bill.

Over the last few years, you will note that ICBSD has raised its efforts to build our PAC contributions in our state. You can be proud of how you, and your fellow bankers, have responded as we have continued to hit new levels. While raising PAC funds can have a great impact, it is no replacement for personal contact, with our elected officials, from ICBSD members. I want to thank all of you who take the time to contact your local Representatives and Senators in regard to community banking. While Dean continues to represent us well, we all have an obligation to do our part to support and protect our industry.

The end of January brings the start of the second half of my term as ICBSD President. The time seems to be flying by and I am sure the next few months will be no different. The spring calendar is full of numerous events with the national ICBA convention in San Diego (hopefully no snow), and a trip to Washington, D. C. to represent our association, as we complete our congressional visits.

Your Board of Directors has spent a great deal of time the last few months, preparing for a search for our new executive director. You will notice an advertisement campaign begin, shortly after you are reading this, as we move forward with the search process, in the months to come. This will require a larger than normal time commitment, by the search committee. I thank them, in advance, for their time and commitment to the future well-being, and ongoing success, of our association. As I mentioned in my previous column, we are fortunate to have Ginger as our Executive Director, during this time, as she continues to effectively run the ICBSD office as we plan for the future.



Timothy A. Prince
President

National Director's Report



When I think of February, I think of Valentine's Day, family member birthdays (Dad Darwin will be 90 on 2/22) and I know spring is just around the corner. It won't be long and we will have melting snow and much warmer weather. Something I know we will all appreciate!

Another event that I look forward to each year is the ICBA National Convention & Techworld. I quote ICBA Chairman, Jim McPhee: "There's certainly a time to lay low and there's a time to take action, and I firmly believe that one of the most enriching and empowering actions you can

take is to attend the ICBA National Convention and Techworld." This year the Convention will be in San Diego, March 20 - 24th. So far there are 26 ICBSD bankers who are registered for this event. We all have a lot of changes and challenges ahead of us. I do believe we will be brought together during these next few years to help in developing new rules for banking. We can either sit tight or we can stand up and be heard. What better place to do that than at the ICBA National Convention? We will be speaking with one voice, at this convention, for community banks.

In the past months we have seen several successes and we have more challenges ahead:

FDIC Assessment Changes

We look forward to the FDIC second quarter assessment statements which will reflect the reduction in assessment fees to each of our banks, due to the changes to the assessment base.

FASB Fair-Value Reversal

In addition to the initiatives by the administration and members of Congress, the Financial Accounting Standards Board recently took a significant step toward reversing its proposed mark-to-market accounting changes for financial instruments. FASB approved an accounting model to continue to allow companies to carry a variety of financial instruments at amortized costs. The preliminary decision, which is expected to be finalized in June, reverses FASB's exposure draft released last year that would have required bank loans to be carried at fair value.

Regulatory Review

President Obama recently signed an executive order instructing agencies and departments to reduce the regulatory burden on small businesses. The order requires federal agencies to design cost-effective and evidence-based regulations, to make publicly available compliance information easily accessible to the public, and to consider ways to reduce regulatory burdens on small businesses.

Obama wrote in a Wall Street Journal editorial that the administration is examining the regulatory system as a whole to avoid "excessive, inconsistent and redundant regulation." He repeated this in his State of the Union address, where he also called for corporate tax reform and fewer barriers to growth and investment. As ICBA President and CEO, Cam Fine, wrote in a recent blog post, the plans are still at an early stage and we will need to see positive results of this regulatory review for community banks.

Senate Votes To Overturn ICBA-Opposed 1099 Burden

The Senate approved an amendment to overturn an ICBA-opposed tax burden included in the health-care reform act. The amendment would

Continued from Page 1

eliminate a provision requiring businesses that pay another individual or business \$600 or more for goods or services to issue Form 1099s beginning in 2012. ICBA recently announced that it strongly supports bipartisan efforts to overturn the 1099 mandate. Similar legislation is pending in the House.

Agencies Launch Registry for Mortgage-Loan Originators

Federal regulators announced that the Nationwide Mortgage Licensing System and Registry began accepting registrations. Under the SAFE Act, residential mortgage-loan originators employed by banks, savings associations, credit unions or Farm Credit System institutions must register, obtain a unique identifier from the registry and maintain their registrations.

After the registration period expires on July 29, employees of institutions subject to the registration requirements will be prohibited from originating residential mortgage loans without first meeting these requirements. Originators who originated five or fewer loans during the previous 12 months are not required to register.

Two issues which we community bankers need to be standing up and voicing our concerns are:

FDIC Final Guidance on Overdraft Programs

We need to voice our community banking industry's concerns with the FDIC's final guidance on overdraft programs FIL-81-2010 November 24, 2010. The guidance is based on outdated information and fails to explicitly exempt ad hoc overdraft payment programs, as requested by ICBA in its September comment letter. ICBA has recommended that the FDIC should delay the effective date of the guidance until 2013 at the earliest, ensure that examiners are not enforcing the guidance prematurely and expressly exempt ad hoc programs.

ICBA Feedback on Interchange Impact Is Urgent

ICBA President and CEO, Cam Fine, encouraged the nation's community bankers to help ICBA combat the Federal Reserve's interchange proposal by completing three ICBA surveys. In a CEO alert, Fine wrote that ICBA is seeking more needs data on how the interchange pricing mandate would affect community banks to strengthen its campaign against the plan.

The Federal Reserve proposal rule would implement the Durbin Amendment to the Wall Street Reform Act, which will drastically reduce debit card interchange fees that card issuers receive from merchants. The proposal plan would slash community bank debit card interchange revenue by an estimated 70-80 percent, leading to fewer options and higher fees for community bank customers. I know a lot of community banks do not understand the impact on their banks with their debit card programs. I encourage you to look into the impact of the Durbin Amendment and share this information with our Legislators.

I look forward to seeing those of you who will be at the ICBA National Convention and hope that each of you has a safe and rewarding trip. For those that are staying back in South Dakota, well I can say that we will miss you. Take care and have a great Spring!

Dick Behl
ICBA Director for South Dakota

CONSUMER FINANCIAL PROTECTION BUREAU

Dr. Elizabeth Warren recently met with ICBA State Affiliate Executives in Washington, D.C. She stated that community banks play a vital role in the financial system and the agency should avoid subjecting community banks to additional layers of regulations. Warren said the new bureau will subject the estimated 80,000 non-depository financial institutions to oversight and supervision and will work to lower regulatory costs for community banks. "If we do this right, we will create conditions that help community banks," she said. "It is important as we build this agency, to be thinking of community banks from the outset."



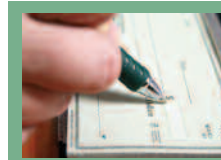
Dr. Elizabeth Warren, in the ICBA office, meeting with state affiliate executives.

Warren was joined by Elizabeth Vale, who is leading the CFPB office dedicated to community banks, and Steven Antonakes, who is developing the bureau's office for large depository institutions. She announced, at the meeting, that the bureau's website will soon be unveiled. **~It was just learned that the website is active: www.ConsumerFinance.gov.**

Dr. Warren, and her team, look forward to engaging directly with consumers right away and want/need the help of community bankers in getting their ideas and suggestions for the new agency! With the launch of their new site, they are Open for Suggestions. You can post yours at <http://www.consumerfinance.gov/openforsuggestions>.



Dr. Warren pictured with Elizabeth Vale and Steven Antonakes.



Have you written your PAC checks yet?

Both the ICBSD PAC and the ICBPAC?

ICBA National Convention and Techworld®
San Diego Convention Center
March 20-24

San Diego 211

COMMUNITY BANKS | America's Financial Foundation

There is still time to get registered for ***ICBA's National Convention and Techworld, in San Diego, on March 20th - 24th!*** You will find registration and lodging information, as well as a schedule preview, at www.icba.org/convention. You will also find an overview, of the speakers and programs, inserted in this newsletter. Please call the ICBA Convention Department, at 800-422-7285, with any questions.

Take Stock of Your Munis

New Year Creates Opportunities in General Market Munis

By Jim Reber

I want to congratulate you. You have resisted the urge to page forward to a topic that you don't think you've read before, and I wouldn't blame you. Articles on the municipal security market have appeared in numerous magazines and trade journals over the last year. This one, I promise, is different.

All of the provisions from the main stimulus bill that impact the municipal market were allowed by Congress to lapse at the end of 2010. Virtually every bank, in the country, could have taken advantage of at least some of the programs, whether or not they were taxable. The broker/dealer and accounting communities rightfully tried to spread the good word to their clients, as the deadlines were well publicized when the bill became law in 2009.

In spite of this looming drop dead date, municipal issuers and underwriters operated in a state of suspended disbelief until mid-December of last year. The market was very volatile and fragmented (even more so than normal year-ends) as it attempted to adjust to the new supply that would be dictated by the re-established rules. The result is opportunity for the informed municipal investor. This should include your bank.

Rules Revisited

The segment of the muni market that got the most publicity was the Build America Bonds (BABs). These are taxable securities that are obligations of the state or local government that issued them. Because they don't have a tax-free aspect, they appeal to a wide range of investors, including non-taxable entities. Total BAB volume has been about \$187 billion, which was around 25 percent of new issuance. BABs did not make the cut into the new year, so their supply is now fixed.

In tax-free land, there were two main provisions that are now history. First, banks could treat 2009 and 2010 general market issues as bank-qualified ("BQ"), up to two percent of the bank's assets. These are referred to as "2 percent bonds." The only other requirement is that they are for new projects, and therefore don't refinance currently outstanding debt.

Also, certain 2009- and 2010-dated issues are exempt from the alternative minimum tax (AMT). These also have restrictions on their use before they can be considered AMT-exempt, so make your broker document their qualifications. If they do meet the requirements, these bonds will shield you from AMT until they mature.

Finally, in a somewhat surprising development, the size cap on a given issue to be bank qualified retreated back to the 1986 level of \$10 million. The maximum had been raised to \$30 million, and it was hoped the provision could be made permanent. Not so fast, said Congress.

Market Reaction

Recall too that December 2010 saw a rapid rise in Treasury yields. The ten-year note's yield rose nearly 100 basis points since the announcement of "QE2", and muni yields have risen as well. However, the rise has been anything but uniform.

Traditional BQ issues saw very stable prices. The impending shrinkage of supply caused buyers to step up to the plate. Yields rose only about 70 bps in the 10-year BQ sector in November and December. BABs on the other hand saw their 10-year yields climb 135 bps. The realization that the BABs experiment was coming to a swift conclusion caused taxable issuers to load the supply boat.

General market tax-free securities, which are of interest to banks because of the now-expired 2% rule, saw yields jump about 150 bps in this period. So as the new year begins, the conclusion that a rational investor should reach is that general market munis and BABs are a bargain, and BQs are less so.

Identify Your Strategy

Please engage your municipal experts when navigating these waters. This includes your tax accountant, and research analysts from full-service brokers. The best option will vary from bank to bank, but there are several likely recommendations:

- Use up all your allotment of the 2% bonds, especially since general market paper has gotten much more attractive in the last month.
- Buy, and hold, all the AMT-free paper that the 2% rule allows you. They're not making any more of these jewels.
- BAB's, which have a finite supply, should be attractive alternatives for taxable and non-taxable investors alike.
- For you S corps, don't forget the boost you get out of BQs, thanks to TEFRA penalties no longer applying to you.

ICBA Securities can consult with you concerning a desirable mix of municipal investments. Contact your ICBA Securities sales rep or visit www.icbasecurities.com for recent Strategic Insights on municipals.

Jim Reber is President/CEO of ICBA Securities and can be reached at 800-422-6442 or jreber@icbasecurities.com.



The First National Bank in Sioux Falls recently lost a dear friend, colleague and mentor. William Stewart Baker passed away on January 4th, in Rochester, MN. He was born in Sioux Falls. Bill graduated from Washington High School, in Sioux Falls, served in the US Army and then graduated from the University of South Dakota. His entire professional career was at the First National Bank in Sioux Falls having served as its president from 1971 to 1983 and retiring as Chairman Emeritus of its Board of Directors, in 1995. Bill's many community involvements included the USD Medical Center and Foundation as well as the Sioux Falls El Riad Shrine. He is survived by his wife, Martha, son W.L. (Peg), daughters Ellen (Jeff) Baker-Merrigan and Mary Baker, in addition to five grandchildren and his extended family of devoted bank employees.



Ginger Snaps

- #1. ICBSD will be hosting a **Reception**, at the **ICBA Convention**, with Iowa, Minnesota, North Dakota and Wisconsin, in addition to United Bankers' Bank and numerous other sponsors. All ICBSD members, attending the Convention, will receive an invitation to the '**Upper Midwest Event**'. ~It is not too late to register for the Convention!
- #2. Believe it or not, it is time again to start thinking about your **Annual Retreat** on **July 28 - 30**. As always, it will be at **Sylvan Lake Lodge**. There are two things you can already do for preparation: a) Reserve your lodging by calling the ICBSD office and b) Start looking for your unique/special ICBSD PAC Auction contribution.
- #3. The national tradition, of **Community Banking Month**, will continue in April. As for years, ICBSD members will receive a promotional/marketing kit from their association. *You can also find valuable resources available at www.icba.org.*
- #4. ICBSD President-Elect, **Lance Koth**, is **2011 - 2012 Nominations Chairman**. Please contact him if you are interested in serving on **ICBSD's Board of Directors** or if you know of someone within your bank.
- #5. All ICBSD members (banks and associates) will soon receive their *complimentary* **2011 Membership Directory**.
- #6. We hope that many of our member banks are beginning to use our newest member benefit: **cbanc Network**. You can learn more on the homepage of our website, www.icbsd.com, or visit their direct website at www.cbancnetwork.com.

ICBA NOMINATES NEW OFFICERS

ICBA recently announced the following **2011 - 2012** nominees for its Executive Committee:

- Chairman: **Salvatore Marranca**, President/CEO
Cattaraugus County Bank, Little Valley, NY
- Chairman-Elect: **Jeffrey L. Gerhart**, Chairman
Bank of Newman Grove, Newman Grove, NE
- Vice Chairman: **William A. Loving, Jr.**, President/CEO
Pendleton Community Bank, Franklin, WV
- Secretary: **Steven R. Gardner**, President/CEO
Pacific Premier Bank, Costa Mesa, CA
- Treasurer: **Jack A. Hartings**, President/CEO
The Peoples Bank Company, Coldwater, OH

The two Director At-Large nominees are Rebecca Romero Rainey, CEO, Centinel Bank of Taos, Taos, NM and Noah W. Wilcox, President/CEO, Grand Rapids State Bank, Grand Rapids, MN. James D. MacPhee, CEO, Kalamazoo County State Bank, Schoolcraft, MI will become ICBA Immediate Past Chairman.

LOBBYIST REPORT

As we were in the 4th week, of the 86th Legislative Session, approximately 458 bills had been filed. This is less than normal but not surprising for this year. The big issue is the budget and legislators seem to be holding firm on the 10% across-the-board cut. The effects of a \$130,000,000 cut will affect jobs, and therefore the economy, of our state.

We are monitoring 18 bills ranging from priority liens to the contributions to PAC's and caps on interest rates. SB 157 would allow originating priority liens for Seed & Grain dealers. The bill had two senate committee hearings and eventually was moved to the 41st legislative day. That motion kills the bill. Other lien bills included chiropractors and commercial real estate.

SB 172 changes the rate charged on judgments from 10% to 4 1/2%. This bill has not been heard as I am writing this column. There is opposition because by moving to 4 1/2% you are allowing a judgment rate to be lower than some lending rates.

We are opposed to initiating rate caps, which is what HB 1224 would do, for payday lenders. There have been several bills that would remove exemptions from the sale tax code. One of them is SB 167 which would force all dues paying organizations to pay a tax on their membership dues. Another one is SB 160 that would tax brokerage firms. Banks that have firms could effectively be taxed twice if profits were included in the bank franchise tax. This bill died in committee.

SB 110 was put in by the South Dakota Bankers Association. It was a clean-up bill for the collateral real estate mortgage legislation from two years ago. No opposition occurred as it passed the Senate 35-0.

SB 70 would prohibit private transfer fees. It came from the Realtor and Land Title folks. Private transfer fees put covenants on the title and have the same effect as a perpetual easement. The covenant typically would require a payment of a certain percent, of the seller price, to a third party. It passed the Senate 34-1 after being amended to not allow non-for-profits to be exempt from the prohibition.

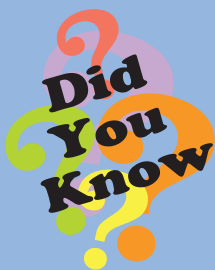
We are monitoring three appraiser bills. Two are passing through the Chamber without opposition. The third one, HB 1033 would require appraisal companies to be regulated. That was tabled and will be brought back off the table in week five.

SB 14 is a mandatory reporting of elderly abuse. The reason I mention this is that the bill originally included bankers. That part was negotiated out prior to the bill being introduced.

There were several sales tax increase bills proposed and all have been killed in committee. This is in response to lessening the pain of the 10% budget cut. As I said earlier, legislators are holding firm on that issue. I look for things to heat up as the budget hearings continue. There are a number of bills that are vehicles relative to Healthcare and Taxes. To be hog housed, the title has to be germane. So what you may see in the bill could be totally different as it moves through the process.

As always, it is important to contact your legislators on specific issues of concern to you and your bank. Please don't hesitate to call me with questions, at any time, concerning bills that are of interest to you.

Lobbyist
Dean Krogman



The new 95-minute play 'Lombardi', now playing on Broadway, reveals a surprising tidbit about Packers coach Vince Lombardi. He had an offer to become a bank loan officer, before he took the head coaching job in Green Bay, WI. Instead, the legendary coach followed his wife's advice to move to Green Bay, and as they say....the rest is history.

Interesting Numbers

We will experience four unusual dates this year: 1/1/11 1/11/11 11/1/11 11/11/11

Take the last two digits of the year you were born and add it to the age you will be this year. The answer will always be 111.

Will Rogers Coming to ICBSD's Annual Retreat!

One of America's most beloved citizens will be highlighting ICBSD's **2011 Annual Retreat, on July 28th - 30th**. Lance Brown, aka as Will Rogers, will be with us on Friday morning. He will be bringing the warmth and wit of one of America's great humorists with him. He puts special emphasis on how Rogers' wit and wisdom still apply to our lives today, some seventy-five years after his death. Using the Rogers' trademark trick roping to illustrate his points about politics, government, business and the human condition, Brown never breaks character. He takes you on a journey into the roots of American experience.

After years of performing as Will Rogers, Brown wears the role like a second skin. This performance brings you history, heroes and hilarity, a few rope tricks but mostly the irrepressible spirit of Will Rogers and hope for our troubled times. Lance wraps things up with a brief, but heart-rending, discussion of heroism, integrity and Will's down-to-earth take on life. As Will Rogers, Lance Brown leaves his audiences with inspiration, motivation and a lot of laughs.

As always, Retreat registration information will be available this spring! As is tradition, this very popular ICBSD gathering will feature: Quality Speaker/Topic Presentations, Annual Business Meeting, ICBSD PAC Silent Auction, Family Entertainment and lots of Peer Networking.



1. We will be back at *The Golf Course at Red Rock* for the **Thursday Golf Scramble**.
2. A *new Friday evening format* is being planned. We will not be leaving the Sylvan property. Be watching for more on this, in the future.
3. Plans are being made for the opportunity to go *horseback riding* on the **Blue Bell Trail**, for all those interested in doing so, on **Saturday afternoon**.
4. **Lodging** can be reserved by calling Ginger, in the ICBSD office.
5. Please start looking now for your **PAC Silent Auction** contribution.

MEMBER NEWS

First Dakota National Bank hosted AgriVisions 2011, in Mitchell late January, which featured Dr. Edmond Seifried. Dr. Seifried is Professor Emeritus of Economics and Business at Lafayette College in Easton, PA. He also serves as Executive Director of the Sheshunoff CEO Affiliation Programs. Dr. Seifried is a nationally recognized speaker on economic issues and forecasting techniques. His presentation offered easy-to-follow directions on how to recognize key economic signals and prepare strategies to cope with the changing economic environment. This was First Dakota's twentieth AgriVisions Conference.

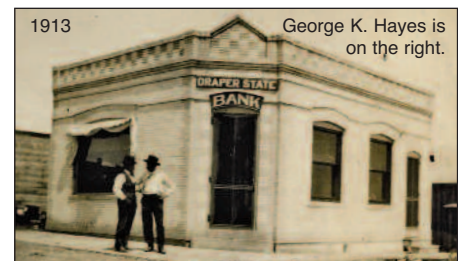
DAKOTA PRAIRIE BANK

Dakota Prairie Bank has been serving central South Dakota for over a century. The bank's history dates back to June 25, 1906, when George Hayes opened Draper State Bank, in Draper, South Dakota. George's son, Keith Hayes, purchased the bank in Presho, in 1985. The Presho bank then operated as Draper State Bank of Presho until the name of both banks changed to Prairie State Bank in 1996. Due to trademark issues, the name changed to Dakota Prairie Bank, in 1997.

George's grandson, Stephen Hayes, joined the family's banking business in 1987, starting as a teller and working his way up. Stephen was named President and CEO of Dakota Prairie Bank, in 1999. The bank broke ground on a new facility, in Fort Pierre, in November 2009. The Fort Pierre office opened on June 17, 2010 and now serves as the main office.

Dakota Prairie Bank employs 17 full-time, and one part-time, staff members, between its three locations, in Draper, Presho and Fort Pierre.

****Every issue of 'The Independent Community Bankers' will continue to feature one of our member banks.*



Financial Education and Development Inc.
****Community Banker's Webinar Network****

The Dodd-Frank Act, the new Consumer Financial Protection Bureau, and a number of other federal laws are poised to issue a record number of new regulations impacting community banks. For most community banks, it is nearly an insurmountable task to monitor the new regulations and develop policies, procedures and processes to comply.

The Independent Community Bankers of South Dakota is committed to providing you with the information and tools to understand and comply with the new requirements on a timely basis and to keep you informed on 'hot topics' that may require action. In effect, we will serve as your outsourced Compliance Officer.

In order to develop quality solutions, we have joined with industry experts who continuously monitor proposed and final rules/regulations and industry trends, analyze the impact on community banks and then develop specific strategies for compliance, including producing webinars in draft form until the topic is clearly at the point that some action must be taken. Once we collectively conclude that the regulatory or official guidance has reached an action stage, we offer the webinar. Unlike some organizations, we will not offer a webinar until the topic has clearly reached the point that community banks must act. The webinars that we then offer will include specific policies, procedures and processes to assist you with compliance.

Items on our Current Watch List include:

- * Debit Card Interchange Fees - Durbin Amendment
- * Federal Regulations on Garnishments
- * Mandatory FDIC Training
- * FinCEN MSBs - Stored Value Card, Prepaid Access
- * Mortgage Disclosure Improvement Act
- * National Strategy for Trusted Identities in Cyberspace (Online Authentication)
- * Financial Regulatory Reform - All Aspects
- * New Appraisal & Evaluation Guidance
- * FinCEN Cross-Border EFT

You can review upcoming webinars at www.icbsd.com or www.financialedinc.com/USmap.

~ICBSD members will also be receiving this information, in an email message, directly from FED. Please call your ICBSD office with questions, at any time.

**INDEPENDENT COMMUNITY BANKERS
OF SOUTH DAKOTA**

OFFICERS:

- PRESIDENT Timothy A. Prince, Senior Vice President
American Bank & Trust, PO Box 317, Miller, SD 57362-0317
605-853-3051, Fax: 605-853-3054, tprince@americanbanktrust.net
- PRESIDENT-ELECT Lance Koth, President Mitchell Branch
First Dakota National Bank, PO Box 1306, Mitchell, SD 57301-1306
605-995-7901, Fax: 605-996-3784, lkoth@firstdakota.com
- SECRETARY/TREASURER Emily Hofer, Controller
Merchants State Bank, PO Box 399, Freeman, SD 57029-0399
605-925-4222, Fax: 605-925-4836, ehofer@msb-sd.com
- PAST PRESIDENT David A. Callies, Executive Vice President/CEO
Miner County Bank, PO Box 129, Howard, SD 57349-0129
605-772-4561, Fax: 605-772-5492, dcallies@minercountybank.com
- ICBA NATIONAL DIRECTOR Dick D. Behl, CEO/President
The F & M State Bank, PO Box 367, Scotland, SD 57059-0367
605-583-2234, Fax: 605-583-4205, dbehl@fmsbscotland.com
- HONORARY PAST-PRESIDENT Michael B. Owens, President
Sunrise Bank Dakota, PO Box 284, Onida, SD 57564-0284
605-258-2641, Fax: 605-258-2454, mike@mysunrisebank.com
- HONORARY PAST-PRESIDENT Jan Thompson, Exec. Vice President/COO
The First National Bank of Volga, PO Box 77, Volga, SD 57071-0077
605-627-9121, Fax: 605-627-9123, jan.thompson@fnbvolga.com
- LOBBYIST Dean M. Krogman
218 State Avenue, Brookings, SD 57006
Cell: (605) 695-3497, dkrogman@sdsma.org
During Session: (605) 224-5030
- EXECUTIVE DIRECTOR Ginger Adams
PO Box 696, 115 West 15th Avenue, Mitchell, SD 57301-0696
(605) 996-9329, Fax (605) 996-1401, ginger@icbsd.com

DIRECTORS:

- 2011 R. Scott Campbell, President
First National Bank, PO Box 576, Frederick, SD 57441-0576
605-329-2122, Fax: 605-329-2524, fnbnscott@nvc.net
- 2011 Jaimey Schempp, Vice President/SLO
State Bank of Alcester, PO Box 168, Alcester, SD 57001-0168
605-934-2500, Fax: 605-934-2515, jaimey.schempp@statebankofalcester.com
- 2012 Bruce J. Haerter, CEO/President
Farmers State Bank, PO Box 65, Hosmer, SD 57448-0065
605-283-2201, Fax: 605-283-2396, bhaerter@valleytel.net
- 2013 Raymond E. Smith, CEO/President
First National Bank in Philip, PO Box 910, Philip, SD 57567-0910
605-859-2525, Fax: 605-859-2238, ray@fnbphilip.com
- 2013 Terry Torgerson, Senior Vice President
CorTrust Bank, N.A., PO Box 1246, Mitchell, SD 57301-1246
605-995-1104, Fax: 605-996-1929, ttorgerson@cortrustbank.com

www.icbsd.com

Community Banking Month

Participating in Community Banking Month is a perfect way for you to showcase all that your bank does to benefit your community and outlying area. This event is celebrated across our entire nation. Some banks choose one specific day or one specific week while others celebrate all month long.

Many ICBSD members use this opportunity to show the gratitude they have for the ongoing support of their customers and communities. They decide to highlight what they already do all year long: **Demonstrate and Promote What Community Banking is All About!**

It is hoped that all ICBSD members will take the time to celebrate what community banks are all about, in our hometowns, across South Dakota. We need to continue to seize the moment to underscore what some of the following words really mean: 'community', 'local', 'main street' and 'hometown.' As your history, and traditions, continue to speak for themselves, people are constantly coming to the realization that bigger is not better.

CBM is the perfect time for you to continue **emphasizing what it means to make local decisions, which improve local lives!** ICBSD members will again be receiving a complimentary marketing/promotional kit, from their association office. April has been declared as **Community Banking Month in South Dakota**, by Governor Dennis Daugaard. As in the past, a copy of the Declaration will be included in the marketing kit. You will also find many 'helpful ideas and suggestions' for specific things your bank can do, both in your lobby, and throughout your community. In addition, the kit will contain how to find Community Banking Month materials that are available from the Independent Community Bankers of America (ICBA).



FROM THE TOP - Jim MacPhee, Chairman of ICBA



THE MARATHON

Ever since the president signed the Wall Street reform bill into law last summer, our regulators have been writing the rules necessary to implement its many provisions. Likewise, ICBA has been working to protect the interests of our industry, so we can continue to serve our customers fully. ICBA will make sure the public and legislators keep distinguishing between community banks on Main Street and the too-big-to-fail crowd on Wall Street. That bright line that I've talked

about in previous columns is still shining, and we will not let it fade.

What we all have to be mindful of now is that this Wall Street financial reform process is a marathon, not a sprint. The outcome involves our livelihood; this is the future of the community banking franchise, and ICBA staff and community banking leaders will be there at every turn to protect our united interests. Our staff has already met with FASB, the FDIC, Treasury and others to help guide their decisions and ensure that our voice is heard.

ICBA has produced fact sheets, audio conferences, webinars and videos, including our YouTube video series, "Straight Talk on Wall Street Reform." We will research and send in comment letters. We will meet with and engage state associations and community bankers in grassroots efforts. We are listening, and your input is critical to this important process. Contact ICBA, through any channel, to help us be sure we're representing the interests of all community banks.

ICBA has been "the nation's voice for community banks" for more than 80 years. We, the members, are the catalyst for more new U.S. businesses than any other source. Our local financial institutions are the foundation on which our great country's economy was built, and we will continue to show the world that our model produces good, solid underwriting that allows our customers to afford their homes and allows entrepreneurs to succeed and grow.

That is why ICBA will continue to work with all relevant policymakers to make sure they don't overreach in reacting to the American people's anger that is really aimed at Wall Street firms, not Main Street community banks. It is rewarding to know that - because of the public's recognition of community banks as the solid, responsible lenders during the Wall Street debacle - lawmakers now deliberately seek ICBA's input on how the new law's provisions would affect community banking and our towns and cities across the country. We have distinguished ourselves from those who did wrong, and the recognition of this difference is what will help us prosper and allow us to help our communities prosper as well.

Abraham Lincoln once said, "The best thing about the future is that it comes one day at a time." As we continue the marathon - and make no mistake about it, these Wall Street financial reform rules will take several years to write - just remember to put one foot in front of the other, stay proactive and take this process one day at a time. If we continue to be vigilant, it will be done right—and to the benefit of our member banks and our communities.

We have distinguished ourselves from those who did wrong, and the recognition of this difference is what will help us prosper and allow us to help our communities prosper as well!

Jim MacPhee is CEO of Kalamazoo County State Bank in Schoolcraft, MI.

Nominating Committee

The following individuals will serve on ICBSB's 2011 - 2012 Nominating Committee:

Lance Koth	First Dakota National Bank *Chairman
John Beyers	First State Bank of Roscoe
Lynn Peterson	CorTrust Bank, N.A.
Ray Smith	First National Bank in Philip
Troy Vander Stouwe	The First National Bank in Sioux Falls

~Please contact any of them if you have an interest in serving on the ICBSB Board of Directors.

OFFICER'S COLUMN - Lance Koth



ICBA's mission is "ICBA exclusively represents the nation's community banks by providing proactive advocacy, quality education and business solutions that benefit member banks and the communities they serve."

The current rhetoric from Washington is we must help small business as they create jobs. Wow...when did they figure that out and I wonder how they plan to help?

No one is denying the need to create jobs. However, who has the best plan? Is it our current administration's plan to examine the regulatory system as a whole to avoid excessive, inconsistent and redundant regulation?

I would suggest not, as we are hearing nothing about *changing regulations*, such as the Dodd-Frank Act, the EPA and their efforts to reduce greenhouse-gas emission or hold off on the major rules that are in the pipeline relating to the new Financial Stability Oversight Council, all of which directly affect small business and job creation.

Community banks are in most cases core to the success of the communities they serve and when communities thrive, jobs are created. It is a basic fundamental to help and protect those that we are dependent on and, as a community bank, we are very dependent on the communities we serve. It has been my privilege to work with many entrepreneurs and businesses over the years. As a community banker, it has gone far beyond providing them capital to start or grow a business. It often involved assisting them with marketing plans, employee development and connecting them with key professionals, within the community, and beyond that provide them the help they need. However, it is becoming hard to provide the most basic of banking products to our customers due to the increased level of regulation. This is the life of a community banker, this is your life.

So, it should come as no surprise that you are a voice of reason that our elected officials, in Washington, need to hear. Blending our voices together through ICBSB makes a lot of sense. I would encourage you to communicate, your thoughts and concerns, often with your ICBSB Board of Directors. Be assured it will not land on deaf ears.

~Lance Koth is President of the First Dakota National Bank Mitchell Branch, and is currently the ICBSB President-Elect.

Why Do I Belong?

When someone asks me, why I belong to the Independent Community Bankers of South Dakota, I have several answers:

- I belong because I do not think I know all there is to know about community banking.
- I belong because I want to keep up with the ever-changing developments in our industry.
- I belong because I want to attend meetings where I can exchange ideas with my peers.
- I belong because I want to learn how to better serve our bank customers.
- I belong because I am represented before local, state and national government.
- I belong because banking consumers respect established and professional bankers.
- I belong because the Independent Community Bankers of South Dakota is on the firing line each and every day, watching over the interests of my profession.

What's In and What's Out in 2011

IN	OUT
Main Street	Wall Street
Savings	Leverage
SBLF	PPIP
112th Congress	111th Congress
San Diego	Orlando
Deposit Insurance	Hedge Funds
Treating Customers as People	Treating Customers as Numbers
Community Banking	Too-Big-To-Fail

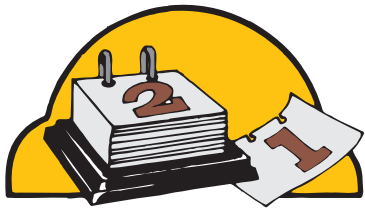
~Printed recently in an ICBA Newswatch.

WELCOME TO OUR NEW ASSOCIATE MEMBERS!

High Plains Technology is dedicated to providing complete technology solutions for your community bank. They work to form partnerships based on the trust that comes with quality products and superior service. **Tom Schulte, Senior Account Executive** can be reached in Sioux Falls, SD, at **605-323-2780** or **tschulte@hplains.com**. The company website is **www.hplains.com**.

As a one source core provider, **Modern Banking Systems** is uniquely positioned to supply community banks with an integrated real time total core solution. Their Service Center will give you freedom from all those time consuming IT system issues and allow you to focus on what you do best: service your customers. **President, Bob Neville**, can be reached at **402-592-5500**, in Ralston, NE or **bobn@modernbanking.com**. You can visit their website at **www.modernbanking.com**.

Wild & Associates, LTD is an architecture firm with extensive experience in creating financial facilities. The firm has over 20 years of experience and has completed over 200 bank projects. **Kent Wild, President**, can be reached at **701-293-8106** in Fargo, ND or **kentwild@wildarch.com**. The firm can also be visited at **www.wildarch.com**.



CALENDAR OF EVENTS

ICBA CONVENTION

March 20 - 24, 2011
Convention Center, San Diego, CA

ANNUAL RETREAT

July 28 - 30, 2011
Sylvan Lake Lodge, Custer State Park

ANNUAL TECHNOLOGY CAREER DAY

September 27, 2011
Dakota State University, Madison

ANNUAL CEO/DIRECTORS' CONFERENCE

October 19 - 20, 2011
Best Western Ramkota, Sioux Falls

ANNUAL RETREAT

July 26 - 28, 2012
Sylvan Lake Lodge, Custer State Park

FINE POINTS - by Camden R. Fine



BAD PUBLIC POLICY

Since its suspiciously one-sided beginning, the debit interchange price-fixing legislation was terribly misguided. You know firsthand the reasons why: The legislation (and now proposed rule) is a dangerously destabilizing assault on a well-balanced, efficient, reliable, innovative and secure payments system. Despite a few disingenuous claims to the contrary that defy basic common sense, the proposed interchange rule will harm consumers by eventually foisting greater costs and fewer choices on them. The rule is a reckless overstep by big government that undermines a well-functioning, market-based pricing system. It is bad public policy plain and simple.

And, despite its ineffectual fig leaf of protection for banks with \$10 billion in assets or less, which ICBA saw as unrealistic and never supported, the legislation will seriously hinder community banks in providing debit cards, a ubiquitous and highly popular payment choice for consumers, small businesses and merchants alike.

Repeatedly and in concrete terms, ICBA warned Congress about the harmful effects this legislation would bring. In direct testimony; in one-on-one meetings with lawmakers; in letters, phone calls and e-mails, ICBA and its members have been educating lawmakers for years on why this policy approach is harmful and outright wrong. Nevertheless, the interchange amendment is probably the one provision of the entire Wall Street Reform package that actually impacts almost every single consumer in the country. And not a single hearing was held on its potential impact.

Since it became an amendment to the Wall Street Reform package at the 11th hour, the legislation, now law, has so far lived up to its notorious billing by ICBA and many, many others. The regulations the Federal Reserve Board proposed for public comment in December to set interchange pricing and routing requirements is perhaps the most punishing interpretation of the law that could have been made for debit card issuers. The Fed's rules would wipe away a big piece of critical revenue for a great many community banks. That would be a huge blow for any community bank, even for those not still struggling from the recession.

While all this is discouraging, community banks still have a real chance of changing the course of the interchange amendment. Members of Congress are already voicing second thoughts about having passed the legislation, and the court system could also overturn the law or pare back its regulations.

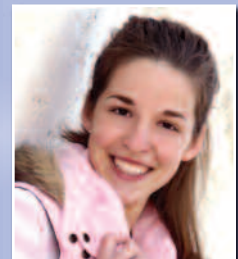
Consequently, ICBA has an action plan to fight the interchange amendment on every front: We will work with the Federal Reserve to minimize the negative consequences its rulewriting will have on community banks and their customers. We will work with Congress to repeal the legislation or, at least, significantly blunt its harmful effects. Constructive action in the judicial system is also an option. Willing to work with any allies on this issue, we are combining and coordinating our efforts with a coalition of card networks, credit unions and financial institutions of all sizes.

Join us as ICBA continues to work as hard as ever to oppose and overturn this misguided legislation and proposed rule. Government price-fixing of interchange is a serious, principled issue for community banks and Main Street America. This fight isn't over. Remember our unprecedented underdog success five years ago in preventing Wal-Mart and Home Depot from entering commercial banking. Working together, we can ensure that the right cause still wins in the long run.

Reach Camden R. Fine at cam.fine@icba.org.

ICBSD Awards 2010 - 2011 Scholarship

Breana Ritola is the recipient of ICBSD's annual \$500 scholarship at Lake Area Technical Institute. She is a second year student in the Financial Services Program. Breana graduated as salutatorian from Hamlin High School. She is the daughter of Stuart & Leah Haug from Bryant and married Ryan Ritola last spring.



Bernanke for Secretary of Agriculture: Fed Creates the Big Price ‘Bubble’?

Secretary of Agriculture Tom Vilsack has done a very credible job in managing federal farm policy. However, no one inside or outside of Washington has done more, unwittingly, for agriculture than Federal Reserve (Fed) Chairman Ben Bernanke. Since bailing out (my term) Bear Sterns in March 2008, the Fed, under the guidance of Bernanke, has expanded the nation’s money supply by 145 percent. This has had the impact of lowering the yield (interest rate) on short term Treasury bills from 3.27 percent just before the recession began to today’s rate of 0.15 percent. And due to the Fed’s unprecedented intervention in the nation’s long term U.S. Treasury market (via QE1 and QE2), the rate on the 10-year U.S. Treasury has plummeted from slightly over four percent to just over three percent. This action by the Fed has reduced the value of the dollar and stimulated demand for commodities, especially food. For example over the past year, prices have soared by 18 percent for all farm products, by 43 percent for corn, and by 50 percent for all grains. The Fed and Bernanke must take credit, or blame, for skyrocketing farm prices, farm income and farm land values. Is this the next bubble to burst or is it just the beginning of rapidly rising prices for non-food items? I argue that it is a little of both. While Bernanke will never assume the liability or credit for stimulating farm income, he has served up a healthy expansion for farm country and deserves to share the secretary crown with Mr. Vilsack. Ernie Goss

MAINSTREET RESULTS

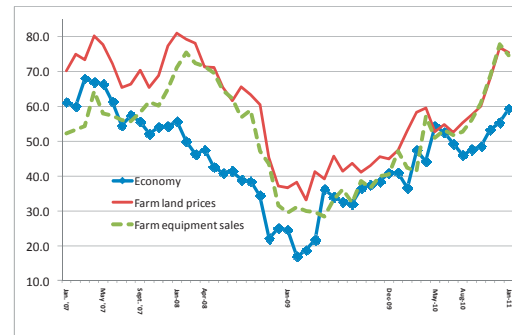
Rural Mainstreet Index Booming: Farmland Prices and Cash Rents Escalating

Tables 1 below summarizes the findings from the January survey with an index above 50.0 indicating growth and an index below 50.0 signifying weakness. [Index > 50.0 indicates expansion]

Table 1: The Mainstreet Economy	Jan 2010	Dec 2010	Jan 2011
Area Economic Index	41.0	55.4	59.3
Loan volume	33.4	52.3	33.9
Checking deposits	59.2	66.7	66.2
Certificate of deposits	47.5	50.0	52.5
Farm land prices	47.4	76.9	75.4
Farm equipment area sales	47.2	77.8	74.6
Home sales	40.1	43.9	44.1
Hiring in the area	40.7	50.1	52.5
Retail Business	40.2	57.1	53.4
Economy 6 months from now	59.7	62.2	63.4

- Rural Mainstreet index expands to highest level since June 2007
- Almost one-fifth of bank CEOs expect farmland cash rents to grow by more than 10 percent for 2011.
- Loan volumes slump to record low.
- Hiring expands for the month.

Rural Mainstreet, Jan. '07 – Jan. '10



The January overall index for the Rural Mainstreet economy moved above growth neutral 50.0 for a third straight month, advancing to its highest level since June 2007, according to this month’s survey of bank CEOs in a 10-state region. Overall: The Rural Mainstreet Index (RMI), which ranges between 0 and 100, increased to 59.3 from December’s 55.4. This compares to a reading of 41.0 for January 2010. Creighton University economist Ernie Goss said, “Farmers continue to spend their healthy and growing income on Rural Mainstreet businesses. From farm equipment, to farmland, to trucks, agriculture producers in the area are spending at a brisk pace.” Goss and Bill McQuillan, CEO of CNB Community Bank of Greeley, Neb., created the monthly economic survey in 2005.

Farming: The farmland price index remained above growth neutral for the 12th straight month at a lofty 75.4, but down slightly from December’s 76.9. This month bankers were asked how much they expected farmland cash rents to grow in 2011. More than three-fourths of the CEOs anticipate cash rents to rise by more than 5 percent in 2011, and approximately one-fifth expect these rents to grow by more than 10 percent. John Nelsen, president of First Tier Bank in Holdrege, Neb., indicated that he expects current investments in real estate to reap solid gains as long as corn prices hold up.

Banking: It appears that farmers, flush with strong income growth, are reducing the volume of loans at their community banks. The loan volume index for January declined to a record low 33.9 from December’s 52.3 and November’s 35.3. For the 11th straight month, the other two banking indicators stood above growth neutral. However, the checking deposit index was down at 66.2 from December’s 66.7, while the index for certificates of deposit and other savings instruments climbed to 52.5 from 50.1 in December.

Jobs: For a second straight month the Rural Mainstreet economy added jobs with a January jobs index of 52.5, up from December’s 50.1. For this part of the country, rural areas are clearly outpacing the urban areas in terms of job growth. While employment in the urban areas is virtually flat, annualized growth in the rural areas is a healthy 2 percent.

Confidence: The economic confidence index, which reflects expectations for the economy six months out, once again bounced higher with a January reading of 63.4 from 62.2 in December. The confidence index has been trending higher over the past year and is above last January’s reading of 59.7. Charles Helscher, president of Farmers State Bank in Keota, Iowa, expressed his optimism, “Even though we had a short crop in 2010 due to excessive moisture, our farmers are very optimistic for 2011. Pricing opportunities are plentiful.

Home and retail sales: Despite the economic turnaround, home sales remained weak with a January reading of 44.1, up slightly from December’s 43.9. This is the seventh straight month the reading was below growth neutral 50.0. Home sales have been on the decline since the tax credit for first-time home buyers ended last April. Consistent with other positive data, the retail sales index moved above growth neutral for a third

straight month with a January reading of 53.4, but down from 57.1 in December. Sales growth is expected to continue for 2011. Brian Nicklason, president of Woodland Bank in Remer, Minn., speaking to lumberyard and hardware store owners at the Midwestern Lumbermen Association Expo this month, found that three-fourths of the owners expect a sales increase for 2011.

Each month, community bank presidents and CEOs in nonurban, agriculturally and energy-dependent portions of the 10-state area are surveyed regarding current economic conditions in their communities and their projected economic outlooks six months down the road. Bankers from Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota and Wyoming are included. This survey represents an early snapshot of the economy of rural, agriculturally and energy-dependent portions of the nation. The Rural Mainstreet Index (RMI) is a unique index covering 10 regional states, focusing on approximately 200 rural communities with an average population of 1,300. It gives the most current real-time analysis of the rural economy.

MAINSTREET ON YOUR STREET

COLORADO

Colorado’s Rural Mainstreet Index (RMI) moved above growth neutral. The January reading rose to 51.1 from 47.2 in December and 44.7 in November. The January farmland and ranchland price index dipped to 71.3 from December’s 72.8. Colorado’s farm equipment sales index also slipped to 70.5 from January’s 73.6. The rate of job losses for Rural Mainstreet Colorado over the past 12 months was 3.7 percent.

ILLINOIS

For a ninth straight month, Illinois’ RMI advanced above growth neutral. The January index stood at regional high of 70.1, up from December’s 65.2. For a 12th straight month, farmland prices advanced above growth neutral with a January reading of 67.5, but down from December’s 81.8. Farm equipment sales for January decreased to 77.4 from December’s 82.6. The rate of job gains for Rural Mainstreet Illinois over the past 12 months was 6.0 percent.

IOWA

The RMI for Iowa bounced higher to 61.8 from December’s 55.8. The farmland price index advanced to 77.4 from 77.1 in December. The state’s farm equipment sales index dipped to 75.8 from 78.0 in December. The rate of job gains for Rural Mainstreet Iowa over the past 12 months was 1.2 percent.

KANSAS

The RMI for Kansas rose above growth neutral 50.0 for the month. The index climbed to 63.2 from December’s 59.3. The farmland price index decreased to 77.3 from 78.8 in December. The January agricultural equipment sales index rose to 79.9 from 79.7 in December. Dale Bradley, CEO of The Citizens State Bank in Miltonvale, expects higher gas prices and home foreclosures to limit the improvement in the 2011 economy. The rate of job gains for Rural Mainstreet Kansas over the past 12 months was 2.6 percent.

MINNESOTA

The January RMI for Minnesota climbed to 65.2 from 61.5 in December. Minnesota’s farmland price index dipped to 78.4 from December’s 80.0. The agricultural equipment sales index stood at 77.6, down from 80.8 in December. The rate of job gains for Rural Mainstreet Minnesota over the past 12 months was 3.1 percent.

MISSOURI

The RMI for Missouri increased to 51.0 from December’s weak 47.8. The farmland price index for Missouri sank to 71.2 from December’s 73.1. The January farm equipment sales index declined to 70.4 from December’s 73.9. The rate of job losses for Rural Mainstreet Missouri over the past 12 months was 4.9 percent.

NEBRASKA

The January RMI for Nebraska advanced to 62.4 from 58.6 in December. The farmland price index dipped to 76.9 from December’s 78.5. The farm equipment sales index decreased to 76.1 from December’s 79.3. Larry Rogers, president of First Bank of Utica, expressed concern over recent business closures in his area. Furthermore, Rogers indicated, “I’m concerned that it may get a little worse when home foreclosures hit [in 2011].” The rate of job gains for Rural Mainstreet Nebraska over the past 12 months was 1.6 percent.

NORTH DAKOTA

The North Dakota RMI for January expanded to 64.9 from 60.1 in December. The farmland price index slipped to 78.2 from 79.2 in December. Farm equipment sales for January stood at 77.4, down from 80.1. The rate of job gains for Rural Mainstreet North Dakota over the past 12 months was 3.7 percent.

SOUTH DAKOTA

For a third straight month, the RMI for South Dakota climbed above growth neutral. The index for January advanced to 60.9 from 56.8 in December. The farmland price index decreased to 76.2 from 77.6 in December. South Dakota’s farm equipment sales index for January was 75.4, down from December’s 77.6. David Callies, CEO of Miner County Bank in Howard, indicated that his area is doing well with excellent cattle and crop prices. However, he said, “We have had a couple of employers close their businesses which has had a negative effect on our local economy.” The rate of job gains for Rural Mainstreet South Dakota over the past 12 months was 0.8 percent.

WYOMING

The Wyoming RMI for January advanced to 62.2 from December’s 58.2. The January farmland and ranchland price index expanded to 78.9 from 78.3 in December. The state’s agricultural equipment sales declined to 76.0 from December’s 79.2. The rate of job gains for Rural Mainstreet Wyoming over the past 12 months was 1.6 percent.

Table 2: The Rural Mainstreet Economy, January 2011

	Increase more than 10%	Increase 5% - 10%	Increase 1% - 4%	No Change
Compared to 2010, projected cash rents on Ag crop land in your area will:	19%	58%	15%	8%
	Increased more than 10%	Increased 5% - 10%	Increased 0% - 4%	Declined
How have the retail sales of retailers in your area changed year over year?	9%	10%	70%	11%
	Increase more than 10%	Increase 0% - 9%	Down by 1% - 9%	Down by 10% - 25%
Compared to 2010, do you expect 2011 corn prices to:	20%	63%	5%	12%

THE BULLISH NEWS

- The national ISM index and our regional ISM index both rose for January pointing to positive growth in the months ahead. The national reading was the highest since May 2004.
- The nation’s unemployment rate plummeted to 9.0% for January from December’s 9.4%.
- Since the first week of September 2010 until the first week of February, MOO, the Exchange Traded Fund for that invests at least 80% of total assets in equity securities of U.S. and foreign companies primarily engaged in the business of agriculture rose by 11.3% reflecting farm income growth.
- Consumer credit surged in December as shoppers boosted their credit-card debt for the first time in more than two years, supporting views economic activity was gathering momentum.

THE BEARISH NEWS

- The U.S. employers added a net 36,000 jobs for January. We need to see 250,000+ before we can say that the labor market is improving. We have now recovered only about 1.2 million of the 8 million-plus jobs lost during the recession.
- U.S. home loan interest rates rose to the highest level in 10 months last week, breaking above the 5% and posing a new hurdle for the still-struggling housing market.
- The Mortgage Bankers Association said mortgage applications, which includes both refinancing and home purchase demand, fell 5.5% last week.

WHAT TO WATCH

- ISM Readings: On March 1, the Institute for Supply Management and Creighton University re-lease their economic reports for the nation and region, respectively, for the month of February. These leading economic indicators have been soaring. I expect somewhat softer but still healthy numbers this time.
- CPI: On March 17, the BLS releases the consumer price index for February. There is now heigh-tened interest in inflation, especially food inflation and whether it is showing up in core inflation (excludes food and energy). Upturns in the core would be very bad for bond prices.
- Jobs: On March 4, the U.S. BLS will release the employment report for February. Another nega-tive report (new jobs less than 120,000) will be bearish for stock prices.
- Financial Markets: Keep a close eye on the yield or rate on the 10-year U.S. Treasury bonds. If this yields continues to move significantly higher, the Fed will have to begin plans for a rate hike and pull back on QE2 (which will push rates even higher).

THE OUTLOOK

FROM GOSS:

- Job growth will begin to improve by March of this year. However unemployment issues will not improve for the first half of 2011
- Long term interest rates to rise by as much as 0.75% by mid-year. 3) Core consumer price inflation (less food and energy) will begin to elevate to levels that will concern the Fed. erve intervenes with less and less success
- Overall inflation reflected in the Consumer Price Index will increase by as much as 2% in 2011
- Little improvement in the housing market until the courts take a “hands off” approach to defaults. Buyers will shun foreclosed properties as long as the courts are interfering.

OTHER FORECASTS:

- Bill Gross, managing director of Pimco argues that the market interpreted recent Bernanke’s remarks as signaling that the Fed will stick to its zero interest rate policy for the foreseeable future. Gross figures no rate hike until unemployment fell a full point to 8%.

NATIONAL ASSOCIATION FOR BUSINESS ECONOMICS (NABE) SURVEY:

- NABE’s January 2011 Industry Survey confirms that the underpinnings of the U.S. economy continue to strengthen,” said Shawn DuBravac, Consumer Electronics Association. “The number of firms expressing positive hiring plans is at a level not seen in over a decade—a sign of improving labor-market dynamics. Supporting these hiring plans, industry demand continues to move higher, and profit margins are expanding. Firms are showing greater optimism, with one in five respondents expecting economic growth between three and four percent. Firms are increasing their plans for future capital spending. A majority of respondents anticipate no increase or decrease in investment spending or employment in response to new tax policies, suggesting business decisions are being driven by the fundamentals of an improving economy.”

Goss Eggs (Recent Dumb Economic Moves)

- AOL’s purchase of the Huffington Post. Didn’t the Time-Warner/AOL debacle teach AOL anything? Is it not interesting to now think of AOL as the old technology company attempting to wed what they consider to be a ‘rising star.’ Politicizing a company is never good business.

BANKER READING ROOM

“Community Bankers Unplugged”, USBanker 121, no. 1 (Jan 2011): p. 18-21 In a roundtable discussion, five bankers debate the merits of the government’s new small-business lending program, discuss the real impact of the changes in overdraft rules, and share their strategies for staying relevant in a post-Dodd-Frank world. Randy Fer-rell, president and CEO, The Fauquier Bank, would say that they see optimism among their customers. For the first time in several years they see a light at the end of the tunnel. Robert Bennett, president and CEO, Farmers Ex-change Bank, thinks small banks are very cautious about proceeding with the government’s new small-business lending program. But he can understand the positives, too. He hasn’t made a decision at this point. George Marx, chairman, Copiah Bank, added that when the Dodd-Frank bill was being debated, he was asked to send a letter his congressman. So he sent an email that said that every bank in your district is a community bank and that if Dodd-Frank passes it’s going to hurt every one of those banks -- and their customers.



Make Plans Now to Attend March 20-24, 2011 San Diego, CA

COMMUNITY BANKS: America's Financial Foundation is the theme to this year's ICBA National Convention & Techworld®. ICBA has made incredible progress this past year but we still have a lot of work to do. We have to overcome today's economic challenges, the competitive and regulatory hurdles and stay on top of the industry trends. At the 2011 convention, you will have the opportunity to make vital networking connections with some of the banking industry's most influential leaders. Hear directly from Ben Bernanke, John Walsh, Elizabeth Warren and Cam Fine who will address the nation's largest gathering of community banks regarding their visions for the future of our country and the banking industry. Plus, you will learn how current and evolving trends are having a dramatic, long-lasting impact on community banks.



LEARN & EARN...learn vital information while earning CPE credits

- Banking Out of Recession: The Opportunity of a Lifetime
- The Future Business Climate for Agriculture and Its Impact on Ag Lenders
- New FDIC Deposit Insurance Regulations: The Impact On Your Bank
- A Brand new Strategic Planning Structure
- Not Your Father's Compliance-Heads Up for Directors and CEO's
- How Will Corporate Governance Provisions of Dodd-Frank Act Affect Publicly Held Banks?
- Developing Strategic Financial Plans for Our Troubled Economy

2011 General Session Speakers

Federal Reserve Chairman

— **Ben Bernanke**

ICBA President and CEO — **Cam Fine**

ICBA Chairman — **James MacPhee**

Acting Comptroller of the Currency

— **John Walsh**

Assistant to the President and Special

Advisor to the Secretary of Treasury on the

Consumer Financial Protection Bureau

— **Elizabeth Warren**

Co-Hosts of MSNBC's Morning Joe

— **Joe Scarborough & Mika Brzezinski**

Author and Navy Seal

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