

# THE BOTTOM LINE

INDEPENDENT AND PROUD OF IT

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**ICBSD**

INDEPENDENT COMMUNITY BANKERS  
OF SOUTH DAKOTA



*Josh Hogue pictured with his father, Rick Hogue. Josh is ICBSD Chairman of the Board and President of Reliabank Dakota. Rick is Executive Vice President of First Fidelity Bank.*





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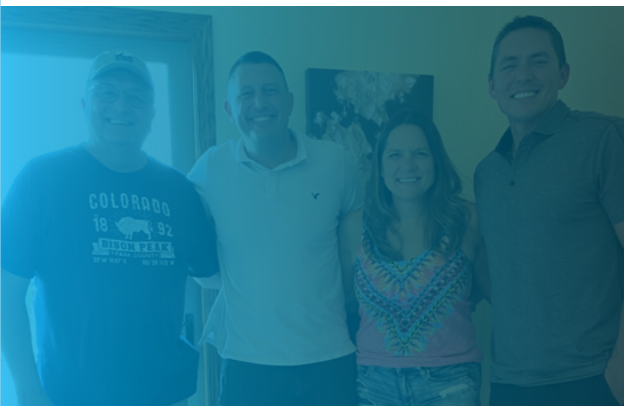
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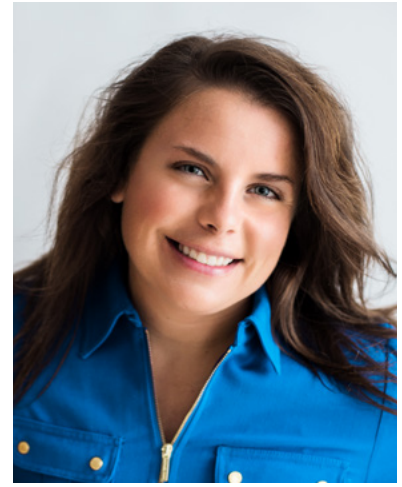
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# STRENGTHEN YOUR VOICE:

## Why Independent Community Bankers Should Support the ICBSD Political Action Committee



— **Megan Olson**, President & CEO, ICBSD

As community bankers, you play a crucial role in the economic development and stability of your local communities. You provide essential services to businesses and individuals and serve as the lifeblood of your communities. As you navigate the intricate web of regulations, legislation, and economic challenges, it is crucial for you to have a unified voice in the political arena. The ICBSD Political Action Committee is the avenue through which your voice can be heard on a state and federal level. With an election year on the horizon, your support of the ICBSD PAC is crucial. Here are four reasons why you should contribute to the ICBSD PAC.

### 1 COLLECTIVE ADVOCACY

Community bankers are busy individuals! You're focused on service for your customers and ensuring the financial health of your bank. Yet, as you know, the world of politics and policy making directly affects your operations. By pooling your resources through the ICBSD PAC, you can engage in collective advocacy efforts. A unified voice carries more weight when it comes to influencing policymakers and legislators, making it more likely that your concerns will be heard and addressed.

### 2 INFLUENCE ON DECISION-MAKERS

Contributing to the ICBSD PAC means supporting candidates and lawmakers who understand the unique challenges and opportunities faced by independent community banks. These candidates, when elected, are more likely to champion

policies that are favorable to the industry. By contributing, you have a direct impact on the election and re-election of officials who will advocate for our industry's best interests. This influence can lead to better regulatory environments, tax policies and legislation that support community banks.

### 3 PROTECTION FROM REGULATORY BURDENS

You are no stranger to regulatory burdens and understand first-hand how it negatively affects your ability to serve your communities. ICBSD has a strong PAC and has the capabilities to push for sensible and tailored regulations that account for the size and scope of your bank. Through strategic contributions, you can work towards ensuring that regulations are fair and do not stifle your institutions' growth and innovation.

### 4 ACCESS TO DECISION-MAKERS

Contributors to a PAC often gain access to decision-makers, allowing them to share their perspectives directly with lawmakers. This access can lead to meaningful discussions and a deeper understanding of the unique challenges faced by community banks. By contributing, you can establish relationships that foster productive dialogues and open doors to advocate for our industry's needs.

If you would like to contribute, checks can be mailed to: ICBSD PAC PO Box 615 Watertown, SD 57201.



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# PAC 100 CLUB

THE PAC 100 CLUB RECOGNIZES THE INDIVIDUALS WHO HAVE CONTRIBUTED \$100 TO THE ICBSD PAC.

**David Johnson**, Reliabank Dakota

**Jan Johnson**, Reliabank Dakota

**Hugh Bartels**, Reliabank Dakota

**Josh Hogue**, Reliabank Dakota

**Jane Swenson**, Reliabank Dakota

**Reid Johnson**, Reliabank Dakota

**David Ebbers**, Reliabank Dakota

**Jermei Keizer**, Reliabank Dakota

**Bob Smithback**, Reliabank Dakota

**Mark Lee**, Reliabank Dakota

**Pam Homan**, Reliabank Dakota

**Bruce Anderson**, Farmers State Bank, Canton

**John Ripley**, Farmers State Bank, Canton

**Valerie Anderson- Boudaka**, Farmers State Bank, Canton

**Bryan Lauderdale**, Farmers State Bank, Canton

**Kirk Rikansrud**, Farmers State Bank, Canton

**Robert Kaul**, First State Bank of Roscoe

**Mary Jo Grismer**, First State Bank of Roscoe

**Chad Lang**, First State Bank of Roscoe

**Patty Beyers**, First State Bank of Roscoe

**Kathleen Swenson**, First State Bank of Roscoe

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**Roger Weber**, CorTrust Bank

**James Grotenhuis**, CorTrust Bank

**Jeff Smith**, CorTrust Bank

**Mark Hahler**, CorTrust Bank

## ABOUT PAC

The ICBSD Political Action Committee helps provide South Dakota community banks with a strong, united voice in Pierre. Your participation in the PAC helps ensure we have a seat at the table when issues affecting community banking are being discussed in the state capitol.

## GET INVOLVED

Thank you in advance for your support of the ICBSD PAC. To make a contribution or to learn more, email Megan at Megan@ICBSD.com. Checks can be mailed to: ICBSD PAC PO Box 615 Watertown, SD 57201.

# CENTURY CLUB

THE CENTURY CLUB RECOGNIZES COMMUNITY BANKS WHOSE ENTIRE BOARD OF DIRECTORS HAVE DONATED \$100 TO THE ICBSD PAC.

Reliabank Dakota  
Farmers State Bank, Canton  
First State Bank of Roscoe  
CorTrust Bank  
Farmers State Bank, Turton

THANK YOU TO THE FOLLOWING INDIVIDUALS AND BANKS FOR YOUR SUPPORT!

# FLOURISH

— **Rebeca Romero Rainey**, President & CEO, ICBA



Navigating the regulatory landscape is like getting on a roller coaster. There are ups and downs, and you're never sure what's around the next turn or when you're going to get thrown for a loop. Right now, that wild ride comes courtesy of Silicon Valley Bank and other bank failures, and we're looking at potential rule writing as a result.

When a financial crisis or series of events triggers legislative and regulatory investigation, the de facto response is to deepen regulation. In fact, this reaction is the reason I got involved in ICBA in the first place: I saw the need for advocacy at the state and national levels. We were facing a new set of mortgage rules that didn't help the customer or make things better. They didn't allow me to support my community, and I realized that those writing the rules didn't understand how they affect our day-to-day abilities to serve our customers.

That's why what we do at ICBA is so important. We focus on educating what the intended or unintended response of an action may be. We advocate for community bankers to continue to have an environment where they can help their customers, and we respond creatively to ensure our customers still have access to solutions that meet their needs.

Fortunately, community bankers excel at supporting our customers despite regulatory

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"We advocate for community bankers to continue to have an environment where they can help their customers, and we respond creatively to ensure our customers still have access to solutions that meet their needs."

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hurdles. In fact, I was inspired by a conversation I heard on the "A Bank Culture that Works" episode of the Independent Banker podcast ([icba.org/podcast](http://icba.org/podcast)). Ann Buckmiller, director of compliance at Reliabank Dakota in South Dakota, talked about her job in compliance as a way to help meet customer needs, and at the same time, ensure that the bank does what it needs to do to follow the rules.

Her comments struck me, because I realized our job is to do precisely what Ann said: take control of the situation by knowing what the rules are, recognizing where they fall short of meeting customer needs and innovating to solve for any challenges. It's about taking what's required of us and making it work for our customers and communities.





There's no question regulation makes for a bumpy ride, but it's an uphill climb we've experienced countless times. The more we can keep our focus on our customers and their needs and differentiate our relationship-based business model (see our National Campaign Toolkit at [icba.org/campaign](https://icba.org/campaign) for resources), the smoother the journey will be. So, let's jump in the driver's seat and advocate for community banking. We're going to need to buckle up, but by keeping our customers as our chief priority, we may just be able to enjoy the ride.

### WHERE I'LL BE THIS MONTH

I'll be visiting the ICBA team in our Sauk Centre and Atlanta offices, attending our LEAD FWD Summit and celebrating a Golden Jubilee Convention with the Independent Community Bankers of Colorado.



CONNECT WITH REBECA @ROMERORAINNEY

# EMPOWERING INDEPENDENT COMMUNITY BANKS: ICBDS Member Benefits



— **Josh Hogue**, Chairman of ICBSD, President, Reliabank Dakota

It is my privilege and honor to serve as the Chairman of the ICBSD. I am embarking on this journey with gratitude, solidarity, and shared vision. Thank you for your solid commitment to the principles and values that define our independent banking community. Each of you plays an integral role in strengthening the financial foundations of our communities and in nurturing the relationships that are at the heart of community banking.

It's no secret that the banking landscape is constantly evolving. South Dakota's community banks are not immune to the economic shifts that occur at both national and global levels. The ICBSD's mission is to "empower independent community banks", especially through turbulent times. As we continue to navigate the challenges of our industry, remember ICBSD is here to support you, our bank members! We have a variety of member benefits and resources available that will empower your institution and bring support:

## 1 ADVOCACY

Through our PAC, we will continue to be a strong voice for community banks in legislative and regulatory matters, working tirelessly to ensure that our interests are represented and our concerns addressed. If you have not yet contributed to the ICBSD PAC 100 club, I strongly encourage you to do so before the end of the year! Check out page five for more details.

## 2 EDUCATION AND TRAINING

Knowledge is power. Through Community Bankers University and Community Banker Webinar Network, we provide our members with valuable resources, training, and tools to navigate the challenges and seize the opportunities of the banking industry. To learn more, visit the "Events and Education" tab on ICBSD.com.

## 3 NETWORKING AND COLLABORATION

Building strong relationships within our association and with other community banks fosters a sense of unity and shared purpose. We facilitate several opportunities for networking and collaboration among our members. Our next networking opportunity, the 2023 Fall Directors and Management Conference, is being held October 11th and 12th in Sioux Falls. Visit [icbsd.com/2023-fall-directors-and-management-conference/](https://icbsd.com/2023-fall-directors-and-management-conference/) to learn more and to register!

## 4 INDUSTRY ACCESS

ICBSD continues to expand our network of vetted and approved, associate members and Preferred Partners. If your institution is looking for a new product or service, please let us know! We would be happy to refer you to one of our trusted associate members or Preferred Partners!



# FAST FACTS ABOUT JOSH

**Hometown:** Gregory, SD

**Education:** BS Business Management & Marketing from Dakota State University, MS Banking and Financial Services from Northern State University, and Graduate School of Banking at the University of Wisconsin - Madison

**Community Involvement:** Treasurer of the Beacon Center, Watertown Area United Way Board Member, Watertown Development Company Board Member

## 5 COMMUNITY ENGAGEMENT

Our commitment to our communities is unwavering. We will continue to encourage and support community involvement and outreach by our member banks.

Thank you for being part of the ICBSD. I look forward to the journey ahead, and I am confident that, together, we will continue to make a positive impact on the lives of those we serve.

## SOMETHING INTERESTING YOU MAY NOT KNOW ABOUT JOSH:

- I attended 2 years of band camp.
- After marginal high school success, I tried to be a collegiate athlete.
- I learned the most as an adjunct professor at a local college teaching night class.
- My reading list includes philosophy, health, and personal development books. All of which do not impress my three daughters.

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# INNOVATION STATION: How curiosity leads to innovation

— **Charles E. Potts**, Executive Vice President and Chief Innovation officer, ICBA



The foundation of innovation is rooted in curiosity and asking questions like, “How do I do things better? How can I make this experience more user friendly? Why is the market shifting? How do I take advantage of it?”

Fortunately, the service orientation of community bankers is born out of that same spirit of curiosity. How many times have you asked your customers what they need or how you can serve their needs? Asking these questions is crucial to improving the customer experience and ultimately ensuring lifelong relationships.

When it comes to cascading questions that lead to solutions, that service nature goes hand-in-glove with the spirit of innovation. The constant desire for improvement—enhancing solutions for the sake of customer and community betterment—is what makes community bankers natural innovators.

And because iron sharpens iron, ICBA has been focusing on creating spaces where community bankers can come together and share time, energy and experiences with one another. Establishing opportunities for collaboration, dialogue and ideation with other bankers, fintechs, small and medium enterprises (SMEs), and regulatory agencies enables a more organic approach to innovation that benefits the industry. It channels curiosity into a setting that transforms ideas into solutions.

That’s the vision behind our new Innovation Center in Atlanta, where banks and fintechs can assemble with representatives of the larger financial services community to collaborate and learn from one other. It’s a place where community bankers can roll up their sleeves and get to work—transitioning





from ideation to tailored offerings through shared knowledge, best practices, demos, whiteboarding sessions and more.

### GET INVOLVED IN ICBA INNOVATION ACTIVITIES

We invite you to join us for this new experience. This fall, we will be holding our official opening for the center to serve as the “welcome home” for all community bankers. We’re also working on innovation programming for the fall in advance of the kickoff of our sixth ThinkTECH Accelerator cohort, which will be focused on data analytics and small business needs. Our ThinkTECH alumni showcases will feature companies from past cohorts and our Preferred Service Providers to remind bankers of the problem-solving solutions that already exist. And we’re continuing to develop educational programming through our “Demystifying” webinar series in concert with Community Banker University to further community bank innovation knowledge.

These events, and future events at the center, will be accessible both in person and via livestream, so visit [icba.org](http://icba.org) to register and learn more.

While the dog days of summer may be over, things are just heating up at the Innovation Center. We invite you to get involved in upcoming events and visit us in Atlanta to help advance community banking. Because innovation is about asking the right questions and then acting on them. Community bankers, with their service mindset, are ideally poised to do just that.

*Charles E. Potts is ICBA's executive vice president and chief innovation officer.*

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# REMEMBER THE MUNIS

## Don't go to sleep on a profitable bond sector

— Jim Reber, ICBA Securities, an ICBSD Preferred Partner



*“As you get older, three things happen: the memory goes, and I forget the other two”*  
— Erma Bombeck

Being one who can empathize with the late, great humorist Ms. Bombeck, I thought it might be interesting to discuss a segment of the fixed income universe that has served community banking well over the decades. It's been many months since I've covered it, for two practical reasons. The first is that it doesn't present relative value in the current cycle, and the second is that, because of the first, portfolio managers haven't been buying many of them recently.

I'm speaking of the municipal bond market. It is a maxim of community banking that the more munis a bank owns, the higher performing the portfolio will be. This has been true for decades and in whatever part of the rate cycle we're currently residing. But since we haven't visited muni-land for a while, now is a perfect time for a sector update, complete with reminders about nuances and opportunities with state and local government bonds.

### VALUE MEASURES

Tell me if you've heard this: The interest rate curve is inverted. It's now been 16 months and counting since we've had a positively sloped curve and that includes the muni sector. A buyer has to invest in a 12-year or longer muni to get a higher yield than a 1-year bond.

Also, the retail sector continues to gobble up the majority of supply, which is barely running in place. A number of governmental borrowers in 2023 have delayed issuance, probably hoping for some relief on rates.

Mom-and-pop investors will typically have higher marginal tax brackets than corporations, and that translates into higher tax-equivalent yields—hence the retail demand. The current impact is such that on the short end of the curve (i.e., 10 years and in), munis produce lower tax-equivalent yields than comparable maturity treasuries. In bond-speak this is known as “trading through the curve.” Although this is an anomaly, it has persisted for most of 2023. Hence, the relative value, or lack thereof.

### STILL THE FAVORITE

Notwithstanding the preceding paragraph, a hallmark of a high-performing bond portfolio remains a high allocation of munis, although that's changing some. According to Stifel, top-quartile portfolios had 31% of their dollars in munis in June 2023, compared to 42% a year earlier. Interestingly, the top quartile also had a dramatic drop in its effective duration year-over-year from 5.3 years to 4.2. The shape of the curve again has played a role, as the dollars reallocated out of the muni space went into short-duration taxables such as treasuries, agencies and Small Business Administration (SBA) floaters.

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“Still, in spite of the conundrums facing portfolio managers in 2023, the muni market remains fundamentally attractive. The curve will one day regain its positive slope.”

— Jim Reber

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Still, in spite of the conundrums facing portfolio managers in 2023, the muni market remains fundamentally attractive. The curve will one day regain its positive slope. It's expected that muni supply will again begin to increase as COVID stimulus money is spent and populations grow. And credit quality remains solid; there have been far more credit rating upgrades than downgrades, and even perennial whipping boys New Jersey and Illinois have been awarded upticks by the ratings agencies.

### BUY CHEAP, SELL DEAR

I wouldn't be doing my job if I didn't offer some suggestions. If you agree that the municipal bond market is indeed expensive, then perhaps you may consider a sale of some of your holdings. The three- to five-year sector may actually produce lower take-out yields than shorter maturities. It's also becoming more evident that the banking industry is having a solid earnings year in spite of margin compression, so a loss-earnback extension swap may have some interest.

Recall too that the TEFRA penalty (remember that little acronym?) will start to take a bigger bite out of your tax-equivalent yields as your cost of funds continues to rise. This is especially true for your General Market bonds, which have a much higher TEFRA hit than Bank Qualified munis. It's déjà vu all over again and could be more reasons to at least temporarily allocate out of some tax-free bonds. On the other hand, 6%+ tax-equivalent yields are available now for those S Corps willing to invest for 20 years or so.

Ultimately, the message of this column is that “munis matter.” If you've put that sector

on autopilot because of perceived lack of value in the new issue market, take a look at your portfolio and ask your brokers for some bids on shorter maturities. You may find an inexpensive source of liquidity.

Now that we're refreshed on some of the finer points of municipal bonds, I'm thinking of Mark Twain's observation: “A clear conscience is a sure sign of a bad memory.”

### BALANCE SHEET ACADEMY REGISTRATION OPEN

ICBA Securities and its exclusive broker Stifel will present the 2023 Balance Sheet Academy Oct. 16–17 in Memphis, Tenn. Up to 12 hours of CPE are offered through this intermediate-level course. To register, visit [icba.org/icba-securities](https://icba.org/icba-securities).

### ECONOMIC INSIGHT LIVE

Dr. Lindsey Piegza, Stifel's chief economist, presents her next quarterly economic outlook webcast on Oct. 12 at 12 p.m. Central. For more information, contact your Stifel sales rep or Jim Reber.

*Jim Reber (jreber@icbasecurities.com) is president and CEO of ICBA Securities, ICBA's institutional, fixed-income broker-dealer for community banks.*



# FEDERAL DELEGATE REPORT STAYING INDEPENDENT

— **Valerie Anderson-Boudaka**, ICBA National Director,  
Farmers State Bank of Canton, Canton, SD



Hello to the great community bankers of South Dakota! It was great to catch up with so many of you at the ICBSD Retreat this summer. As always, it was an amazing event put on by Megan and Hannah.

We were lucky enough to have Brad Bolton, ICBA Immediate Past Chairman and President of Community Spirit Bank from Red Bay, Alabama join us. What an inspiring man he is! In addition to getting an update on ICBA advocacy, Brad stressed the importance of keeping our association's independence. Brad told us about how the Community Bankers Association of Alabama merged with the Alabama Bankers Association over ten years ago. Brad told us the many ways about how this changed the organization. The most noticeable change was that small, independent banks lost their voice. He reminded us to protect our board, especially the leadership

seats of our board. I'm so thankful we have strong bankers guiding the ICBSD. I know that Josh, Jodi, Michael, and Brian will be nurturing our independence through the governance of our association.

After hearing Brad talk about how his bankers association lost the family touch that was at the Community Bankers Association of Alabama, I made sure to notice and appreciate the family atmosphere at our retreat. I know a lot of our banks are run this way as well- family first. That is what sets us apart from the large banks and help us retain team members.

Adam Carolla simply said it best, "If you want to have a good life, you should focus on your family, on your business, on your dog, on your fun, and you'll have a good life."

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# ROUNDS, THUNE AND BARRASSO INTRODUCE BILL TO PROTECT SCHOOL HUNTING AND ARCHERY PROGRAMS



— **Senator Mike Rounds** (R-S.D.)

WASHINGTON – U.S. Senators Mike Rounds (R-S.D.), John Thune (R-S.D.) and John Barrasso (R-Wyo.) introduced the Allowing for Recreational Resources for Outdoor Wellness (ARROW) Act, legislation that would prevent the Biden administration from blocking funding for elementary and secondary schools' hunting and archery programs. Specifically, the legislation would clarify that the prohibition of the use of federal education funds for certain weapons does not apply to funds for sports clubs, teams, trainings or related activities provided for students.

“In South Dakota, we greatly value our right to bear arms,” said Rounds. “School hunting and archery programs encourage responsible gun ownership and are great educational resources to help guide individuals to use best practices when handling a firearm or bow. The Biden administration continues to infringe upon the Second Amendment rights of law-abiding citizens. This legislation keeps the heavy-hand of government from interfering with our way of life in South Dakota.”

“The safe and responsible use of firearms for sporting purposes and personal protection are valued components of South Dakota’s heritage,” said Thune. “Hunting and archery programs in schools allow students to learn proper firearm and bow safety skills, which is why I’m proud to support this legislation that prevents the Biden administration from its attempt to stifle lawful and common-sense activities related to the Second Amendment.”

“The Biden administration continues its attack on our constitutional rights and Wyoming values,” said

Barrasso. “Now, President Biden’s Department of Education is blocking funding for schools with hunter education and archery programs. These important programs help students learn proper firearm instruction and archery safety. These valuable programs decrease firearm-related injuries and accidents. They also connect our students to the long-standing heritage and traditions of America and the West. Our legislation will stop any attempts to block funding for schools with hunter education and archery programs and keep Washington politics out of Wyoming’s schools.”

In addition to Rounds, Thune and Barrasso, this legislation was cosponsored by Senators Marsha Blackburn (R-Tenn.), Mike Braun (R-Ind.), Ted Budd (R-N.C.), Tom Cotton (R-Ark.), Kevin Cramer (R-N.D.), Mike Crapo (R-Idaho), Ted Cruz (R-Texas), Steve Daines (R-Mont.), Joni Ernst (R-Iowa), Deb Fischer (R-Neb.), Lindsay Graham (R-S.C.), Josh Hawley (R-Mo.), Cindy Hyde-Smith (R-Miss.), John Kennedy (R-La.), Cynthia Lummis (R-Wyo.), Roger Marshall (R-Kan.), Pete Ricketts (R-Neb.), Jim Risch (R-Idaho), Eric Schmitt (R-Mo.), Rick Scott (R-Fla.), Dan Sullivan (R-Alaska) and Roger Wicker (R-Miss.).

According to the National Archery in the Schools Program, 1.3 million students across 9,000 schools are enrolled in archery courses, and more than 500,000 students participate in and are certified through hunter education courses each year.

# THE OPPORTUNITY TO PLAY

— **Senator John Thune** (R-S.D.)



Like a lot of South Dakotans, I can't wait for Friday night lights in the fall. I enjoy being able to attend games and other sporting events around the state throughout the season. Friday night football, Dakota Relays, Legion baseball, and the Summit League tournament – they're all part of the sports heritage that we cherish and that we are proud to pass on to the next generation of South Dakota athletes. College sports have a special place in South Dakota. Many South Dakotans continue following athletes from their hometown who keep playing in college or who go on to play professionally. I know the impact that college sports can have on athletes. My daughter ran cross country in college, and she was inducted into her college's hall of fame a few years ago. My dad played basketball for the University of Minnesota where he was lucky enough to get a scholarship that covered room and board. He was the team's MVP during his junior year and the high point man in a game at Madison Square Garden in 1940 – quite the journey for a small-town kid from South Dakota.

Sports have certainly changed a lot since my dad played for the Gophers. But one of the most significant changes for college sports came recently with rules that allow college athletes to benefit from their name, image, and likeness (NIL). For many athletes, this is a welcome development. But, while NIL presents new opportunities for student athletes, it also brings challenges and complexities for them to navigate.

I recently joined NCAA President Charlie Baker for a discussion with student athletes and administrators hosted by Augustana University in Sioux Falls. The

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"In my view, we need to ensure there is continued competition between large and smaller schools."

- *John Thune, United States Senator*

---

student panel spoke to some of the complexities of NIL, the need for a level playing field, and their hope that college sports will remain focused on playing the game, and not just making money. Their personal insights will be helpful as conversations continue in Congress about a federal role in setting NIL standards.

In my view, we need to ensure there is continued competition between large and smaller schools. A uniform set of standards to replace the existing patchwork of state laws that sometimes advantage public colleges would ensure there is a level playing field for all college athletes and their schools, no matter their size. National standards should also protect student athletes from being taken advantage of by bad actors.

One solution I've proposed is the Athlete Opportunity and Taxpayer Integrity Act, a bipartisan bill that would prohibit outside organizations and collectives from writing contributions off their taxes that are being used to compensate athletes. Student athletes now stand to benefit from opportunities related to their own NIL, but taxpayers shouldn't be subsidizing such recruitment methods or payments.





As the new NIL era unfolds, it's important that we safeguard the things that make college sports uniquely great. I appreciate Augustana University for hosting this timely discussion and the student athletes for their insight. I'm looking forward to seeing South Dakota's athletes compete this fall, and I wish them the best of luck this season and with the opportunities ahead.

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**FALL CONFERENCE**  
OCTOBER 12, 2023  
9:00 AM - 4:00 PM  
SIOUX FALLS CONVENTION CENTER  
1201 WEST AVENUE, SIOUX FALLS

## AGENDA

9:00-10:00 AM

**Welcome & Pitch Perfect**

10:00-11:00 AM

**Challenges with Liquidity** with Brad Spears, Federal Home Loan Bank of Des Moines  
11:00-12:00 AM

**The Heartbeat of Rural America**, an agriculture focused keynote presentation with Amanda Radke, fifth-generation rancher and owner of Radke Land & Cattle

12:00-12:45 PM - LUNCH

12:45-1:30 PM

**FedNow: What You Need to Know** with Nick Denning, ICBA Bancard

1:30-1:45 PM - STRETCH AND REFRESH

1:45-2:15 PM - 1<sup>ST</sup> BREAKOUT SESSION

*Choose one of the four topics to attend:*

- **Marijuana Banking** with Michael Dummer, South Dakota Division of Banking
- **Plan Your Estate Before the State Plans It For You** with Mary A. Akkerman and Pedro N. Assis, Davenport Evans Law Firm
- **South Dakota Real Estate Appraisals: What's Happening and What You Need to Know** with Ryan McKnight and Brittany McKnight, Ness School of Management and Economics, SDSU
- **Secure Act 2.0 and Your Money** with Bryce Sowitch and Casey Franken, IFAM Capital

2:15-3:15 PM - 2<sup>ND</sup> BREAKOUT SESSION

*Choose one of the four topics to attend.*

2:45- 3:15 PM - 3<sup>RD</sup> BREAKOUT SESSION

*Choose one of the four topics to attend.*

3:30 PM - DISMISSAL

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## **BRAD SPEARS**

### **FEDERAL HOME LOAN BANK OF DES MOINES**

Brad Spears is, Member Relationships Director for the Federal Home Loan Bank of Des Moines. Brad is responsible for supervising a field staff of 10 relationship managers covering 13 states and over 1,300 members and has been at the bank since 2005.

Brad came to the FHLB of Des Moines from his position as a VP/Senior Portfolio Strategist at CNBS, LLC, a regional broker dealer located in Overland Park, KS. He had worked at CNBS since February 1997. While at CNBS, he was directly responsible for managing client fixed income portfolios on a non-discretionary basis. He developed investment policies, formulated strategies, determined appropriate asset allocation and monitored client portfolios. Brad also conducted both economic and market research and presented the results to clients through original articles for publication and presentation to various audiences.

Brad earned a B.S. in Business Administration from Kansas State University in Manhattan, Ks. Mr. Spears also previously held NASD series 7 and 66 registrations, which have since expired.



## **AMANDA RADKE**

### **FIFTH-GENERATION RANCHER AND OWNER OF RADKE LAND & CATTLE**

Amanda Radke is a fifth-generation rancher from Mitchell, SD. Alongside her husband, Tyler, and their four children, they operate Radke Land & Cattle, a Limousin and Angus seedstock operation.

A former National FFA Extemporaneous Speaking Champion and National Beef Ambassador, Radke has spent the last 15 years on the road fighting for the agriculture, rural America, and the western way of life. She's gone head-to-head against animal rights activists, environmental extremists, politicians, and celebrities who seek to eliminate animal agriculture.

She believes food security is national security, and her work is focused on keeping producers on the land and ensuring every citizen has access to safe, affordable, and nutritious food in this country. She currently serves as an appointee on the National Agriculture Campaign Advisory Council, where she provides industry insights to the U.S. House of Representatives Agriculture Committee.

Radke is also the author of eight children's books, and her goal is to help promote agricultural literacy in schools and to teach the next generation about where their food comes from.



## **NICK DENNING**

### **ICBA BANCARD**

Nick Denning is Senior Vice President of Payments Industry Relations at ICBA Bancard®, a subsidiary of the Independent Community Bankers of America. In this role he represents ICBA Bancard and its community bank customers on industry boards, councils, and committees regarding digital



and faster payments, emerging technology, and payments format standards. Denning has more than 15 years of payments experience, including more than 10 years with the Federal Reserve Bank of Kansas City, where he led the delivery and support of payments connectivity solutions for domestic banks. Prior to joining ICBA he served as director over enterprise payments for Farmers Insurance, where he was responsible for payment acceptance, the end-to-end payment experience, and transitioning disbursement platforms towards faster payments. He has a Bachelor of Science degree in Finance from the University of Central Missouri, and a Master of Business Administration degree with an emphasis in Finance from the University of Missouri-Kansas City.



## **MICHAEL DUMMER**

### **DEPUTY DIRECTOR, DEPARTMENT OF LABOR AND REGULATION**

Mike was raised on a farm near Lesterville, SD and graduated from Scotland (SD) high school. He attended college at South Dakota State University, graduating in 2003 with a BS in Mass Communications. After working for a large national bank, he started as an Examiner with the Division of Banking in 2006. He served as Training Director from 2010 until September 2018 when he was named Deputy Director – Banking. He is a 2015 graduate from the Graduate School of Banking at Colorado and completed the Governor’s Leadership Development Program in 2019. Mike resides in Lennox, SD with his wife Lindsay and three children.



## **MARY AKKERMAN**

### **DAVENPORT EVANS LAW FIRM**

Mary Akkerman practices in estate planning, including dynasty trusts, domestic asset protection trusts, estate and trust administration, guardianships and conservatorships, business and tax planning, estate and gift tax planning, tax appeals, and related litigation. She is skilled at establishing public and private trust companies in South Dakota and regularly works with U.S. and international families and advisors.

Mary is an American College of Trust and Estate Counsel (ACTEC) Fellow. She is a member of the Society of Trust and Estate Practitioners and Sioux Falls Estate Planning Council.

Mary has received an AV Preeminent® Peer Review Rating by Martindale-Hubbell®, for the highest level of professional excellence for legal knowledge, communication skills and ethical standards. She has a Band 1 individual ranking in the Chambers High Net Worth Guide by Chambers and Partners in the area of Private Wealth Law, and is listed by Best Lawyers® in Trusts & Estates. Mary has also been ranked in the top 5% of practicing attorneys in South Dakota by Great Plains Super Lawyers in the areas of Estate Planning & Probate.



## **PEDRO ASSIS**

### **DAVENPORT EVANS LAW FIRM**

Pedro Assis is a member of the Davenport Evans Trust & Trust Companies practice group. He is a native of Guaxupé, Minas Gerais, Brazil. Pedro’s practice is focused on trust companies, estate planning, probate, trust administration, taxation, and corporate and business law.



Pedro received his bachelor's degree in science and technology from the Federal University of Alfenas. During his undergraduate program, he also studied abroad at Dublin City University. He moved to South Dakota in 2016 and researched stem cells and rare diseases for three years. Pedro then graduated from the University of South Dakota Knudson School of Law and was an intern with the firm in 2022 before joining the team in 2023.

At USD, Pedro was a member of the Moot Court Board. He competed in national and regional tournaments. He also served as a research assistant.

Outside of work, Pedro enjoys coffee, playing video games, and spending time with family.



### **RYAN MCKNIGHT**

*NESS SCHOOL OF MANAGEMENT AND ECONOMICS, SDSU*

Ryan McKnight was born and raised in Sioux Falls, South Dakota. After he graduated from Washington High School in 2006, he attended South Dakota State University where he majored in Economics and played football for the Jacks. After a brief stint in the NFL, he attended Law School and Business School at the University of South Dakota where he met his wife, Brittany Kjerstad McKnight. Upon passing the Bar Exam, Brittany and Ryan opened up "Kjerstad McKnight Law Firm" in Philip, South Dakota. In 2016 when Ryan took a job at his alma mater as an instructor. Ryan is currently a Law and Real Estate at SDSU. Him and his wife also coordinate the South Dakota Land and Lending Conference. They have two girls, Brynn (7) and Shay (2), and are avid Jacks fans. Ryan is also a Pheasants Forever Life Member.



### **BRITTANY MCKNIGHT**

*NESS SCHOOL OF MANAGEMENT AND ECONOMICS, SDSU*

Brittany McKnight is an assistant professor of business law at the Ness School of Management and Economics. She holds a Bachelor of Arts degree in English from South Dakota State University and a Juris Doctor (J.D.) from Knudson School of Law.

With a robust educational foundation, McKnight embarked on a dynamic legal career that spanned various domains. Her professional journey saw her practicing law in a diverse range of areas, including criminal prosecution and defense, family law, and corporate law.

Today, McKnight's influence extends beyond the courtroom as she assumes the role of Assistant Professor of Business Law at the Ness School of Management and Economics. In this capacity, she imparts her knowledge to students, teaching classes that cover law and real estate. McKnight's teaching philosophy is grounded in her rich practical experience, providing students with a unique perspective that bridges theory and real-world application.



## **BRYCE SOWITCH**

**PARTNER, IFAM CAPITAL**

Bryce has held various positions servicing and consulting with retirement plans during his career. Initially, he was an advisor with a large brokerage firm, then as a Regional Sales Director with a top 10 record-keeper. In his career, Bryce has had the opportunity to work with over 500 retirement plans and thousands of plan participants.

Bryce graduated from the Minnesota State University –Moorhead in 1998 with a degree in Finance. In 2003, he obtained his Certified Investment Management Consultant designation from the Wharton School of Business, University of Pennsylvania. Bryce also obtained his Certified Behavioral Finance Analyst (CBFA) in June 2016. The CBFA program was founded with the goal of empowering people to make better financial decisions and achieve better financial outcomes.

He lives in Windsor, Colorado and enjoys golfing, travelling and spending time with his family.



## **CASEY FRANKEN**

**WEALTH MANAGEMENT ADVISOR, IFAM CAPITAL**

Casey brings his passion for wealth building and guiding clients in a collaborative approach. Casey has been a practicing financial planner since November 2012 and attained the CERTIFIED FINANCIAL PLANNER™ designation in April 2015. Casey graduated from the University of South Dakota with a double major in finance and economics.

One of his favorite quotes is “Once you stop learning, you start dying” by Albert Einstein. His goal is to provide advice in a common language and avoid industry jargon that can cause confusion.



# BUY LOCAL

– Larry Williams, President & CEO,  
Community Bankers Webinar Network, an ICBSD  
Preferred Partner



“Buy local” is getting a lot of attention these days. And it should! Our main street businesses, vendors, and tradespeople endured some serious challenges through the pandemic, including labor shortages, higher costs, and supply-chain issues – often without any safety net of cash to sustain them. Today’s challenges include a changing marketplace, social and economic volatility, and rising interest rates. Community bankers see the struggles of local businesses firsthand, and you have stepped up to help in a myriad of ways. From navigating the largely uncharted waters of rising rates to picking up the phone to do business with or make referrals to your small business customers, community bankers know what it means to lock arms and tackle big challenges together.

During my early years as a banker, my boss used to wax philosophical with phrases like,

*“Do business with those who do business with you, Larry.”*

*“Help your customers succeed and they’ll stay with you forever.”*

*“You’d better call on your customers because the competition is.”*

As a young commercial lender in the late 90s, I took his advice to heart. When I needed my truck

repaired, I took it to a repair shop who never missed a loan payment with my bank. When a customer asked me for the name of a good accountant, I referred her to Paul, who came through the bank’s drive-through every Thursday afternoon at 3:45 PM sharp. You could set your watch by it. And each week I set aside time to go see two or three of my business customers just to say hello, have a cup of coffee, or depending on the time of day, a bottle of beer.

Do business with those who do business with you, as my first boss used to say. While you’re at it, make sure you continue to support those who support your bank. And nobody works harder at that than the team at Independent Community Bankers of South Dakota. Your membership dollars, as well as the dollars you choose to spend on the services ICBSD offers, help strengthen community banking across South Dakota. As our small business community perseveres through continuing uncertain economic times, it’s more important than ever to keep buying local.

*Larry Williams is the President and CEO of the Community Bankers Webinar Network.*

*The Community Bankers Webinar Network partners with ICBSD to bring the most up-to-date, relevant, and impactful web-based training to South Dakota bankers. Learn more at [ICBSD.com](https://www.icbsd.com)*



# ON THE MOVE WITH FATHER AND SON

**JOSH AND RICK HOGUE**

ICBSD CHAIRMAN OF THE BOARD AND PRESIDENT, RELIABANK, WATERTOWN  
EXECUTIVE VICE PRESIDENT, FIRST FIDELITY BANK, BURKE





# This ICBSD featured article is powered by BHG

Keith Gruebele EVP, Institutional Relationships  
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Long before giving much thought to a banking career, Josh Hogue was laser-focused on track and basketball. Today, he continues to bring teamwork to the job - ICBSD Chairman of the Board and President, Reliabank of Watertown.

“We work really hard to aim before we shoot,” says Josh. “I always encourage our team to raise their hand when they see a problem. Banking innovations usually come from the people closest to the challenge.”

You could say sports - and banking - are in the Hogue blood. Josh’s father, Rick Hogue, is in his 35th year in the industry as Executive Vice President of First Fidelity Bank of Burke.

As Josh was growing up, Rick also did radio announcing and color commentary for high school sports. That was until his son took the field - where he then found his place cheering in the stands.

Josh’s father shares a similar philosophy on teamwork at the office. “It’s really crucial that everyone feels their ideas are important,” says Rick. “Our community bank really is a family and it’s important to keep the doors open.”

Open doors and staying busy is nothing new for the Hogues. As a child, Josh watched his father balance raising kids and wearing many different hats in the community.

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“We work really hard to aim before we shoot”

- Josh Hogue

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“He got dressed up for work every day and he knew literally everyone,” says Josh. “There was always a push to be there for those local customers, share in the community activities and events – in work, and as a family.”

For Josh, that balancing act is part of the appeal of community banking: a work and life balance where you’re not only invested in your livelihood, but the lives of all your neighbors and friends.



“It’s really important in small towns to support customers and their businesses. That’s what helps keep main street vibrant and growing,” says Josh.

As Josh begins his new role as Chairman of the ICBSD board, he looks forward to visiting with all the member banks and supporting the newest generation of leaders.

“We’re fortunate in that ICBSD is in a really good place fiscally,” says Josh. “Our organization has put us in a great position to invest back into people, membership, advocacy and improve our events and our leaders.”

Both Josh and Rick acknowledge that current higher interest rates are a challenge. Because of that, being a trusted consultant is extremely important, bringing value to the customer and working on new, creative ways to create cash flow and manage financing and operations.

“When times are tough, as community banks, we have patience,” says Rick. “We don’t rush to judgement. We just work hard to do what’s right and treat people fairly. And I think those are good virtues in a bank.”

Banking talk sometimes makes its way to the family dinner table. And while Josh and Rick often turn to each other for advice, they are quick to make sure family time comes first.

While the father and son continue to pursue their careers and community relationships, Josh approaches business like his daily workout routine – and the example set before him.

“Just get up in the morning and do something, keep moving every day! Be the best you can be!”







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# MEETING EXPECTATIONS WITH TECHNOLOGY, SECURITY

**MARY WILLIAMS**  
EXECUTIVE VICE PRESIDENT,  
CHIEF OPERATIONS OFFICER  
AND OPERATIONS TEAM



The expectation of today's banking customer is not just account access 24-7, the expectation is instantaneous transactions. And no one knows this better than Mary Williams, Executive Vice President and Chief Operations Officer of United Bankers' Bank.

"The average customer doesn't think about what goes on behind the scenes to make those transactions happen," says Williams. "That's OK, because it's our job to help make those as secure and smooth as possible."

Williams knows the previous burdens community banks faced in meeting customers' desire for speed. Banks had to staff more, remain open longer and manually verify deposits and settlements.

Today, with an assortment of digital wallets and payment systems at consumers' fingertips, Williams and her team have tasked themselves with building a better options for community banks and their customers.



**ALLEN MCLEAN**

*SENIOR VICE PRESIDENT AND  
OPERATIONS DIRECTOR*  
United Bankers' Bank



**MARY WILLIAMS**

*EXECUTIVE VICE PRESIDENT, CHIEF OPERATIONS  
OFFICER AND OPERATIONS TEAM*  
United Bankers' Bank



**CASSIE ORLOSKE**

*DATA DEPOSIT SERVICES MANAGER*  
United Bankers' Bank

And while the technology is important, they're educating customers, too.

"Customer education is really crucial," says Cassie Orloske, Data Deposit Services Manager. "With so many payment apps out there, customers need to understand their risk, their security, whether they are FDIC-insured, and how they can best mitigate fraud."

To that end, United Bankers' Bank continues to develop their own proprietary payment and settlement tool for community banks and their customers. "24-7 account access is a given, so how we set this up is critical and necessary," says Williams.

Since the Federal Reserve launched its new real-time payments service, FedNow®, in July of this year, institutions like United Bankers' Bank and the

community banks they serve are working hard to make sure they have the best technology to support it.

This investment into a payment systems platform is part of United Bankers' Bank's commitment to help community banks keep pace with the technology of their larger competition. But it's far more than that.

It's about helping banks keep more of their customers' information and technology in one place, as many popular payment platforms put customers at the mercy of a bigger bank that does not know their needs.

Alan McLean, Senior Vice President and Operations Director says, "Keeping your funds at the institution you know and trust benefits the

customer, but it also benefits the bank's ability to make quick, informed decisions for the customers they know."

Williams says it all comes back to the main street, home town presence of community banks. "We know that when the community bank in a small town thrives, the neighboring businesses have the best opportunity to thrive, also. And we're working on innovation for our banking clients to be competitive, while still maintaining those personal relationships."

To learn more about United Bankers' Bank visit:  
**[ubb.com/contact-ubb](http://ubb.com/contact-ubb)**



# TIPS FOR AVOIDING LENDING LIMIT VIOLATIONS IN LOAN PURCHASE PROGRAMS AND PARTICIPATION AGREEMENTS

– **Charles D. Gullickson, Keith A. Gauers**, Davenport Evans, an ICBSD Preferred Partner

Many South Dakota banks seek to diversify their loan portfolios to include commercial or real estate loans originated in other markets. Because South Dakota banks may lack the ability to originate loans themselves in areas outside of their normal geographic market, banks often use loan participations or loan broker arrangements to provide out of market diversification. While diversification in a bank's loan portfolio makes sense in general, the practice can raise other issues for a bank to consider, including the potential for unintended legal loan limit (LLL) violations.

The Office of the Comptroller of the Currency recently issued guidance on avoiding LLL violations in programs in which a national bank purchases multiple loans to different borrowers that are all purchased from the same seller. The guidance is found in OCC Bulletin 2023-27 entitled "Loan Purchase Activities: Legal Lending Limit Guidance" that the OCC issued on August 8, 2023. The Bulletin notes loans purchased from the same seller (even though they are loans

to different borrowers) may be combined for lending limit purposes if the bank purchaser has recourse rights against the seller. The issue gets murky because a seller's recourse obligations for these purposes can be either explicit or implied.

Under the OCC's lending limit regulations, a bank's purchase of multiple loans from the same seller will not be combined for LLL purposes if the bank does not have direct or indirect recourse to the seller (see 12 CFR § 32.2(q)(1)(iii)). Conversely, as pointed out in the OCC's August 8, 2023 Bulletin, multiple loans purchased from the same seller will be combined for LLL purposes if the bank purchaser has direct or indirect recourse to the seller, whether that recourse is explicit or implied. As an example of implied recourse, the Bulletin points to situations "when the seller has routinely substituted or purchased loans or refilled or replenished a reserve account even when [the parties'] contract does not require those actions." The Bulletin further notes that implied recourse can be established through the bank

purchaser's course of dealing with the seller.

For a definition for "course of dealing" the Bulletin refers to a provision in the Uniform Commercial Code (codified in South Dakota at SDCL 57A-1-303) which defines a course of dealing "as a sequence of previous conduct between the parties ... that is fairly regarded as establishing a common basis of understanding for interpreting their expressions and other conduct." Thus, even if the parties' transaction documents do not provide for recourse against the seller for purchased loans, those loans will be combined for assessing a bank purchaser's LLL compliance if the parties' "previous conduct" demonstrates that the bank purchaser looks to the seller for relief if a purchased loan goes into default.

Concerning the recourse issue and its impact on lending limits, South Dakota's banking statutes and regulations are almost silent on whether a bank's recourse rights against a seller of loans or participations is relevant for lending limit purposes. The only



## CHARLES D. GULLICKSON

FINANCIAL SERVICES LAWYER

place in South Dakota's banking statutes and regulations where the word "recourse" appears in SDCL 51A-4-24 concerning the authority of a state bank to engage in factoring. That statute in effect provides that if a bank has recourse rights against the seller of "open accounts" that the bank purchases then the total of such accounts will be deemed to be a loan to the seller for purposes of South Dakota's lending limit statutes.

On its face, OCC Bulletin 2023-27 applies only to national banks. However, in the authors' experience the South Dakota Division of Banking has often referred to and applied OCC lending limit rules and policies to state banks for purposes of assessing a state bank's compliance with South Dakota lending limit requirements. The authors are aware of at least



## KEITH A. GAUER

FINANCIAL SERVICES LAWYER

one loan purchase program in which the Division of Banking has orally advised that all the loans purchased from that program's seller, even though made to separate borrowers, will be combined for purposes of applying South Dakota lending limits.

Banks should pay close attention to the details in a participation agreement to avoid regulatory issues and unintended consequences. From the participant bank's perspective, the loan must be underwritten in accordance with the bank's normal lending policy and the bank should not simply rely on the underwriting of the lead bank. A participant should ensure that the participation agreement obligates the lead bank to provide necessary ongoing reporting so that it can continue to monitor the loan after origination. If the selling bank is using the participation to address

a lending limit issue, it should be certain that the participation agreement operates to remove the portion of the loan sold to the participant from the selling bank's balance sheet. One issue that has tripped up lead banks from time to time involves participations structured on a last in first out ("LIFO") or first in first out ("FIFO") basis. Based on current accounting guidance, LIFO and FIFO based participations do not effectively remove the portion of the loan sold from the selling bank's books. (The guidance on loan participations issued by the South Dakota Division of Banking in 2007, noted in footnote 1, refers to accounting principles concerning a LIFO or FIFO allocation of payments on a participated loan that have been modified since the guidance was issued. Thus, in that respect, the 2007 guidance does not reflect current accounting principles and may not reflect the current thinking of the Division of Banking). Only participations structured as a sale of a proportionate or pro rata share of the entire loan, where all payments must be divided proportionately among the participants and no priority is granted among the lead bank and the participants, qualify as true sale participations.

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### <sup>1</sup>Additional Resources:

OCC Bulletin 2020-81. Credit Risk: Risk Management of Loan Purchase Activities. <https://www.occ.gov/news-issuances/bulletins/2020/bulletin-2020-81.html>.

South Dakota Division of Banking. (2007). Loan Participation Guidance. [https://dlr.sd.gov/banking/legal/documents/loan\\_participation\\_guidance\\_06\\_009.pdf](https://dlr.sd.gov/banking/legal/documents/loan_participation_guidance_06_009.pdf)

Gullickson, C., DEHS (2020). OCC Combination Rules and Bank Lending Limits. <https://dehs.com/occ-combination-rules-and-bank-lending-limits/>

# NAVIGATING THE POTENTIAL IMPACT OF RECENT REGULATORY GUIDANCE

– **Gale Simons-Poole**, Chief Regulatory Relations Officer, BHG Financial, an ICBSD Preferred Partner



Banks are facing unprecedented risk management challenges amid rapid technological and competitive changes. Federal and state authorities have recently issued guidance to address paradigm-altering shifts such as climate change, artificial intelligence (A.I.), cryptocurrency, digital and mobile banking, credit models, data security, and more. Financial institutions should understand how these changes could affect their operating model and strategy. Below are highlights of recent select regulatory guidance: Climate Risk Impacts large financial institutions first; the Federal Reserve Board will conduct a pilot to analyze climate-related financial risk involving the six largest U.S. banks in early 2023.

## SMALL BUSINESS LENDING DATA COLLECTION

Will impact most U.S. financial institutions when implemented in 2023. Requires lenders to annually report small business credit application data, including credit purpose, loan amount, business info and location, gross annual revenue, NAICS code, and more.

## EXPANSION OF UDAAP STANDARDS

Broadens the scope of consumer activities subject to UDAAP beyond lending to include advertising, pricing, servicing, reporting, payments, and collections. However, a lawsuit by several banking trade associations seeks to prevent the expansion of CFPB's UDAAP role beyond its Dodd-Frank Act statutory authority.

## REPORTING CREDIT DECISIONS USING COMPLEX MODELS/ALGORITHMS

Lenders using A.I., machine learning, and/or complex credit models must disclose the precise reason(s) for Adverse Action Notices as required by the Equal Credit Opportunity Act.

## ENHANCED CONSUMER PRIVACY LAWS

Five states have already enacted enhanced regulations: CA is already in effect; CO, CT, CA, and UT state requirements become effective in 2023. Six other states (MA, MI, NJ, NC, OH, PA) have active legislation pending.

## OVERSIGHT OF BANK THIRD-PARTY RISK MANAGEMENT (TPRM)

Vendor/third-party relationships are generating renewed regulatory scrutiny, especially fintech partnerships. Ineffective TPRM could be cited as unsafe or unsound practice. Banks must demonstrate TPRM through documentation of third-party relationships, conduct audit and performance reviews, and require third parties to provide data that confirms the quality and sustainability of controls to meet service agreements.



*Scan for more information about compliance and regulatory solutions*



## WHAT'S AN APPROPRIATE CHANGE MANAGEMENT STRATEGY FOR COMMUNITY BANKS?

Each regulatory scenario described above warrants a course of action specific to that issue. For example, regarding the enhanced consumer privacy laws, banks should revisit privacy disclosures, notices, and policies within the states they operate. More holistically, banks can manage all the impending regulatory changes following these three steps.

- 1 Monitor regulatory proposals and changes through industry groups and trade associations**  
Seek clarification and/or assistance from trusted partners outside of your organization. In addition, involve your operations, technology, and compliance staff to gain a comprehensive view of any potential changes. It is also prudent to communicate with your Board and senior staff and to document your regulatory discussions in Board minutes.
- 2 Designate an internal stakeholder to implement/monitor regulatory changes**  
This stakeholder can also conduct testing after implementation to ensure the process and related controls are operated as intended, and document your bank's change management efforts for subsequent review by external parties.
- 3 Partner with an external regulatory expert**  
Staying current with newly implemented and/or potential regulations requires time, expertise, and deep industry knowledge. An external overseer can advise on necessary regulation and compliance issues, giving banks the freedom to focus on serving their communities.

## ABOUT THE AUTHOR

*As Chief Regulatory Relations Officer (SBA), Gale Simons-Poole expertly navigates regulatory and compliance matters for BHG lending programs and supports BHG's risk management and reporting. Gale's three decades in bank supervision include 23 years with the FDIC, most recently as Deputy Regional Director, Risk Management Supervision. Before joining BHG, she spent seven years as Director for Promontory Financial Group, advising clients from large insured national banks to community banks.*



# DAVENPORT EVANS ANNOUNCES NEW ASSOCIATES HOFFMAN AND ASSIS

Davenport, Evans, Hurwitz & Smith, LLP is pleased to announce that Alex J. Hoffman and Pedro N. Assis have joined the firm as associate attorneys.

**Alex J. Hoffman** is a native of Elk Point, South Dakota and a graduate of the University of Nebraska-Lincoln, the University of South Dakota Knudson School of Law, and the Beacom School of Business.

Alex is a member of our Estate Planning practice group. His practice is focused on estate planning, probate, trust administration, taxation, and corporate and business law.

**Pedro N. Assis** is a native of Guaxupé, Minas Gerais, Brazil, having studied at Dublin City University, he then graduated from Federal University of Alfenas and the University of South Dakota Knudson School of Law.

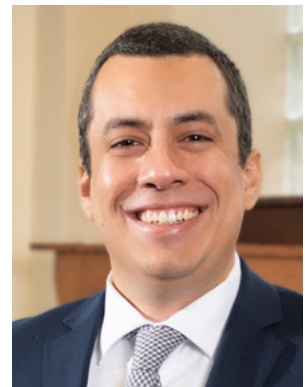
Pedro is a member of our Trusts & Trust Companies practice group. His practice is focused on trust companies, estate planning, probate, trust administration, taxation, and corporate and business law.

## About Davenport Evans

Davenport, Evans, Hurwitz & Smith, LLP, located in Sioux Falls, South Dakota, is one of the state's largest law firms, serving local, national, and international clients. The firm's attorneys provide business, trusts and estates, and litigation counsel to individuals and corporate clients in a variety of practice areas. For more information about Davenport Evans, visit [www.dehs.com](http://www.dehs.com).



ALEX HOFFMAN



PEDRO ASSIS



# 2023 ALUMNI ACHIEVEMENT AWARDS

Each year, Alumni Achievement Awards are presented to Augustana University alumni who have made outstanding contributions to their fields of endeavor, communities and/or churches. The Horizon Award recognizes young alumni who have graduated within the last 15 years and quickly demonstrated outstanding vocational achievement and provided faithful service to their community and/or church. Recipients of both awards must exemplify one of the shared core values of the university: Christian, liberal arts, excellence, community or service.

## 2023 Alumni Achievement Awards



**Dr. Paul  
Barnes '78**



**Dr. Kathleen  
Digre '72**



**Deanna (Levsen)  
Wehrspann '80**



**Dr. Peter C.  
Young '74**



**Dr. Nancy Floros  
Rajanen '77**



**Gerald  
Saetveit '63**



**Valerie  
Anderson-  
Boudaka '08**



**Vanessa  
Anderson-  
Smith '08**

### VALERIE ANDERSON-BOUDAKA '08

Valerie Anderson-Boudaka '08 is the president of Farmers State Bank in Canton, South Dakota. Raised in Canton, Anderson-Boudaka majored in business administration at Augustana where former President Rob Oliver helped her secure a job as a bank teller at Wells Fargo. After graduation, she served as an assistant manager at TCF Bank, a personal banker at U.S. Bank and, in 2011, was named vice president of Farmers State Bank before becoming president in 2019. Anderson-Boudaka is a member of the Independent Community Bankers of South Dakota (ICBSD) Board of Directors and Augustana Alumni Council, ICBSD federal delegate and president-elect of Canton Lutheran Church. She and her husband, Moe, have one son.





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