

ICBND Annual Convention and Exposition was OUT OF THIS WORLD

The 2015 ICBND Annual Convention and Exposition with 365 attendees, an outstanding speaker line up, lively entertainment and a packed vendor hall lived up to its space theme and was out of this world!

If you were unable to attend this year's convention, the two most important parts that you missed (as stated by many of our attendees) was the extraordinary networking time with your fellow bankers and outstanding associate members AND the closing keynote address given by ICBA President and CEO Cam Fine. Cam's message regarding the state of independent community banks in our nation was both powerful and passionate. He had the attendees standing with applause many times during the events closing banquet.

Another speaker who moved many attendees emotionally was the closing general session speaker Retired FDNY Lieutenant Joe Torrillo. His story of surviving the 911 Attack on America was compelling. You could hear a pin drop during his presentation. Joe also joined us during our closing banquet and presented a heartfelt message on the need for bringing back stronger patriotism in America. After his short speech he presented a very special plaque to Gary Nelson, American Bank Center in memory of his daughter Ann Nicole Nelson who lost her life while she was working for Cantor Fitzgerald on the 104th Floor of Tower #2 on September 11, 2001. It read in part:

"She was a small town girl who set her sights on the world. In Ann's words – "Life's purpose is not to find a fun party...it is to make one". She will always be remembered as exuberant, spontaneous, ambitions, passionate and brilliant. Her life was and still is meaningful, purposeful and joyful and to all who may read this, if you live your life in her likeness, then she is with us always.

The ICBND Convention Committee will start working on next year's event within the next month. Our goal is to offer excellent educational opportunities not only for presidents, owners, officers and directors during the convention but also for your security officers, IT specialist, tellers, operations, and your young bankers involved with the Emerging Leaders Development Group. We hope that we are able to not only offer education but a fun networking environment that will continue the "community family" feeling of our North Dakota Community Bankers. We hope to see you and more of your employees experiencing this great event next year....mark your calendars now for the 49th Annual Convention to be held August 14-16, 2016.

Please view the Special Edition 48th Annual Convention Review for all the highlights.

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David Ludwig
Security First Bank of
North Dakota
Bismarck
ICBND Chairman

This is my first opportunity to contribute to the ICBND Newsletter. I encourage everyone to go through the entire newsletter. It is filled with industry information, ICBND activities, educational opportunities, news from our members and more. The newsletter is just one example of the time and effort our small staff puts into everything they do for the membership of the organization. Educational offerings include basic skills, mandatory compliance and certification programs. Classes are live or through webinars.

We recognize there is a shortage of bankers in the state. The Emerging Leaders Program and the Ag School of Lending can aid in the education of bankers but banks need to recruit at the college level and start talking to seniors in high school. Scholarships, part time jobs and internships can help create the community bankers of the future. In the last newsletter we had an article about our first scholarship

recipient, Alison Vetter. We gave her a scholarship for our Ag School of Lending and a Scholarship for NDSU. We plan to find another candidate or two for next year. This is our attempt to help create new bankers. If banks want to follow this plan with their own candidates, call Barry or Wendy.

We have started working on a construction lending seminar to be offered in April of 2016. We are just in the talking about planning stage. If there are other topics where there is a need for training, speak up. If the staff cannot find a course, maybe we can create one. At the same time, I would ask that community bankers get involved in ICBND. We have a number of committees, the board and other areas where help or expertise is needed. We have a lot of active members. More would be better.

President's Remarks



Barry D. Haugen
ICBND President

One of the many classic quotes from the late Yogi Berra was - "you can see a lot just by observing". Well, I've seen it all now. Not really, but let me explain. The end of October marks my first full year serving as your association president. It's been my pleasure. So, I've now pretty much experienced first-hand a full annual cycle of ICBND activities, sessions and events including the 64th Assembly of the North Dakota Legislature. I'm proud of the work we do and the trust our members place in us to provide quality and timely products, services and advocacy. There's always room to improve and that remains our focus moving forward.

We have put together a special Convention Edition that has lots of pictures and a recap of the 48th annual ICBND Convention held in mid-August in Bismarck. Over 360 attended this year's event enjoying a full slate of entertainment, networking opportunities and education. What a fabulous opportunity for me to get to know you better and put faces to names of those I hadn't met. It's even more fun to watch old

friends reconnect. Thanks to all who attended. We can't thank enough those associate members, exhibitors and sponsors whose financial commitment and participation make the convention possible. I'd encourage you all to get the 49th Annual ICBND Convention on your schedule now. It probably seems like an eternity away, but August 14-16, 2016 will be here before we know it!

While we're already into the last quarter of the year, please keep in mind that we have a number of live educational sessions remaining on the 2015 calendar including **"Sustainable Success Thru a Process Driven System"** in mid-October and **"Uniform Commercial Code Article 9 Updates"** in late October. Our live sessions for the year will wrap-up with our **Frontline Training** in early November. Please check our website for details. We're also in the planning stages of some new and exciting educational offerings for 2016 so stay tuned!

Until next time, please enjoy the beautiful autumn season.

Welcome!

Please welcome ICBND's newest
Associate Member, KLJ



KLJ

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KLJ CyberNet Security Solutions is providing next generation security services for independent community banks, through three product verticals; Professional Services, Project Services and Managed Security Services.

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An Unavoidable Truth

Written by: Camden Fine, President and CEO of ICBA

FINE Points



Summer's light is fading over the Capitol dome, and the legislative clock is ticking in Washington. Preparing for a legislative sprint toward the end of the year, members of Congress return to our nation's capital this month after having heard from ICBA and community bankers all year.

The unmistakable, unavoidable truth they heard is this: *The time for action on regulatory relief for community banks is overdue. No one can claim he or she didn't know.* That's because throughout this year and previous ones, while working directly with many lawmakers from both political parties to craft regulatory relief bills, ICBA sent its call for regulatory relief in several creative ways in various highly prominent venues throughout Washington.

Most recently, ICBA published prominent articles and ran eye-catching and to-the-point advertisements in publications widely read by policymakers and members of their staffs. In one large ad in *Politico*, ICBA published a list of "True Community Bank Champions in Congress" highlighting senators and representatives who have voted for or cosponsored pivotal ICBA-backed regulatory relief bills. The message is crystal clear to any lawmaker up for reelection next year.

Several other colorful ICBA ads published last month in *Politico* spread the same urgent message in memorable ways. One ad shows a piggybank gripped in a vise declares "Over-Regulation Puts the *SQUEEZE* on Community Banks!" Another cartoon ad of a man strangled by a ribbon of government red tape implores "Over-Regulation is *CHOKING* the Life out of Community Banks!" These creative ads and others widely circulated by ICBA stand out—and get the message across plainly and unambiguously.

Meanwhile, a *Washington Times* editorial

series also published this summer features a dozen articles, editorials and op-eds by ICBA community bank leaders and senior staff on community bank overregulation and the association's proposals to address this pressing problem. Titled "How Excessive Regulation is Crushing Main Street: The Inside Story on the Squeeze Facing the Nation's Community Banks," the articles clearly explain the dangers of perpetuating one-size-fits-all regulation to consumers and local communities.

"The time for action on regulatory relief for community banks is overdue. No one can claim he or she didn't know."

Moreover, all of this highly public advocacy outreach happened on top of ICBA's daily advocacy efforts on Capitol Hill. These efforts also occurred after about 1,000 community bankers visited with lawmakers on Capitol Hill this spring about regulatory relief and the Plan for Prosperity measures during ICBA's Washington Policy Summit, which coincided with ICBA saturating the city's Metro transit system with posters and billboards for Community Banking Month.

Yet another election season is approaching as Main Street watches impatiently. ICBA and community bankers aren't about to stop telling the truth and spreading the message—the time is *now* for enacting meaningful regulatory relief for community banks. I'll repeat this too: This time nobody can say he or she didn't know.

Camden R. Fine is President and CEO of the Independent Community Bankers of America® (ICBA), a national trade association representing the interests of more than 6,500 community banks.

Training for the Future

Written by: Jack Hartings, Chairman of ICBA

From the Chairman



About six years ago my community bank made an important shift in its hiring practices—our goal became to develop the best future leaders. Previously we had hired some veteran officers from larger institutions, and although they were solid individuals we learned their philosophies on community banking was quite different from ours. We spent an enormous amount of our time and energy trying to change the way those individuals served our customers and brought in business. Then I realized all of the seasoned banking experience these individuals had gained wasn't much of a benefit to our community bank.

We want our senior officers to have not only strong banking knowledge and skills, but also a true community bank philosophy of relationship banking. We want our employees to know how to build relationships with our customers that span long careers here at The Peoples Bank Co. For that reason we want people who are interested in working for our bank throughout their careers, not just for a few years before moving on. We also want them to have the desire to live, work and participate in the communities we serve.

As a result, we decided to take a longer look at our needs to develop future managers and leaders. We started by hiring and promoting talented individuals—typically recent college graduates with business degrees—and training them to become community bankers. We established a multi-year management training program that teaches our most promising future leaders about every facet of our institution. Then we give them a specific job responsibility to learn thoroughly.

The first person to participate in our management training program is a young woman who had worked for us as a part-time teller while in college. Since completing the program she has become

one of our top mortgage originators and underwriters.

The second employee to complete the training program is a young man we hired after he graduated from college and began working at another community bank about 30 miles away. After completing our program he became a commercial lender. He has done a wonderful job building his own book of customers as well as assisting other officers. He recently completed his year as president of a local Rotary Club.

Our bank has since promoted another employee who participated in our training program, and she is now an officer who oversees our Internet and mobile banking programs and ATM functions. Meanwhile, a fourth employee has started our training program, and we hope to prepare him soon for a position as a consumer and residential loan officer.

Along the way our management training program has taken advantage of many ICBA webinars and online training courses. Last year we also sent one newly appointed officer to the ICBA's Leadership Development Conference, and we are sending another officer to this month's conference in Indianapolis. We plan to continue using ICBA's education resources and sending at least one of our officers to the leadership conference every year.

We want and need to do this—investing in the futures of our employees and our community bank—on our own terms, in our own best way.

Jack Hartings is president and CEO of The Peoples Bank Co. in Coldwater, Ohio.

Movin' On Up

Written by: Jim Reber, President and CEO of ICBA Securities

Portfolio Management

Kansas community bank catches, passes peers using bond portfolio

Steve Handke runs his community bank's bond portfolio the same way he manages his family's farm outside of Horton, Kan. He rolls up his sleeves and gets engaged.

Handke, the president and CEO of Union State Bank of Everest, a \$310 million-asset institution, had an epiphany more than a decade ago while attending a bond school for community banks. During the event, he recalled seeing a table that displayed the impact on a bank's bottom line return on assets (ROA) for having a high-performance investment portfolio. "It was astounding how much money banks were leaving on the table," he says. "And the fact of the matter was that these lower performers had balance sheets that looked a lot like ours."

Looks familiar

Handke could have added that those banks with lower performing investment portfolios had income statements looked like Union State Bank's as well. At the time his bank's portfolio was in the third quartile in terms of overall industry yield, which is saying its yields were below more than half of its national peers. He remembers, "When I extrapolated the impact on our bottom line, we were voluntarily forfeiting more than \$120,000 each year. And we were much smaller than we are now."

Being a part-time farmer, and therefore not afraid of a project that has deferred gratification, Handke set about improving his bank's standing amongst its peers. He had no illusions about the duration of the job. "I was in for the long haul as far as being a community banker," he says. "It was maybe going to be three years or more before the bank's yields were in the top quartile, so no time better than then to get started."

Owners' manual

Handke and all other community bankers had a valuable tool at their disposal, ICBA Securities' Performance Profile. He recalls, "I learned about the Performance Profile from Jim Needham, a community banker from Troy [Kan.], who was respected by everyone in the state. Jim had been managing his bonds using

this report, and if it was good enough for him, it was plenty good enough for Union State Bank."

Vining Sparks, the exclusively-endorsed broker of ICBA Securities, can create an institution-specific report each quarter that allows a portfolio manager to track his or her progress relative to the community bank's peer group. This complimentary Performance Profile was the barometer by which Handke tracked his progress.

"I had some help from the advice I got from my brokers too. The Performance Profile would point out the differences in my portfolio and the top quartile's, but it still took some discussion with [brokers] to find the right bonds, and the right mix," says Handke. "We make it a policy to diversify our investments among agencies, mortgage securities and munis, so we need advice and documentation about what we buy, and why."

Live and in person

Fast forward to 2015. Union State Bank of Everest is well-entrenched in the top quartile of its peers. Handke says "now we're in a mode of maintaining our investment structure to stay at the top. The Profile basically defines what our next purchases need to be. And another nice thing is that the Profile's recommendations take our interest rate risk into account, so we're not helping yield while sacrificing sound risk management."

Steve Handke will be one of 11 instructors at the ICBA Bond Academy this fall. In his workshop he will explain the steps his community bank took to create a high performance investment portfolio. The Bond Academy will be held November 8-10 in Memphis, Tenn., at the Peabody Hotel. Participants are eligible to receive up to 16 hours of CPE credit. For more information or to register, visit

www.icbasecurities.com/2015bondacademy.

Jim Reber is president and CEO of ICBA Securities, ICBA's institutional fixed-income broker/dealer for community banks.



Sponsorship Opportunities

Independent Community Banks of North Dakota is currently looking for sponsors for our various seminars, and programs being held in 2016 as well as our annual convention.

Sponsorships for these programs would cover expenses such as food, hotel, travel, speakers/exhibitors, and more. Recognition will be given to those sponsoring the event!

Sponsorship opportunities include:

- The Emerging Leaders Development Program
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- The School of Ag Lending
- Frontline Seminars
- Construction Lending School
- ICBND 2016 Annual Convention and events

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Lacey Kuhn, Barry Haugen



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Managing Stress as a Working Parent

Live Well, Work Well

Health and Wellness tips for your work, home and life
brought to you by ND BANKS Benefit Trust.

Taking care of yourself is one of the greatest things you can do for your kids and your job. Eat right, exercise and get as much rest as you can.

Many parents also hold full - or part-time jobs. However, being a parent on its own is one of the hardest jobs anyone could take on. Couple that with the stress of a career and it can be too much for anyone.

It's not uncommon to experience guilt and frustration trying to balance both work and family obligations and end up focusing on the things you can't do or what you're missing out on. The key to managing both worlds is focusing on the things that you can accomplish and making the most of the time you have at work, with your family and on your own.

Get and Stay Organized

- Keep your home and office organized. That way, you won't have to waste time looking for important files or sorting through junk mail.
- Keep everything in its assigned place so you know where to find exactly what you need when you need it.

Create a Plan

- Use a day planner where you can keep track of both work and home obligations in the same place so you don't overcommit yourself.
- Make a list of what you want to accomplish each month and then break those tasks down by week or even by day. If you keep up with the schedule, you will be less stressed.
- Leave a little buffer time in your schedule in case your child care provider cancels, your children get sick or you have to work late.

Work with Your Family

- If you bring work home, make sure your home office is kid-proof by keeping important papers out of reach and placing child-safe latches on your desk drawers.

- Set up an area in your home office for your children to do "work" with you, such as coloring or doing puzzles.

- Communicate with your partner about what you need to support you, and be supportive back. Remind your partner how grateful you are for him or her.

Break Out of the 9-to-5

If you are able to set your own schedule, prioritize the tasks that you must accomplish during peak working hours and complete other tasks in the early morning or later in the evening when your children are sleeping.

Remain One Step Ahead

Walking for a specific number of steps per day can help motivate you to reach your fitness goals. Though you will have to invest in the pedometer, your health will improve and you will reduce your health costs in the long run.

Make Time for You

While purchasing something off the fast food menu may seem inexpensive and enticing, the costs to you will be far greater, as grease-filled foods may contribute to significant health problems that will cost you in medical bills and time away from work, family and friends.



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Contact Angi Day at (701) 223-5303 or angi@ndba.com for more information on ND BANKS Benefit Trust.

(Article provided by Zywave
Broker Briefcase)





Washington Watch

Accounting Liabilities

New accounting standards expected this year pose another hurdle for lenders

Every community bank in the country will be required to revise how it accounts for loan-loss reserves and securities under proposed accounting reforms due to be finalized as soon as this year. The Financial Accounting Standards Board has proposed an accounting standards update that would compel banks to recognize credit losses much earlier in the credit cycle than currently required. The standards are expected to be released in the fourth quarter.

Independent Banker talked with ICBA accounting expert James Kendrick, the association's vice president of accounting and capital policy, about what community banks can expect.

IB: What is being proposed by FASB?

Kendrick: The FASB has proposed a single approach for recognizing credit losses on all types of loans and trade receivables. The plan would change the current incurred loss model, in which banks record a credit loss due to a triggering event or probable impairment, to an expected-loss model based on statistical projections and detailed forecasts.

Currently, community banks that follow Generally Accepted Accounting Principles normally don't record a provision for credit losses unless they have evidence that they'll incur a default. Under the FASB plan, banks would instead take a hit the moment they make a loan. Basically, banks would be required to estimate expected credit losses for the life of a financial instrument and recognize the net present value of those losses at origination.

IB: How would this affect community banks?

Kendrick: For one, it would require all banks to institute and maintain complex and expensive modeling systems; a Magic 8 Ball isn't going to cut it. Obviously this takes away a great deal of discretion from community banks to make localized financial decisions, which is of course a big part of what community banking is all about. But pushing up loan losses in the credit-loss cycle to the point of origination also effectively

penalizes community banks for investing in their communities.

IB: And obviously that has an effect on consumers.

Kendrick: Absolutely. It's going to mean more capital tied up in the allowance, which means lower regulatory capital and fewer loans to consumers and yet another ding to local economic growth. The Office of the Comptroller of the Currency estimates that the proposal will increase loan-loss reserves by an average of 30 to 50 percent.

IB: What does this mean for regulatory scrutiny?

Kendrick: This is one of our biggest concerns. For all the complex systems banks will have to employ to project multiple outcomes and cash flows, I just don't know that banks will ever be able to get the equation right from the regulators' perspective. There's always another rock to look under, right?

So it's going to be expensive, burdensome and time consuming, and never enough to satisfy the examiners.

IB: How long has this plan been in the works?

Kendrick: The FASB issued its proposal in December 2012 in direct response to the financial crisis of 2008–09. The idea is that loan-loss provisioning was too little, too late in the run-up and response to the crisis. The board at one time said it would finalize the changes by the first quarter of 2014, but I think a lot of the negative industry feedback is responsible for the delays.

My best guess is we'll see a final standard by the end of this year.

IB: Do you think the industry's response has made headway?

Kendrick: We certainly haven't left anything to chance. ICBA came up with an alternative proposal for institutions with less than \$10 billion in assets that bases loan-loss provisions on historical losses for similar assets. We've had numerous meetings with FASB board members and staff, prudential regulators, examiners and the chief accountants of all three banking regulators. We've taken community bankers up to FASB's headquarters in Connecticut on three separate occasions. And we've submitted formal comments and banker letters as part of a letter-writing campaign and a petition with nearly 5,000 signatures.

IB: What's left in the tank?

Kendrick: We're going to keep lobbying the FASB and the banking regulators to make our point that this plan is bad news for community banks and local economies. Last year we had a FASB staffer come down to Florida for ICBA's fall committee meetings, and we're planning to do that again this fall so they can keep hearing directly from community bankers.

We're also working to take part in the FASB's transition task force so we can do everything we can on this project as the final standard approaches. We just have to keep harping on the negative impact this plan would have on local communities and encouraging the FASB to take up our alternative proposal.

James Kendrick, ICBA Vice President of
Accounting & Capital Policy



Marketing Today

The Big-Bang Theory

Four steps to transformational marketing results

You probably haven't given it a second thought, but have you ever considered how much of your daily life and the decisions you make along the way are influenced by marketing? Branding, logos, messaging: The strategic placement and timeliness alone for any of these are not left to happenstance. They are almost always precisely presented in a coordinated way for maximum overall impact.

In today's sophisticated and cluttered retail banking market, how can a community bank raise its visibility and engage profitable new customers without allocating more resources toward marketing? The answer is, it can't, at least not anymore.

Today's consumers and small businesses use a wide range of resources, including the Internet and social media, to research potential financial relationship partners. Word-of-mouth referrals and traditional print and display advertising are still important, but brand alignment and authenticity are critical factors as well. If, for example, your advertising touts your community bank's small-business lending focus or its customers-first culture but there isn't a single social evangelist or recent testimonial on your website from a real customer who supports your claim, your marketing effort may simply fall flat.

Given the pressure on the bottom line, it may seem impossible to do more of anything, including marketing. But evaluating what's happening right now with your existing marketing efforts and within your community bank could give your bank a new perspective and a bigger bang for its bucks.

Here are four steps to transformational marketing that should generate the remarkable results you want to achieve from your current marketing efforts and budgets.

- Ask yourself: Is what we're doing in marketing bringing us enough quality new business to pay for the effort? If the answer is no, consider taking a 360-degree approach to your campaign. Do the message and visuals match your bank's reputation and image? Is the campaign properly positioned in the marketplace, in the right outlet, at the right audience? Is the campaign connected throughout your bank, including staff awareness, website, social media outlets and

branch décor?

- Does everyone who works in your community bank genuinely believe it is the best place in the community to do business? Authenticity matters and you'll have a tough time convincing a customer that you're really better than someone down the street if you don't believe it yourself. Encourage staff members to be customers of the bank and use the products and services offered to build firsthand experience.
- Does your marketing engage, empathize with and educate your audience? Connecting with customers requires more effort than a simple newspaper ad or billboard sign. Keep in mind potential new customers aren't looking for friends. They are looking for financial expertise, someone they can trust, and products and services that help them accomplish their goals.
- Consider how you are measuring marketing effectiveness; ideally, the ROI should not be completely financial. Although it would be great to be able to attribute each new customer to a particular marketing effort, it doesn't work that way. So many times marketing and brand presence plant a seed that over time is reinforced by other activities such as community involvement, word-of-mouth referrals and networking.

Chris Lorence is ICBA's Executive Vice President and Chief Marketing Officer.

Piper Jaffray – Bringing new ideas and resources for balance sheet and portfolio management in 2016

With more than 120 years of experience providing the financial community strategic advice, we recognize markets and objectives change. In a changing environment, performance maximization requires new ideas and resources. Traditional processes can lose effectiveness.

In 2015, Piper Jaffray added several new teams of nationally recognized bank professionals. These teams will develop relevant strategies for balance sheet and investment portfolio management in the current challenging environment. Strategies will incorporate new and essential concepts, including:

- Duration variance
- Risk/reward profiling
- Liquidity contingency planning
- Duration drift

Our approach in 2016 will be to assist our bank clients to achieve their primary objective of maximizing shareholder value over the long-term.

We look forward to introducing our new team and resources in 2016. For additional information please contact your Piper Jaffray fixed income representative.

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ICBND Elects New Board at the 48th Annual Convention

The Independent Community Banks of North Dakota elected officers and new members to its board of directors during the groups 48th Annual Convention Business Luncheon. Officers for the 2015-2016 year are:

Chairman: David Ludwig, President – Security First Bank of North Dakota, Bismarck
 Chairman Elect: Rick Beall, President – Peoples State Bank, Velva
 Vice Chairman: Tim Karsky, Market President – Choice Financial Group, Bismarck
 Immediate Past Chairman: Tim Porter, CFO – Bank of North Dakota, Bismarck
 Past Chairman: Robert Larson, Market President – American Bank Center, Underwood
 National Director: Scott Tewksbury, CEO/President – Heartland State Bank, Edgeley
 Northwest Director: Rick Braaten, Senior Vice President – American State Bank & Trust Co., Willison
 Southwest Director: David Mason, Market President – First International Bank & Trust, Bismarck
 Northeast Director: Chad Aberle, President – Citizens State Bank of Finley, Finley
 Southeast Director: Mary Johnson, CEO/President – Union State Bank of Fargo, Fargo
 Director at Large: Mark Friedt, President – First International Bank & Trust, Harvey
 Director at Large: Paige Bjornson, Senior Business Banker – Dacotah Bank, Valley City
 Director at Large: Jonus Elston, Regional President – American Bank Center, Bismarck
 Director at Large: Rick Harris, Vice President – State Bank & Trust of Kenmare, Kenmare

Governor Jack Dalrymple and Senator John Hoeven were the featured guest speakers during the luncheon. Senator Heidi Heitkamp was unable to attend the luncheon but did send a video address to the group. Missy Feist-Erickson, Loan Officer at Peoples State Bank in Minot also spoke to the attendees regarding her involvement with the ICBND Emerging Leaders Development Group and her trip to the ICBA Washington Policy Summit. Missy was awarded this trip after she submitted a short essay on her passion for community banking and her involvement with the Emerging Leaders.



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Parrell Grossman, Director,
Consumer Protection Division,
ND Attorney General's Office



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Bank of North Dakota's S&P Credit Ratings Remain Consistent

BISMARCK, N.D. – Standard & Poor's (S&P) affirmed Bank of North Dakota's (BND) credit rating as "AA-" and "A-1+" for long-term and short-term credit respectively in its annual review released September 22, 2015. This is consistent with the ratings it received for the previous three years.

"The S&P review points out that the state's extraordinary support of BND is an essential component of this positive rating," said Gov. Jack Dalrymple. "The result is a rating which places BND amongst the strongest-performing banks in the country. They continue to accomplish their mission with a special emphasis in the past year on funding infrastructure projects, providing a direct benefit to thousands of North Dakotans."

The ratings have remained stable since being increased by S&P in 2011. S&P is a U.S.-based financial services company that publishes financial research. Financial institutions are typically reviewed annually, but S&P will review more frequently if a modification of the rating is needed.

"One of BND's greatest assets is its agility, allowing it to adjust

to economic fluctuations while meeting the current needs in the state," said Attorney General Wayne Stenehjem. "The experienced staff continues to manage the Bank's portfolio conservatively and create a positive return."

"The role BND plays in maintaining a vigorous and vital agricultural economy through a number of loan programs is significant," said Agriculture Commissioner Doug Goehring. "Its commitment to agriculture, education, economic development and infrastructure is well established."

BND is on track for a 12th consecutive year of record earnings. Last year, the Bank recorded \$111 million in profits.

"I fully expect to meet and exceed the budgeted revenue target of \$115 million in 2015," said Eric Hardmeyer, BND president. "BND is on course to meet its earning objectives while fulfilling its role in the economic development efforts of the state."

The full S&P report may be viewed at www.banknd.nd.gov.

The only state-owned bank in the nation, Bank of North Dakota is overseen by the Industrial Commission of North Dakota, consisting of Gov. Jack Dalrymple as chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Doug Goehring.

GROUND BROKEN FOR FINAL PHASE OF POPULAR SENIOR HOUSING DEVELOPMENT

Senior Housing Made Affordable with Federal and State Programs

FARGO, ND – A development that addresses one of the City of Fargo’s biggest housing needs - affordable rental options for seniors - broke ground for the final phase of the project today. An event, co-hosted by Beyond Shelter Inc. (BSI) and North Dakota Housing Finance Agency (NDHFA), marked the completion of North Sky Apartments’ second phase and the groundbreaking for the third and final building.

NDHFA awarded federal Low Income Housing Tax Credits (LIHTC) to BSI this year that will provide phase III with \$3.7 million in project equity. The state agency also made a conditional commitment valued at \$600,000 from the North Dakota Housing Incentive Fund (HIF). Development costs for the final building are estimated at \$4.6 million.

“North Sky Apartments are a great example of how we are using federal, state and local resources to ensure that affordable housing is available for our seniors,” said Gov. Jack Dalrymple on behalf of the North Dakota Industrial Commission. “This development will help address an immediate housing need for the City of Fargo, providing housing that allows seniors to continue to live independently.” The North Dakota Industrial Commission, consisting of Dalrymple as chairman, Agriculture Commissioner Doug Goehring and Attorney General Wayne Stenehjem, oversees NDHFA.

The City of Fargo first identified housing for the extremely low income elderly in need of supportive services as a community necessity in 2009 and provided the funds that BSI used to purchase the land for the North Sky complex. The nonprofit developer broke ground on the first building in 2013. State and federal programs administered by NDHFA brought funding to each phase of the project, allowing for rents of less than \$400 per month for income-qualified households.

In 2013, the Fargo population age 65 and older was estimated at 12,609. The most recent Statewide Housing Needs Assessment projects that by 2025 that population will increase to 20,500.

“The HIF and LIHTC programs are important pieces of the affordable housing puzzle that make a real difference for North Dakotans,” said NDHFA Executive Director Jolene Kline. “As the state grows, we must maximize federal resources while leveraging local, state and private-sector dollars to bring much-needed housing to fruition.”

“It is a challenge for Fargo seniors to find housing that is affordable, and every year that population increases,” said BSI CEO Dan Madler. “Without multiple layers of support, our organization would not be able to keep a project’s rents at such reasonable levels.”

North Sky Apartments are located in the Urban Plains neighborhood on the southwest side of Fargo. BSI anticipates that construction on the final phase of the development will be completed by summer 2016.

NDHFA’s HIF program relies on taxpayer support to provide low-cost financing to affordable housing developers. To honor its most recent commitments, NDHFA must raise \$30 million by Dec. 31, 2016. More information on HIF is available online at www.ndhousingincentivefund.org.



Tax Commissioner: Dyed Fuel Enforcement Program Proving Successful

Bismarck, N.D. – Tax Commissioner Ryan Rauschenberger today shared information about the state’s dyed diesel fuel enforcement program. At a media availability eight miles east of Bismarck, Rauschenberger said the program has proven successful in its short four year existence.

“The dyed diesel fuel tax reduction statute has been around since 1999. In 2011, the Office of State Tax Commissioner received legislative authority to begin conducting enforcement activities to ensure compliance with the statute.” Rauschenberger stated. “The enforcement program was started to help ensure the proper usage of dyed fuel.”

Diesel fuel that is dyed red is purchased at a reduced North Dakota tax rate of 4 cents per gallon and is only to be used for agriculture, industrial or railroad purposes, per North Dakota Century Code (N.D.C.C.) ch. 57-43.2. There is no federal tax on dyed fuel. Vehicles operating outside of that scope are not legally able to use the dyed fuel at the reduced tax rate. Clear diesel fuel is regularly taxed 23 cents per gallon by the state and 24.4 cents per gallon federally.

“Our motor fuels tax division conducts anywhere from five to twelve separate enforcement operations each year in various locations across North Dakota,” added Rauschenberger. “We conduct the enforcement operations in conjunction with Highway Patrol safety inspections.”

Since the enforcement program began in October 2011 through the end of 2014, an average of nearly 2 percent of vehicles tested were confirmed violations. Both the state of North Dakota and the Internal Revenue Service (IRS) issue penalties that vary based on the number of previous violations. The first violation combined penalty is a minimum \$1,500 (\$500 state, \$1,000 federal), with penalties increasing for each subsequent violation.

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The Community Banker
Together We Prosper

In October, NDHFA will host the first training in a series of four courses for the National Development Council's Housing Development Finance Professional Certification Program.

**Learn the Ins and Outs of
Affordable Housing
Development**

NDC's program explores the development process, financial analysis techniques and structuring, and the negotiating skills needed to successfully develop and finance affordable homeownership and rental housing development.



Courses and Dates:

**HD410: Homeownership
Finance, October 19-22, 2015**

**HD420: Rental Housing Development
Finance, April 25-29, 2016**

**HD422: Computer Spreadsheet Analysis
for Housing, June 21-23, 2016**

**HD430: Housing Development Finance:
Problem Solving and Deal
Structuring, October 10-14, 2016**

Through partnerships and sponsorships, the full series will be offered locally at a deep discount – all four courses for only \$1,200. Individual courses are \$400 each.

Registration is now open for the first course, HD410: Homeownership Finance. It will be held at the Baymont Inn & Suites in Mandan.



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Independent Community Banks of ND has awarded \$1,000 scholarships to two students recipients, Alexis Bahl and Ashley Thomas.

Alexis is attending Minot State University as a 4th Year Undergrad in Management and Finance.

Ashley is attending Rasmussen in Fargo as a 4th Year Undergrad in Accounting.

NORTH DAKOTA DEPARTMENT OF AGRICULTURE

Funds Available to Plant Community and School Orchards

BISMARCK – Agriculture Commissioner Doug Goehring says \$40,000 is available to help North Dakota communities and schools plant orchards in 2016. Communities and schools are eligible to apply for grants of \$500 to \$10,000. The grants are available on a competitive basis.

“Through this program, groups will have the opportunity to enhance the beauty of their local communities and schools and increase awareness of specialty crops,” Goehring said. “This is the third year of funding for these grants with 21 past recipients.” Goehring said grant funds can be used for plants, trees, planting supplies, soil amendments, irrigation and fencing supplies, but not permanent structures, the purchase of land or capital expenditures. “A community orchard project can help foster community spirit, provide service hours to individuals in a community and can be used as an outdoor living classroom for education in local schools,” he added.

The North Dakota State University Extension Service has developed a guide, *Starting a Community Orchard in North Dakota*, to help applicants in preparing grant applications. It can be found on the North Dakota Department of Agriculture (NDDA) website at www.nd.gov/ndda/files/Marketing/OrchardManualFinal.pdf.

Application forms for the grants are available on the NDDA website at www.nd.gov/ndda/program-info/local-foods-initiative/community-orchard-project. Grant applications must be received by October 23, 2015.

Goehring said questions about the grant program should be directed to Jamie Good, local foods marketing specialist at (701) 328-2659 or jgood@nd.gov. The North Dakota Community Orchard Project is part of NDDA’s Local Foods Initiative, funded through the USDA Specialty Crop Block Grant Program.

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2015 Starion Financial Customer Appreciation Golf Outing

Team Picture with
 Craig Larson, CEO/President, Starion Financial
 Barry Haugen, ICBND President
 Larry Froelich, Clint Barth and Joel Stugelmeyer



ICBND Fall Frontline Rescheduled to November 9-12

There is still room and time to sign up!

Due to an unfortunate health scare of our Fall Frontline seminar leader, Terri Klemann, we were unable to hold our Fall Frontline session on BSA Training and More on September 21-24. We are happy to inform you that Terri has received a clean bill of health and is now able to travel so we have rescheduled this training in November for the following dates and locations:

*November 9 in Jamestown *November 10 in Grand Forks *November 11 in Minot *November 12 in Bismarck

We apologize for any inconvenience this may have caused and we did everything we could to find dates that worked for Terri's training schedule that coincided with available meeting space. We do realized that November 11th is Veterans Day and hope that you will still be able to join us that evening from 5:15 to 8:30 for a night of outstanding training on BSA rules and regulations. Terri will also go over account opening procedure and much more.

There is still room for more bankers at each of these sessions. Please click [HERE](#) to sign up on our website today.

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Same Day ACH Is On Its Way

By Fred Laing, II, AAP, CCM, NCP – President & CEO, Upper Midwest Automated Clearing House Association (UMACHA)

When it comes to payments the big thing today is moving them faster. We continually hear about how slow payments move in the U.S. and then about the Faster Payments initiatives in the UK, Australia, and in other countries. Of course most countries don't have over 12,000 financial institutions that all need to work together to change the way payments work. Be that as it may, there are things the U.S. banking community can do to speed up payments. One of those is an initiative in the ACH Network to move to same-day payments.

Over the last three years, efforts have been mounted to move the ACH network from a "next-day" network to "same-day", meaning transactions can be entered into the network and received (and ultimately settled) on that same day. It's not been an easy task. There needs to be benefits accruing to all parties involved, and that's been the challenge. Clearly the originator of same-day entries is going to pay something for them, meaning the financial institution they're working through will be generating some revenue, but what about the ultimate receiver of the entry and their financial institution? Without some sort of business case with clear benefits and a process that allows for cost recovery on the receiving side of the transactions, this wasn't going anywhere. Our industry found that out in 2012 when the concept was first balloted.

In early 2014 NACHA commissioned a great deal of research to determine what specifically our industry needed to do to get to Same-Day ACH. Based on that data NACHA and its members crafted a Rules proposal that added functionality, more clearly delineated multiple business opportunities, and added a \$.052 same-day entry fee whereby the Originating Institution will pay the Receiving Institution for accepting same-day entries. Key attributes of the Rule include the fact that ALL Receiving Financial Institutions will be required to accept same-day entries. Today, the Federal Reserve has a same-day opt-in based pilot program in place but only about 95 financial institutions participate. Clearly, to be successful all financial institutions need to be part of the program.

Another key attribute is the schedules being suggested. There

would be two cut-off times each day for Originating Institutions that want to generate same-day entries. Coinciding with those times are times when Receiving Institutions can pick up those transactions to ensure settlement that day. Specific posting times are not listed, at least initially.

A third attribute is the timing of implementation. It will include three phases, with the first being for originated credits only, the second adding in debits and the third requiring receiving institutions to post consumer credits at a specific time (5:00 P.M. local time of the day the entry is received). The specific details are available at www.UMACHA.org or www.NACHA.org. So when does all this happen? The effective dates of the three implementation phases are contingent upon receiving written confirmation from the Federal Reserve ACH Operator to support the Rule which is necessary to ensure that Same-Day ACH is ubiquitous across all 12,000 financial institutions in the US. NACHA's published implementation dates are September of 2016 for phase 1, September of 2017 for phase 2, and March of 2018 for phase 3.

Virtually all stakeholders, financial institutions, companies, and processors, believe Same-Day ACH will be a reality in the VERY near future. That means you need to start talking to your core vendor to see what their plans are to support Same-Day ACH and the operations side of your financial institution needs to start thinking about scheduling, software upgrades, and how to either charge, or manage the collection of the fee.

Just to be clear, Same-Day ACH isn't the only initiative out there today. The Clearing House (TCH) announced last October that they plan to build a real-time payment system and they are already developing the architecture necessary to support it. Additionally, the Federal Reserve, through their Payments Improvement Initiative, is hosting a faster payments industry task force that will work to identify effective approaches to implementing faster payments in the U.S. So although Same-Day ACH isn't the only game in town it's an essential step to begin the process of moving payments faster, and a solid foundation on which to build innovative payment services going forward.

Keep your eyes and ears open, there's much to come when it comes to faster payments and payments in general!

2015 Convention Golf Outing





Enhancements to College SAVE will help more North Dakotans

Bismarck, ND – Starting September 1, changes to North Dakota's College SAVE plan will make more grant money available to more North Dakota families planning to save for college. College SAVE is administered by Bank of North Dakota (BND).

BND is doubling the grant amount of the Children FIRST program to \$200. The Children FIRST grant is available to every newborn in North Dakota, regardless of family income, when a College SAVE account is opened prior to the child's first birthday. Account owners have one year from the date the account is opened to match the \$200 grant.

In addition, income levels have increased \$20,000 - \$30,000 across all categories of the North Dakota Matching Grant program. Families earning \$120,000 federally adjusted gross income or less,

and single people earning \$80,000 or less, now qualify for a \$300 grant for children ages 15-years-old or younger. For the following two years, families earning \$80,000 or less and single people earning \$60,000 or less may reapply and qualify for an additional \$300 per year for each child. Grandparents may open a College SAVE Account and qualify for the grants.

The announcement is being made during College Savings Month, a national effort in September to increase awareness of the importance of saving for college in order to decrease reliance on student loans.

"The cost of sending your child to college can seem daunting," said James Barnhardt, BND's College SAVE Plan Administrator. "It's important for North Dakota's families to take advantage of this convenient, low-cost option when saving for their child's education. Due to the enhancements to the Matching Grant and Children FIRST programs, there is no better time to start saving than right now."

To learn more about College SAVE, visit collegesave4u.com or call Bank of North Dakota at 1.800.472.2166 ext. 328.5882.

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ND Trade Office Awarded Two Export Expansion Grants

The North Dakota Trade Office (NDTO) announced today that it has been awarded a \$287,694 grant by the U.S. Small Business Administration (SBA) through its State Trade and Export Promotion (STEP) program to build on North Dakota's success in expanding international exports. The NDTO will use the funds to create STEP ND 2015, a program that will enable eligible North Dakota companies to receive monetary reimbursement for international business activities. This one-year program will begin Oct. 1, 2015. This is the second STEP Grant that the NDTO has received, with the previous STEP Grant awarded in October 2012.

The NDTO has also been awarded \$179,596 by the North Dakota Department of Agriculture, which administers the U.S. Department of Agriculture Specialty Crop Block Grant program. The NDTO will use the funds within its Specialty Crop Program with the goal of increasing global market visibility and competitiveness of the specialty crop sector of the upper Midwest. Specialty crops included in this program are peas, beans, lentils, and confectionary sunflowers. This is the second Specialty Crop Block Grant that the NDTO has received, with the first awarded last year in 2014. "We're very pleased to be able to assist North Dakota businesses with the planning and expense of developing international markets," said the NDTO's executive director Dean Gorder. "This second Specialty Crop Block Grant allows us to maintain the momentum that we've gathered from the first. And being awarded a second STEP Grant is such a boon to North Dakota exporters; we're determined to repeat the success that we had with our first STEP program."

STEP ND 2015

STEP ND 2015 will focus on providing financial assistance and training to eligible North Dakota small businesses that currently export internationally or desire to enter the export market. The program is designed to provide resources to increase North Dakota's presence in the global economy and to identify new-to-export companies. Activities that qualify for reimbursement under the STEP ND program include trade missions, reverse trade missions, foreign trade shows, international marketing materials, ExporTech, and services of the U.S. Commercial Service such as Gold Keys.

"North Dakota is a fast-growing exporter, with a 42 percent increase in exports from 2013 to 2014 alone," Senator John Hoeven said. "This dramatic increase in exports has helped fuel our state's economic growth, which outpaced all other states' last year. Today's STEP funds will help North Dakota small businesses continue to be leaders in export and economic growth."

Selection of companies will be first-come-first-served, based on pre-approval of their STEP ND program application and export expansion plan. Any North Dakota small business as defined under SBA guidelines is eligible to apply.

The NDTO hopes to reach the same level of success with the STEP ND 2015 program as it did with the STEP ND 2012 program. STEP ND 2012 began October 1, 2012 and within sixteen months, fifty-two (52) North Dakota small businesses took part in the program and increased the allocated grant funds by 13,000 percent, generating \$89.5 million in immediate sales.

Specialty Crop Program

The NDTO's Specialty Crop Program is designed for specialty crop companies that are interested in developing future international markets. The NDTO, working with partners and industry stakeholders in specialty crops, helps companies identify target markets, qualified buyers, distributors, and importers of specialty crops. The program then assists approved companies with the costs of developing these strategic markets through the reimbursement of expenses associated with the NDTO led outbound trade missions and reverse trade missions.

This second Specialty Crop Block Grant award will allow companies to benefit from the continuation of specialty crop focused trade missions. The NDTO's Specialty Crop Program launched in October 2014 and has since led trade missions to Italy, Croatia, and Colombia. A Colombian reverse trade mission took place last week with 17 delegates meeting one-on-one with specialty crop companies and participating in pulse education sessions. Upcoming outbound trade missions include Mexico/Dominican Republic, Israel, India, as well as a return to Colombia in February 2016.

Export Strategy

STEP ND and the Specialty Crop Program are part of a larger strategy to promote North Dakota's high quality products in key international markets throughout the world. According to U.S. Department of Commerce statistics, North Dakota's merchandise exports have grown nearly 430 percent since the inception of the NDTO, from \$1 billion in 2004 to over \$5.3 billion in 2014.

The NDTO will facilitate both programs with the help of partners including the North Dakota Department of Agriculture, the U.S. Commercial Service, Impact Dakota, North Dakota Small Business Development Center (SBDC) and the District Export Council (DEC).

Information and applications for the Specialty Crop Program is currently available on the NDTO website at www.ndto.com. Applications for the STEP ND program will be available on the NDTO website in the near future.



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*Sincerely,
Jess & Lacey*



ICBND Members in the News

BELL STATE BANK & TRUST



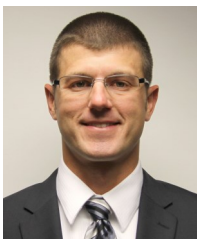
Joe Ackersland, VP/Branch Manager with Bell State Bank & Trust in Woodbury, Minn., and **Jonathan Donnelly, VP/Branch Manager** with Bell State Bank & Trust in Hawley, Minn., recently graduated from the Dakota School of Banking. In its 42nd year, the school trained 56 bank personnel. The school has been held on the campus of University of Jamestown in



Jamestown, North Dakota since 1997.



Bell State Bank & Trust has launched **Bell Leasing**, a new division offering new equipment leasing options to commercial customers. **Chris Assel, Tim Gauer and Jake Erickson** have been hired to head the new division. The Bell Leasing team works with business and agricultural customers, as well as city, state and federal government entities that need leasing services ranging from \$3,000 transactions to multimillion-dollar leases. Services include finance or capital leases, true or tax leases, operating leases, municipal leases, and lease lines of credit.



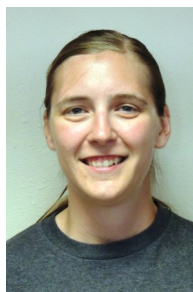
"If it's equipment used for business purposes, we can lease it to our customers," said Gauer. "Some examples of equipment are office phones systems, copiers, and computers, school buses, tractors, combines, dozers, excavators, cranes, airplanes and everything in between."

WESTERN STATE BANK



Melanie DeWald recently joined Western State Bank as a Project Manager. Her primary responsibilities include leading, planning and facilitating project implementation in alignment with Western's project governance framework

and project management best practices. DeWald will also monitor and report project progress to primary stakeholders and present regular reports defining project progress, problems and solutions.



Dallas Johnson recently joined Western State Bank as a part-time Data Center Representative. Her primary duties include organizing and submitting daily data reports which compile customer transactions. Johnson also serves as

an Assistant Affordable Housing Specialist at MetroPlains Management in Devils Lake and a part-time Customer Service Manager at Leever's Foods in Devils Lake.



Lori Larson recently joined Western State Bank as a Mortgage Loan Processor. Her duties include processing secondary market real estate loans for all eight bank locations, working closely with mortgage loan officers and

underwriters to prepare loan files.



Dawn Merten recently joined Western State Bank as a part-time Customer Service Representative. Her duties include processing bank transactions, identifying customer needs and connecting with customers to create and deliver an exceptional customer experience. Merten also works as a Virtual Paraplanner for a Financial Planner based out of Hubertus, WI.



Brooke Ames recently joined Western State Bank as Assistant Vice President - Mortgage Loan Processing Manager. Her duties include processing secondary market real estate loans for all eight bank locations, working closely with mortgage

loan officers and underwriters to prepare loan files, and overseeing the mortgage loan processors.



Western Investments, located at Western State Bank, recently acquired Anderson Financial in Chandler, AZ. **Chad Anderson** will join the Western Investments office in Chandler as an Investments Representative. Anderson will work with current

and new clients to build their investment portfolios using an array of investment services to help meet financial goals.



Leah Lovin recently joined Western State Bank as a Customer Service Representative. Her duties include processing bank transactions, identifying customer needs and connecting with customers to create and deliver an exceptional customer experience.

BANK OF NORTH DAKOTA



Todd Steinwand has been hired as the Chief Business Development Officer at Bank of North Dakota. Todd currently serves on the board of directors for the Thomas and Frances Leach Foundation, on the board of trustees for the

University of Jamestown and Missouri Valley Area United Way, as President of the Bismarck-Mandan Chamber Foundation, and on the Finance Committee for the Bismarck-Mandan Chamber of Commerce.

ICBND Members in the News

CORNERSTONE BANK



Kirk Snustad has joined Cornerstone Bank in Bismarck as full-time IT Help Desk. He comes to them with over 18 years of IT experience.



Janell Gowin has joined Cornerstone Bank as a full-time Mortgage Loan Underwriter. She comes to them with over 15 years of underwriting experience.



Kelsey Ternes has joined Cornerstone Bank as a Business Banking Associate. She will be working in Bismarck supporting the New Town and Watford City Business Bankers. She comes to them with over four years of experience in the banking industry.



Tyler Gefroh has joined Cornerstone Bank as a full-time Customer Service Representative in Bismarck. He is a graduate of UND with over 3 years of customer service experience.



Ashley Mickelson has joined Cornerstone Bank as a full-time Executive Assistant in Fargo. A graduate of NDSU, Ashley comes to them with over 3 years of administrative support experience.

STARION FINANCIAL



Angela Schock has been promoted to Loan Operations Supervisor. She supervises the loan operations services to ensure all bank policies, procedures and government regulations are being followed. Schock began her Starion career in 2000 as a loan processor and advanced to loan operations specialist II and lead loan operations specialist II.



Monica Murphy is an Accounting Specialist II. In this role, she balances customer and general ledger accounts and performs various banking transactions. Murphy has more than 17 years of financial services industry experience including 11 years with Starion Financial, serving as a teller, teller supervisor and personal banker.



Sandra Wolf is a Business Banking Representative II, working with new and existing customers and providing sales and service support to business bankers. She earned a Bachelor's Degree in Agricultural Economics from North Dakota State University and has more than 13 years of experience in the banking and agricultural sales industries.

BANK OF NORTH DAKOTA



Erica Unrath accepted the Customer Service Representative position in Student Loan Services. Unrath has been with BND since June 2007.



Elaine Fischer accepted the DEAL Student Loan Specialist position in Student Loan Services. Fischer has been with the Bank for 23 years.

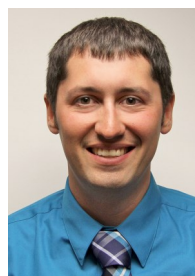


Melissa Heaton has accepted the Loan Assistant position in the Commercial and Ag Lending area. Heaton started at BND as a customer service representative in Student Loan Services.



Erika Albertson was hired as a Loan Assistant in the Commercial and Ag Lending area at BND. Albertson has ten years of banking experience.

BELL STATE BANK & TRUST



Tim How has been hired as Marketing Content Writer at Bell State Bank & Trust, located in Fargo. In his new position, How's responsibilities will include writing and producing content for marketing and communications channels including social media.



Travis Riffey has been hired as a Credit Officer at Bell State Bank & Trust, located in Fargo. In his new position, Riffey's responsibilities include credit underwriting and maintenance related to the commercial banking portfolio.

ICBND Members in the News



Katrina Tollefson has been promoted to Assistant Branch Manager at Bell State Bank & Trust, located in Fargo. In her new position, Tollefson oversees retail sales and operations and is responsible for business development.



consumer lending transactions, and pursue new business relationships.

FIRST INTERNATIONAL BANK & TRUST

First International Bank & Trust (FIB&T) has named **Anita Quale** as Chief Financial Officer (CFO). This is the first time that FIB&T has named a CFO. In addition to

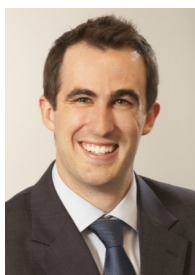


being the first CFO, Quale will also be the first female to hold a C-level position at FIB&T. Quale has been with the Bank for 34 years. She is located at the FIB&T headquarters in Watford City, ND. In this role, Quale is responsible for all the Bank's fiscal operating results and ensuring the safeguard of Bank assets. The CFO advises senior management on fiscal control and profitability; prepares, presents and interprets financial reports to senior management; & adheres to regulatory compliance to properly reflect the financial position of the Bank.



To have your employees featured in the News please send your articles and photos to info@icbnd.com

BELL STATE BANK



Sean P. Deichert has been promoted to Wealth Management Advisor at Bell State Bank & Trust, located in Minneapolis. In his new position, Deichert will collaborate and consult with high net worth clients to create comprehensive financial plans and investment portfolios tailored to their unique goals to guide them throughout their financial future.



Matt Bushard has been promoted to Wealth Management Advisor at Bell State Bank & Trust, located in Fargo. In his new position, Bushard will collaborate and consult with high net worth clients to create comprehensive financial plans and investment portfolios tailored to their unique goals to guide them throughout their financial future.

Bell State Bank & Trust has been named among the top winners of a marketing contest among member banks of The Independent Community Bankers of America (ICBA) today. The bank's entry was judged in the top 10 for the nation's best community bank marketing campaigns.

"ICBA's Marketing Contest highlights the stellar creative campaigns that community banks build to strategically promote their products and services," ICBA Executive Vice President and Chief Marketing Officer Chris Lorence said. "Effective marketing and communications reinforce their highly successful brands and image. We commend Bell for making the list." "Bell is pleased to be named to ICBA's Marketing Contest list for our 'Happy' retail banking campaign," said Jodi Heilman, SVP-marketing at Bell. "It is an honor for us to be recognized by ICBA for our strategic marketing efforts. Our marketing team works hard to ensure that our brand is consistent with our community bank's culture, community involvement and customer offerings. This campaign is an extension of that dedication."

More than 6,000 community banks throughout the nation were eligible to be

part of ICBA's list, and the association sought nominations throughout the month of June. The top 10 community banks were chosen based on their marketing and branding campaigns' quality of design, integration of components, overall execution, goal achievement and the initiative as a whole.

STARION FINANCIAL



Jeff Weiler, Executive Vice President—Consumer Banking at Starion Financial, recently graduated from the Graduate School of Banking at Colorado (GSBC). Weiler graduated with honors, a special designation

for students in the top 10% of their class. Held on the campus of the University of Colorado in Boulder, GSBC is America's premier community banking school. This 25-month program provides management and leadership training for community banking professionals. Students complete training that focuses on the areas of general management, lending, leadership and human resource management, and financial management in banks. Requirements for graduation include comprehensive examinations, research projects and participation in a bank-management simulation course. Weiler has been with Starion Financial since 2008 and has been in banking for nearly 20 years.



Alyssa Strong has joined Starion Financial as a Teller in Bottineau. In this position, Strong provides paying and receiving services, processes a variety of customer transactions and identifies other bank products and services that may be suitable to customers' needs. She has several years of retail service experience.

Starion Financial earned a five-star "superior" rating for second quarter 2015 from Bauer Financial, the nation's leading independent bank and credit union rating firm. Star ratings are released quarterly and assigned on a scale of zero-to-five stars, with five being the strongest. Ratings are based on the overall financial picture of the

ICBND Members in the News

financial institution. Bauer Financial has been reporting on and analyzing the performance of U.S. banks and credit unions since 1983. The ratings are independent, meaning no institution is able to pay to be rated or excluded. "This recognition would not be possible without the commitment Starion employees make to providing exceptional service to each and every customer," says



Craig Larson, CEO/president of Starion Financial. "That dedication makes Starion a great place to bank and to work."

Starion Financial has awarded scholarships to **Taylor Helgeson** and **Shayde McKay**. The scholarship competition was open to children of full-time Starion employees who graduated from high school in 2015 and are attending a college, university, community college or tech school for the 2015-2016 school year.



Helgeson graduated from Bismarck High School with a 3.96 GPA. She is attending University of Jamestown & majoring in Accounting with minors in Spanish and Character in Leadership. She is the daughter of Christian & Trish Helgeson. Trish is Marketing and Communications

Manager/VP and works at the Mandan branch.



McKay graduated from Century High School with a 4.0 GPA. She is attending St. Cloud State University & majoring in Psychology. She is the daughter of Ryan & Amy McKay. Ryan is Starion's Risk Manager/VP & also located in Mandan.

Starion Financial partnered with the Bottineau Economic Development Corporation during Crazy Days to support Building Blocks Learning Center. Starion sponsored a meal and collected free-will donations to benefit the daycare's playground equipment fund. The community generously donated \$1,253.



On Aug. 5, **Starion Financial** hosted lunch for customers and the community, with a free-will donation benefitting the Park View Assisted Living resident activity fund. Starion estimates more than 150 people were served a meal on Frisbee plates that guests could keep after the lunch. More than \$500 was collected for Park View.

CHOICE FINANCIAL

Choice Financial recently contributed \$300,000 to the North Dakota Housing Incentive Fund (HIF), with funds supporting projects that will provide affordable housing in Bismarck, Grand Forks and Dickinson. "Choice Financial is proud to support the Housing Incentive Fund to fulfill a need for affordable and sustainable housing throughout North Dakota," said Brian L. Johnson, Choice Financial CEO. "This contribution provides our North Dakota communities a chance to grow by providing affordable housing that is suitable to their individual needs."

Capitalized by contributions from state taxpayers, HIF offers low-cost financing to developers of affordable rental housing when they set aside units for essential service workers and low-to moderate-income households. The North Dakota Housing Finance Agency (NDHFA) administers the program.

The bank's contributions were divided between University Flats in Grand Forks, a 70 unit multi-family dwelling; Sierra Court in Bismarck, a 39 unit complex designed for adults age 55 and over; and Prairie Winds, a complex in Dickinson with 36 multi-family units.

WESTERN STATE BANK

Western State Bank recently awarded two local students \$250 savings scholarships as part of their scholastic recognition program, Western Pays for A's. The scholastic recognition program is designed to reward high school students for their hard work in school.



Jelissa Magoon of Fargo, ND, and **Anna Joyce** of West Fargo, were selected as the Western Pays for A's \$250 savings scholarships winners for the second semester. "Western is dedicated to supporting the



communities we serve, especially our local schools. We recognize students for their academic efforts and support them as they prepare for their future education," said Brad Jacobson, President/

Chief Operating Officer at Western State Bank.

CORNERSTONE BANK



Cornerstone Bank is pleased to announce that **Jane DeRoo** has rejoined the bank as a Mortgage Loan Underwriter. She comes to them with over 10 years of mortgage and 15 years of underwriting experience. Jane works remotely from

Sioux Falls, SD.



Cornerstone Bank is pleased to announce that **Gail Lyter** has joined the bank as a Teller in Fargo. She joins them with over 27 years of customer service and banking experience.

BELL STATE BANK & TRUST



Chris Astrup has been promoted to Personal Banking Officer at Bell State Bank & Trust, in Moorhead. In his new position, Astrup will open deposit accounts, help customers with consumer lending

transactions, and pursue new business relationships.

The Community Banker
Together We Prosper

ICBND Members in the News

FIRST INTERNATIONAL BANK & TRUST

First International Bank & Trust has made this year's list of 50 Best Places to work in the northern plains according to *Prairie Business Magazine*. The list was split into the top 25 large & top 25 small employers. FIB&T fell into the large employer category. The companies were nominated by an employee satisfaction surveys & were rated in areas such as work environment, employee benefits and employee happiness.

**Please view the Special
Edition 48th Annual Convention
Review for more pictures and
highlights...**

**Closing Keynote Speaker
Joe Torrillo**



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* Matching grants are subject to the availability of funds and can be reduced or stopped at the discretion of Bank of North Dakota. For more information about North Dakota's College SAVE Plan (College SAVE), call 1-866-SAVE-529 (1-866-728-3529) to obtain a Plan Disclosure Statement. Investment objectives, risks, charges, expenses, and other important information are included in the Plan Disclosure Statement; read and consider it carefully before investing. Ascensus Broker Dealer Services, Inc. (ABD) is Distributor of College SAVE. Not FDIC Insured. No Bank, State, or Federal Guarantee. May Lose Value.



AMERICAN STATE BANK & TRUST COMPANY OF WILLISTON

To help meet the challenge of creating affordable housing in Western North Dakota, American State Bank & Trust Company of Williston has contributed \$500,000 to the North Dakota Housing Incentive Fund. ASB&T has previously contributed to this fund and this year's contribution brings ASB&T's running total to \$875,000 since 2011.

The \$500,000 contribution will be directed to affordable housing projects. ASB&T President/CEO Dave Hanson said, "We consider it our privilege to be able to take part in the creation of affordable housing projects in and around our community."



ASB&T Board Member Tammy Davidson Sogard presented the check to ND Housing Finance Agency Executive Director Jolene Kline. Sogard represents the Davidson Family's 109 years of ownership of ASB&T and support of Western North Dakota communities.

Hanson said, "ASB&T is Williston's only locally owned bank and we take our commitment to the communities we serve very seriously. Being able to play a part in bringing additional affordable housing to the area is part of being a responsible business."

Photo: North Dakota Housing Finance Agency Executive Director Jolene Kline accepts a \$500,000 contribution from American State Bank & Trust Co. Board Member Tammy Davidson Sogard. Pictured are, from left, ASB&T Board Members Noel Hanson and John MacMaster, ASB&T President/CEO Dave Hanson, Kline, Tammy Sogard, Governor Jack Dalrymple, ASB&T Chairman of the Board Pat Sogard, Board Members Earl Rennerfeldt and Rick Tofte.

BELL STATE BANK & TRUST

Bell State Bank & Trust gave \$1 million to the North Dakota Housing Incentive Fund in August. The bank's contribution will support the development of affordable housing projects in Fargo, Gwinner and Mandan.

"With our roots in community banking and as one of the state's top mortgage lenders, Bell is pleased to support the development of the housing that North Dakota needs," said Michael Solberg, president and CEO of Bell State Bank & Trust.

Bell's contribution was targeted to North Sky III, a Fargo development for individuals age 55 and older; Prairie Pointe, a family-friendly Gwinner project that includes housing for disabled households; and Mandan Apartments, a property that will provide housing for low- to moderate-income families.

HIF relies on taxpayer support to provide low-cost financing to developers of affordable multifamily housing. Contributions can be targeted to a specific project or community. North Dakota Housing Finance Agency administers the program.

"We are grateful for Bell's continued commitment to our development program," said Jolene Kline, NDHFA executive director. "We look forward to hearing from more of our past contributors and encourage new businesses and individuals to support the program so we can move all of our projects forward this year."

The bank contributed \$1 million to HIF during the prior biennium as well. In July, NDHFA made HIF commitments to 24 projects. The agency is now focused on fully capitalizing the fund so that all of the projects it supports can begin construction. Individuals and businesses that contribute to HIF receive a dollar-for-dollar state tax credit.

USDA RURAL DEVELOPMENT

Bill Davis, Acting State Director, is excited to welcome Ryan Taylor as the new State Director for **Rural Development in North Dakota**. He will officially start the presidential appointment on August 10. They look forward to this transition as Ryan is a proven leader with a strong history of fighting for rural issues.

Since Jasper Schneider's resignation in May, they have been busy implementing their work plan, staffing and program goals that Jasper and his management team previously crafted. As acting director, Davis has enjoyed leading that effort, but also is looking forward to new leadership. He is proud to announce that Josh Kramer has been promoted to the deputy director for North Dakota Rural Development. Kramer has been instrumental in helping to shape and implement the agency goals over the past several years. With Josh in this role, Bill will be able to focus more of his time to community economic development, tribal development and local foods.

SHAZAM

Paul Waltz has been named the **SHAZAM Network's** new chief executive officer (CEO).

"Under Paul's leadership, the team is as focused as ever on addressing industry challenges and assuring SHAZAM's continued success as an industry leader," said Tim Kintner, chairman of SHAZAM's board of directors. "Paul recognizes the technical strengths that SHAZAM has long demonstrated and is determined to maintain these. He's brought a strong focus on building relationships and delivering excellent customer service to the financial institutions SHAZAM serves."

"In a time of seemingly endless change in the financial services industry, our mission for the future is the same as the day we were founded," Waltz said. "We are here to strengthen community financial institutions by offering them the choice and flexibility they need to compete."

ICBND Members in the News



Mark Holkup, associate professor of farm management education at Bismarck State College, received the 2015 Outstanding Adult Instructor Award from the North Dakota Association of Agricultural Educators. Holkup was honored at the organization's annual banquet August 12 during the NDAAE professional development conference in Bismarck.

The award, sponsored by the CHS Foundation, recognizes exemplary full-time instructors in two-year, postsecondary institutions who teach young farmers & adults agriculture education programs.

NDGT Acquires Emmons County Abstract Co.

BISMARCK, N.D. – North Dakota Guaranty & Title Co. announced it has completed the acquisition of Emmons County Abstract Co., the leading title company in Emmons County. With the close of this acquisition, NDGT will provide a full range of title insurance, closing and escrow services, 1031 exchange services, tax and lien searches and title reports throughout North Dakota.

The Emmons county abstract drop location is located in Linton, ND. Orders can be emailed to ndgt@thetitleteam.com. 701-663-5362 or visit www.thetitleteam.com.

ICBND Members and Associate Members Named

The September issue of *Prairie Business* magazine will celebrate the 50 Best Places to Work in the northern Plains. Companies were nominated through an anonymous employee satisfaction survey and rated in areas including work environment, employee benefits and employee happiness. Consideration was also given to the number of nominations received per company. The top 25 small for-profit companies (99 or fewer full-time employees) and the top 25 large for-profit companies (100+ employees) will be honored in the magazine, which is available on www.prairiebizmag.com.

"People want to be happy at work. It's just that simple," said Korrie Wenzel, publisher. "The businesses that truly care -- about their people as well as the future of the business itself -- need to understand that. As the region's unemployment level plunges, businesses are quickly realizing that they have to work harder to recruit and retain the best workers."

Members named include: **First International Bank & Trust, KLJ, Marco Inc., North Dakota Guaranty & Title Co., and Network Center Inc..**



Western Equipment Finance Celebrated 25 Years

Devils Lake, ND – Western Equipment Finance celebrated its 25th anniversary of financing equipment acquisitions for small to mid-size businesses. Western Equipment Finance, established in 1990 in Devils Lake, is a leading national full service commercial equipment finance company that provides both lease and conventional finance options.

As a token of appreciation to the community, Western Equipment Finance hosted a spaghetti supper in Devils Lake. The free-will donations from the supper were shared between Lake Region Search & Rescue and The HOPE Center. In addition, Western Equipment Finance matched all donations up to \$10,000. Western Equipment Finance also hosted an open house at their headquarters (503 Highway 2 West) in Devils Lake.

Western Equipment Finance provides full service financing solutions nationwide in all 50 states with locations in CT, FL, NH, NC, ND, OK, SD, TX and WA. Western Equipment Finance is headquartered in Devils Lake, ND, with assets totaling \$240 million.

Western State Bank is a 113 year old employee-owned, community bank with assets totaling approximately \$770 million. Western offers superior full-banking services, investments and real estate financing to personal and business customers in the North Dakota communities of Devils Lake, Towner, Fargo and West Fargo, and in the Arizona communities of Casa Grande, Chandler, Scottsdale and Sun City.



American Bank Center

American Bank Center has an opening for the Mortgage Banking Manager position in Bismarck. This position is responsible for managing the mortgage banking function of the organization to ensure maximum profitability. Responsible for overseeing the mortgage banking portfolio of the bank including analysis of existing loans and loan applications, solicitation of real estate loans, and promotion of special products and services. The candidate must have strong sales background and be able to develop new customer relationships, retain customers, and cross-sell bank products to aid customers in reaching their goals. The candidate also needs to be innovative and up to date on trends in the mortgage industry and be able to carry out new initiatives while leading the Mortgage Banking team. Requires a Bachelor's Degree in Business, Finance or related area and minimum of 3-5 years banking experience.

To apply, complete employment application at

www.weareamerican.com and send to:

American Bank Center

P.O. Box 2197

Bismarck, ND 58502

ATTENTION: Human Resources

American Bank Center is an Equal Opportunity Employer and will not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identify, or national origin. American Bank Center is an Equal Opportunity Employer of women, minorities, protected veterans and individuals with disabilities. Member FDIC

The Bank of Tioga

The Bank of Tioga has the following positions open:

- ⇒ Ag Lender
- ⇒ Client Service Representative
- ⇒ Credit Administrative Assistant
- ⇒ Senior Commercial Lender
- ⇒ Senior Credit Operations Specialist

At The Bank of Tioga, our number one priority is providing the best banking experience for our clients. If you think you've got what it takes to help us be the best, then we're looking for you!

Read the full job description and apply online at <http://www.thebankoftioga.com/about-us/careers.html> The Bank of Tioga is an EEO Employer/Vet/Disabled. Member FDIC

Starion Financial

Starion Financial has the following positions open:

- ⇒ Temp Director Project - Mandan
- ⇒ Insurance Sales Assistant- Mandan
- ⇒ Systems Administrator - Mandan
- ⇒ Internal Auditor- Mandan
- ⇒ Chief Risk Officer- Bismarck
- ⇒ Loan Operations Specialist - Mandan
- ⇒ Information Security Officer- Mandan
- ⇒ Mortgage Banking Assistant- Mandan
- ⇒ Private Banker- Bismarck
- ⇒ Teller, Full time - Multiple locations

Starion Financial is an Equal Opportunity Employer of women, minorities, protected veterans and individuals with disabilities. Member FDIC.

Apply online at www.starionfinancial.com or

Contact Human Resources

humanresources@starionfinancial.com

701-250-1441

Citizens State Bank of Lankin

Citizens State Bank of Lankin is currently hiring for the Chief of Operations Officer & Information Systems Manager position. This positions manages the day-to-day functions of the bank in implementing corporate objectives. Responsible to CEO, President and BOD. Responsible for and involved in the supervisions of all direct operating functions of the bank. Develop and communicate policies on operating matters. Responsible for the bank's IT activities. Administers and coordinates IT functions, including computer operations, systems and networks. Provides strategic direction and recommends objectives, policies and procedures. Evaluates the capability and limitation of hardware and software for present and future use and recommends changes. A minimum of 10 years experience in bank operations and IT and demonstrated leadership skills are required.

Please send resume to:

Citizens State Bank of Lankin (Attn: Greg Bauer, President)

PO Box 128

Park River, ND 58270

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Classifieds

Western State Bank

Western State Bank is in search of an energetic and experienced Mortgage Loan Processor to join our growing team in West Fargo. This full time position includes a variety of responsibilities including, but not limited to, preparing loan closing documents for in-house and secondary market loans, working with underwriters, and performing file maintenance. A minimum of three years of experience is preferred.

Please apply online at www.westernbanks.com, at the "About us", "Career opportunities" tab.

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701-258-7121



Just a friendly reminder that if your bank has been the victim of any type of fraud please email the information to info@icbnd.com with as many details as you can so we may in turn alert our fellow community bankers around the state. It seems that there are more counterfeit bills, checks, and suspicious activity including robberies in our state at an increasing rate these days.

Please stay safe and help us to keep all our North Dakota Community banks, customers and employees safe by getting us your information to pass on to our members.

Register Now for the UCC Article 9 Update held in Bismarck



Tracy Kennedy and John Schroeder, both of Zimney Foster P.C. in Grand Forks will be in Bismarck at the Ramkota Hotel on October 28th to conduct an informational packed session on the current updates and changes that will affect Article 9 of the Uniform Commercial Code.

In this session we are going to take a comprehensive look at secured lending from a Commercial and Agricultural perspective. After the session you will understand the steps of secured lending from the creation of the security agreement to perfection for your security interest in collateral. We will answer all of your questions about collateral and hopefully teach you a thing or two about different types of collateral. North Dakota is going to require all filings be done on-line and you need to be ready for that change...this session will help you

accomplish just that! Register today online at www.icbnd.com.

ICBND Member cost of the session is only \$175 for the first registrant and \$100 per person for additional registrants from the same bank or company.



NORTH DAKOTA GOOD FUNDS LAW CLOSING GUIDE (as revised August 1, 2015)

In accordance with North Dakota Century Code Chapter 47-34, real estate closing companies are required to receive collected or good funds from the lender/borrower/buyer/seller in order to close and disburse a real estate transaction.

“Collected funds” means a cash deposit or a check that has been presented for payment and for which payment has been irrevocably credited to the closing agent’s escrow account.

“Good funds” means funds in any one or more of the following forms:

- 1) United States Currency up to \$10,000.00
- 2) Wired funds (No limit)
- 3) A check that is drawn on another closing agent’s escrow account in ND, MN, MT, or SD. A check drawn on the trust account of a ND licensed real estate broker or trust account of a ND licensed attorney. (No limit)
- 4) A cashier’s check not to exceed \$50,000.00 in the aggregate from bank or credit union located in ND, MN, MT or SD.
- 5) Funds transferred to the closing agent’s account by the bank in which the closing agent has an escrow account.

NEW

- 6) A cashier’s check for loan funds only issued by a bank or credit union with a location within one contiguous county of the closing. Funds need to be received prior to the closing and disbursement. North Dakota Closing Agents MAY accept these funds. NDGT will accept this form of loan funds for closings.

PLEASE NOTE: Depending on the community, wires cut offs by the local bank are usually 2:00 or 3:00.

Educational Opportunities

Webinars

10/6/2015	Regulation E Requirements for Debit Card Error Resolution: Processing, Disclosure & Investigation
10/7/2015	Mortgage Loan Origination & Servicing: Issues, FAQs & Lessons Learned
10/8/2015	Powers-of-Attorney & Living Trust Documents: Guidelines for Deposit Accounts & Loans
10/14/2015	BSA Compliance Series: Identifying, Reporting & Monitoring Suspicious Activity
10/15/2015	New Security Officer Training: Responsibilities, Best Practices & Skill-Building Tools
10/20/2015	New Accounts Series: Opening Accounts for Minors: Ownership, Access & Transactions
10/21/2015	Accounting Developments Update: Recent Issues & What's on the Horizon
10/22/2015	Advanced ACH Specialist Series: Understanding & Navigating ACH Rules for ODFIs
10/27/2015	Emerging Leader Series: Key Leadership Strategies for Growth, Profitability & Retention
10/28/2015	Network Security 101: A Comprehensive Overview
10/29/2015	Maintaining Compliant FDIC Records, Including Related Email & Social Media Retention Rules
11/3/2015	Director Series: Interest Rate Risk Policies, Considerations & Consequences: What Directors Should Know
11/4/2015	Form 1099 Reporting: Third-Party Vendors, Foreclosures, Debt Forgiveness & More
11/5/2015	Remote Deposit Capture Update & Issues for Commercial, Consumer & Mobile Banking
11/9/2015	CFPB Final Amendments for Small Creditors & Rural or Underserved Areas, Effective Jan 1, 2016
11/10/2015	Regulatory Requirements for the Board & Senior Management
11/12/2015	IRA Series: IRA Reporting, Common Issues & Error Resolution
11/17/2015	Basic Banking for New Employees Part 2: Regulatory Issues, Exams, Audits
11/18/2015	Robbery Prevention, Apprehension & Recovery
11/19/2015	Emerging Leader Series: Managing Credit Risk
11/24/2015	Nuts & Bolts of Effective Metro 2 Credit Reporting via e-OSCAR

Live Seminars

October 13 Ramada Grand Dakota Dickinson, ND	Sustainable Success Thru a Process Driven System
October 15 Ramada Plaza Suites Fargo, ND	
October 28 Ramkota Hotel Bismarck, ND	Uniform Commercial Code Article 9 Update
November 9 Gladstone Inn Jamestown, ND	Fall Frontline Seminar: Tying It All Together - BSA Training and Much More
November 10 Hilton Garden Inn Grand Forks, ND	
November 11 Holiday Inn Riverside Minot, ND	
November 12 Ramkota Hotel Bismarck, ND	



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