

OKLAHOMA BANKERS ASSOCIATION
Meeting of the Board of Directors
1 p.m., Wednesday, Oct. 23, 2024

AGENDA SUMMARY

Agenda – A tentative agenda for the board meeting on Wednesday is enclosed with this agenda summary for your review.

ANY ITEMS REQUIRING BOARD ACTION APPEAR IN RED.

Consent Agenda — Board minutes — The minutes from the September board meeting and executive committee meeting are in the board packet as **Exhibit A**.

Question Presented: Whether to accept and approve the September board minutes as presented.

Financials — Following is a summarized view of the consolidated and association-only income statements. Included at the end are several graphs demonstrating various trends. The significant spike in total revenue and net income during the 21-22 fiscal year is a result of receiving PPP funds during that fiscal year.

Consolidated Performance

	Actual	Plan	Prior Year
Income	\$1,789,058	\$1,685,535	\$1,531,627
Expense	<u>1,478,206</u>	<u>1,561,556</u>	<u>1,364,949</u>
Net Profit (Loss)	\$ 310,852	\$ 123,979	\$ 166,678

The consolidated entities have a Net Income of \$310,852 which is significantly better than Plan and Prior Year. On a consolidated basis, Actual Income is greater than Plan by \$103,523/6% and Prior Year by \$257,431/17%. Consolidated Expense is less than Plan (\$83,350/5%) and more than Prior Year (\$113,257/8%).

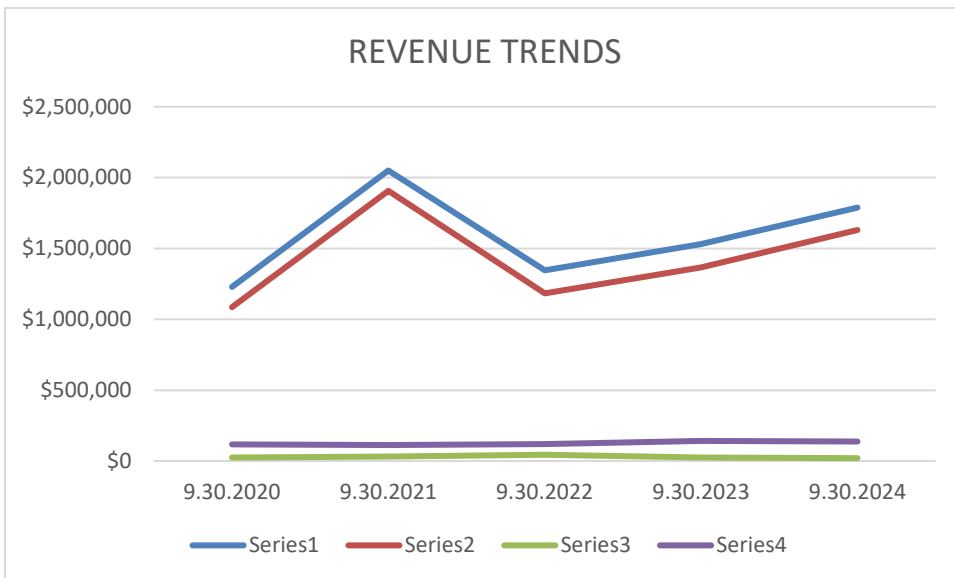
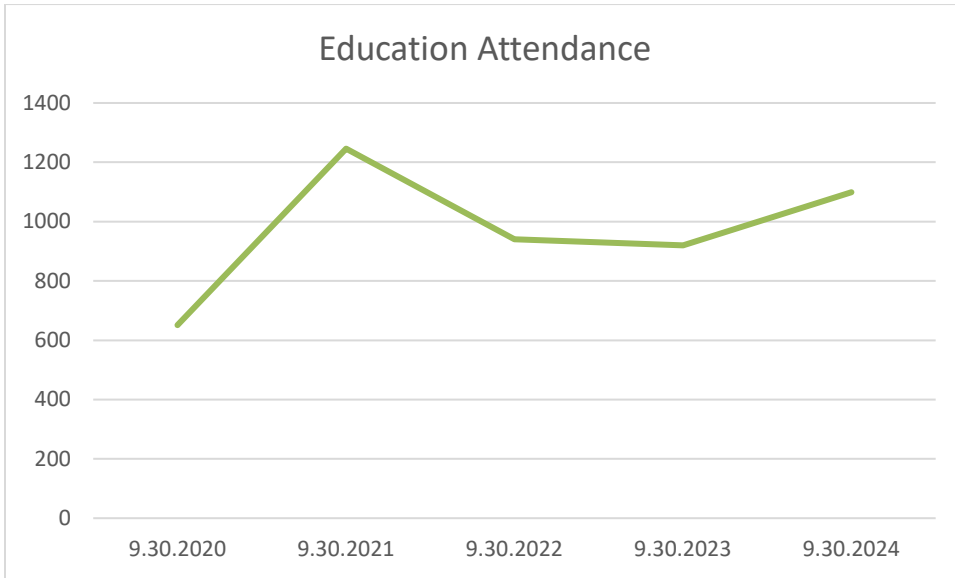
Dues revenues are comparable to Plan and slightly more than Prior Year. Revenue from Convention, Seminars, Schools & Subscriptions is slightly less than Plan and better than Prior Year. Products and Services revenue and Insurance revenue continue to trail both Plan and Prior Year. Advertising & Sponsorship revenue exceeds both Plan and Prior year.

All expenses, by program, are less or comparable to Plan. This should serve as confirmation that variances are based on planned changes. Compared to Prior Year, most program expenses are higher with a few exceptions. Government Relations, Newspaper and Fraud programs are less than Prior Year.

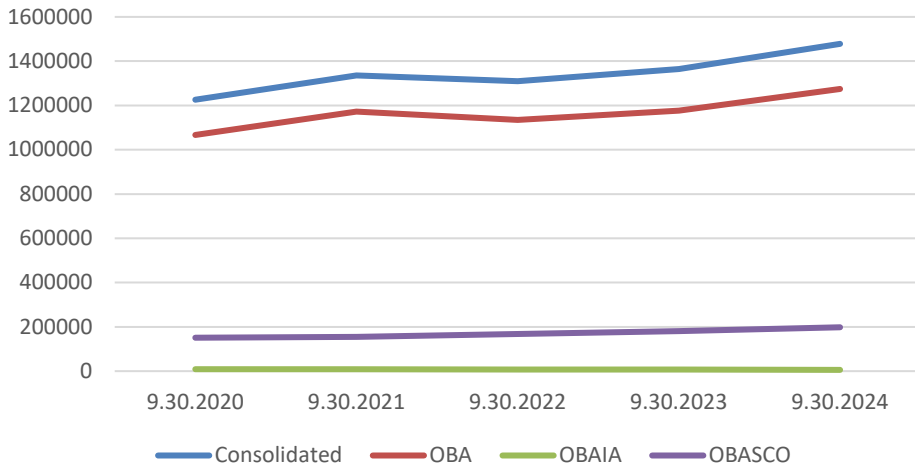
Association Only

	Actual	Plan	Prior Year
Income	\$ 1,630,669	\$ 1,503,475	\$ 1,366,268
Expense	<u>1,274,479</u>	<u>1,329,488</u>	<u>1,176,467</u>
Net Income (Loss)	\$ 356,190	\$ 173,987	\$ 189,801

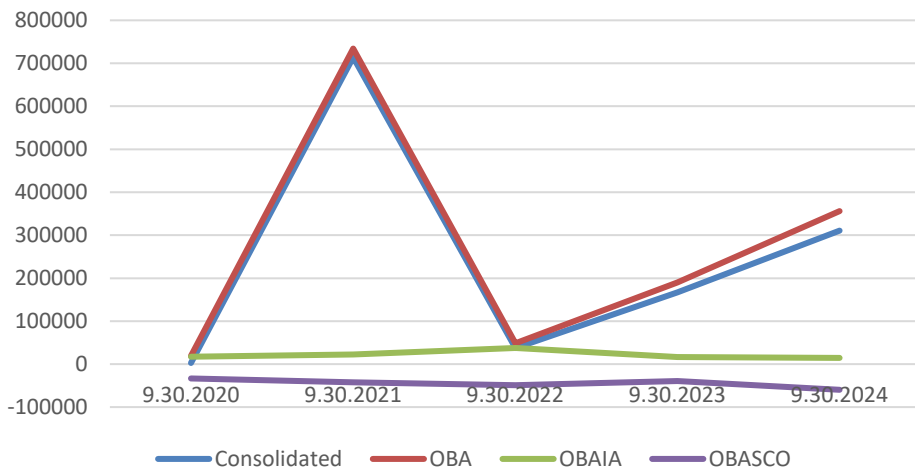
At the Association level, Actual Income exceeds Prior Year and Plan. Association Actual Expense is less than Plan and more than Prior Year. The Association has a Net Income of \$356,190 compared to Plan Net Income of \$173,987 and Prior Year Net Income of \$189,801.

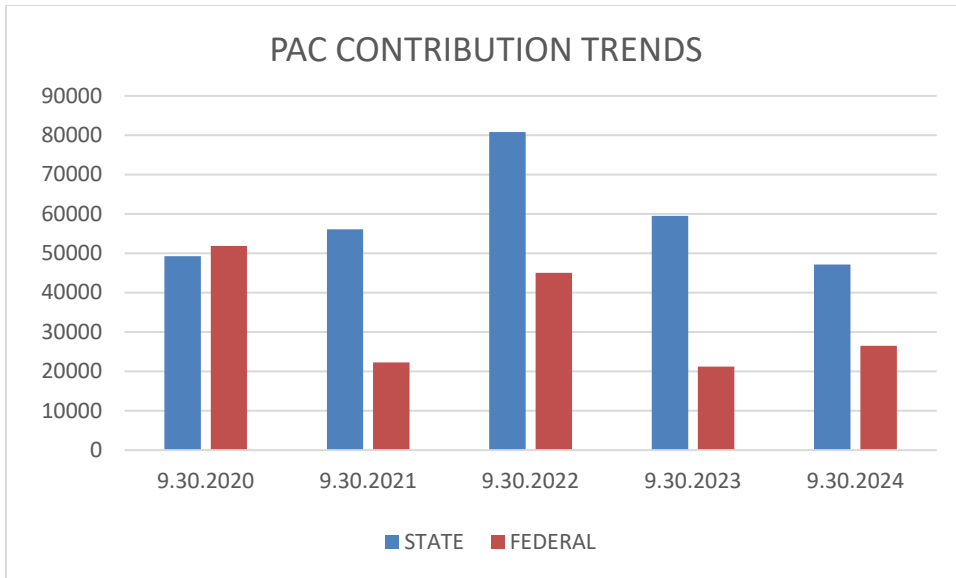


EXPENSE TRENDS



NET INCOME TRENDS





The financial statements are included in your board packet as **Exhibit B**.

Question Presented: Whether to accept and approve the financial statements as presented.

Staff reports —

Education and Training — Here's a summary for the education department activities for October:

Oct 7 – 11	Consumer Lending School	OKC	38	various instructors
Oct 22	BSA Update	OKC	67*	Kristin Harville
Oct 23	BSA Update	Tulsa	41*	Kristin Harville
Oct 24	Fraud Investigations 101	OKC	40*	Sharon Lewis, law enforcement

*counts as of 10/9/2024

WEBINARS (August)

- 19 purchased
- \$2718 revenue

OPERATIONS SCHOOL

Enrollment continues for next month's school. Currently we have 23 registered.

SPEAKER PROPOSALS

As you know, we asked Strategic Members to submit speaking proposals for the 2025 Convention and Senior Management Forum. Included with this report is a summary of the proposals we received. (Hard copies will also be available at the board meeting.) We have classified them as follows:

- [Convention Only \(Exhibit C\)](#)
- [Senior Management Forum Only \(Exhibit D\)](#)
- [Either Convention or Senior Management Forum \(Exhibit E\)](#)

Please review these proposals.

ACTION REQUIRED: Either mark your top 5 on each of the categories and return to Joan; Or, email Janis your preferences. Note: The sessions for the Senior Management Forum are “general sessions”. For Convention, these are breakout sessions.

GRC Report and PAC report —

We will have a full report of the OBA Annual Washington Visit at the Board meeting as well as an update on what the polls look like at the time of the meeting. Anything regarding the elections in the report would be outdated by the time we meet on Wednesday.

Federal Issues

November 5 is only a couple of weeks away and that’s the only date people are talking about. Another date that I want to put on your radar is November 11. This is the start date of the Lame Duck Session. Congress will return to DC and hopefully all the elections will have been decided by this date. A “lame duck” session of Congress occurs whenever one Congress meets after its successor is elected but before the end of its own constitutional term. This session will last until January 3, 2025. Lame duck sessions are an opportunity to get things done or keep things from moving forward, but it all depends on who is going to be in control of the White House and Congress that really determines what is going to happen or not happen.

There are several issues that are most likely going to surface during the lame duck: appropriation bills, disaster relief, the debt limit and the National Defense Authorization Act (NDAA). Adrian will have more information on each of these issues at the meeting, but the two that concerns him the most is the NDAA and any budget bills. We have talked for months about the Credit Card Competition Act (CCCA) for months, a description of the bill is below:

Credit Card Competition Act

- Durbin 2.0
- Being pushed by big box merchants
- Government imposed routing mandates
- Data security risks
- Rewards programs would most likely be eliminated
- This proposal would mandate banks with \$100B in assets to offer merchants multiple credit card processing networks.

This bill has been introduced by Sen. Roger Marshall (R-KS) and Sen. Dick Durbin (D-IL). While they have been pushing this bill hard to be heard in committee as of today there hasn’t been any interest from leadership to hear the bill. They are continuing to try and get this bill attached to any must pass piece of legislation. This is the reason that we are paying so much attention to the lame duck session, it a great opportunity for legislation like this to get attached to a must pass bill. We have stayed in constant contact with our delegation, they aren’t supportive of this Act and will vote no if the opportunity is presented.

There is one other piece of legislation that has been introduced in both the House and the Senate and would have a negative impact on the banking industry. The bill is known as the Protecting Consumers from Payment Scams Act and it would amend the Electronic Funds Transfer Act and its implementing regulation, Regulation E that governs consumer electronic payments and transfers of money. While the intent of this bill is to address the growing issue of financial fraud, it does the exact opposite. It would encourage and increase more scams while harming banks and potentially reducing consumers' access to deposit accounts.

To sum this bill up, if a customer send money electronically for any reason and then claims that the payment was fraudulent for whatever reason, both the issuing and receiving bank would be equally liable to make the customer whole. This is a scam artists' dream; they would work with customers to simply fraud the bank out of millions of dollars. To offset these scam losses, banks may have to be more selective about who qualifies for these accounts and charge a more basic fee for these services.

FDIC Signage — The FDIC released its final rule, amending regulations which governs the use of the official FDIC signage, advertising, and statements by insured depository institutions (IDI's) and issues surrounding false advertising and misrepresentation of insured status.

The new rule took effect on April 1, 2024, with full compliance required by January 1, 2025. There has been a strong push by many national banking groups to extend the compliance date by one year. We'll report back with any additional information regarding the compliance date.

There are five key components to the new rule:

- (1) Modernizes the rules governing IDI's display of the official sign;
- (2) Requires the official sign, a new official digital sign, and other signs differentiating deposits and non-deposit products across all banking channels, including physical bank branches and other premises, ATM's and evolving digital channels, such as bank websites and mobile applications;
- (3) Clarifies the FDIC's rules regarding misrepresentations of deposit insurance coverage by addressing specific scenarios where information provided to consumers may be misleading;
- (4) Amends definitions of "non-deposit product" to include crypto-assets and specifically address safe deposit boxes;
- (5) Requires IDI's to maintain policies and procedures addressing compliance with the regulation.

State Issues

We have talked for a number of years how every legislative session we kill the CU's attempt to run legislation that would allow state-chartered CU's the ability to have the same low-income designation that federally chartered CU's receive. On September 19th that all changed with one opinion from the Oklahoma Attorney General's office.

State Rep. Stan May asked the AG for an opinion to the following question:

Can a federally insured credit union chartered under the laws of the State of Oklahoma qualify as a low-income designated credit union if it meets the criteria as determined by the National Credit Union Administration?

Official response from the Attorney General:

Yes. Both Oklahoma and federal law confirm that a federally insured credit union chartered under Oklahoma law is authorized to obtain a low-income designation in the same manner as a federal credit union.

The opinion goes on to say that although Oklahoma credit union laws do not directly speak to obtaining a low-income designation, title 6 section 2023 authorizes a federally insured state credit union to “exercise any of the powers of a federally chartered credit union doing business in this state” unless otherwise prohibited by law. The Federal Act provides several exemptions or benefits to credit unions serving predominately “low-income” members. First, it provides an exemption from the aggregate member business loan limit imposed on insured credit unions. Second, it provides eligibility to participate in the Community Development Revolving Loan Fund for Credit Unions, which awards grants and low-interest loans. Third, it expands the credit union’s ability to accept non-member deposits from any source. Fourth, it allows the credit union to offer secondary capital accounts and include those accounts in the insured credit union’s net worth.

The Oklahoma State Banking Department has an issue with the third pillar listed above. They posed the following questions to the AG’s office with regard to CU’s being able to accept non-member deposits from any source. Below was the question they posed to the AG’s office.

As your Opinion points out, a low-income designation has four primary benefits. But as your Opinion and the NCUA also recognize, “some state-chartered credit unions may not be afforded all the designation’s benefits” and “the possibility exists that state laws would prohibit certain activities, such as acceptance of nonmember accounts.”

May an Oklahoma state-chartered credit union with a low-income designation receive deposits from nonmembers?

Below is the response to State Banking Department from the AG’s office:

First, the Opinion is correct and there is no need to modify it. Second, we generally agree with the Oklahoma Banking Department’s (“Department”) interpretation of the relevant statutes and propose a slight modification of the letter’s conclusion to avoid any doubt. The Department’s interpretation, as we understand it, is that if a person or business is not eligible to be a credit union member, the credit union cannot do business with the person, regardless of the credit union’s lowincome designation. Our recommendation is to modify the wording to state that a) a credit union with a low-income designation may not receive deposits from nonmembers because Oklahoma law, specifically section 2006, does not authorize it, and b) a credit union may engage in limited business transactions with the nonmember under section 2006 (i.e., financing the purchase from the credit union any real or personal property owned by the credit union). The distinction is that the former interpretation prohibits all business transactions, but the law (and the letter in an earlier paragraph) set forth authorized limited business with nonmembers.

Pac Report

PAC contributions for the year are ahead compared to the previous year. At the end of September, the State PAC has raised \$52,586 while the FED PAC has raised \$26,506 for a total of \$79,092. This total is \$1,390 more than this same time last year.

We continue to reach out to all bankers in the state and encourage their participation in the PAC. While we continue to shrink the percentage of Pres/CEO’s that haven’t contributed we still have a long way to go. Less

than 50% of President/CEO's contribute anything to either PAC.

We must continue to work hard raising contributions for the PAC's, while there are only a handful of elections in November we still have to be involved. While we are making contributions for those with general elections all the folks that have already been elected are asking for money as well. We are receiving several fundraiser invites every week.

There is never any downtime with PAC fundraising, we must maintain all our current momentum through the end of the year. Should you ever have any questions regarding the PAC's please don't hesitate to contact Adrian or Megan.

OBASCO Report — 2024 SBA For-Profit Meeting – Over 40 SBAs representatives met in Louisville, KY this year collaborating on ideas on profit for SBAs with 20 vendors seeking association membership and/or endorsements.

OBA/Blanchard 2024 Surveys

Comp Trends & Employee Benefits Survey results available now.

Salary & Cash Comp Survey results available now.

Working on same agreement for 2025 for both surveys and subscription option.

2025 Photo Calendar Contest/Order – A few banks imprint changes this year, waiting on a few approvals to come back. Turned in order at \$44k. Will be delivered first week of Nov to banks.

OBA Speaker Proposal – Compiled all submissions into different lists and gave to Janis for review.

Fall Golf Tournament Sponsorships – Mon. Oct. 21 @ Belmar Golf Club. Currently at \$12k in sponsorships. Working with course on details of tournament *Currently, only have 80 registered players.*

Oklahoma Bankers Hall of Fame – Inductees announced, sponsorships sent out to nominators of the inductees and a few organizations. Currently, at \$25k.

2025 Holiday Closing Signs – Having to order through Florida Bankers & local printer for these as pricing has gone up and to add Indigenous People sign to the packages. Accepting pre-orders now and will be delivered first week of Nov to banks that order.

2025 Strategic Membership Dues & Sponsorship Planning Guide – Updating membership packet, letter, sponsorship guide and logos. Will send out Nov. 1.

The Oklahoma Banker newspaper advertising – Working with current advertisers and new ones on various ads & articles.

Endorsements:

Office Depot – Now called Office Business Solutions (ODP) Really need help ramping up this endorsement.

New Rep: out of Austin, TX. Robert Todd 512.982.9813 | Robert.Todd@odpbusiness.com

Interior Workspace/Furniture: Cheryl Krawczyk, **Cheryl.Krawczyk@workspaceinteriorsod.com**

New Endorsement with **Kentucky Bankers Association**:

Bank Performance Report (BPR) –Quarterly publication electronic and/or printed format for banks to see where they rank based on 8 different performance categories. Q2 2024 reports has 178 Oklahoma banks avail for sale.

Profit Resources Inc. (PRI) – New Core Contract Endorsement – will be traveling with Adrain visiting banks this fall.

Contact: Brady Chianciola - bchianciola@profitresources.com (413) 544-1584 (Cell)

Banc Card – New Merchant Services Endorsement – will be traveling with Adrian visiting banks this fall.

Contact: David Miller – dmiller@bancard.com (405) 439-0228 (Cell)

Cord West (OKC Metro), Chase Trammel (Guthrie, Enid, North Central OK)

Brett Appling (Moore, Western Metro), Blaine Richards (Western, OK)

Jacob White (Pauls Valley), Matthew Danuser (Eastern, OK), Rick McElhane (Tulsa)

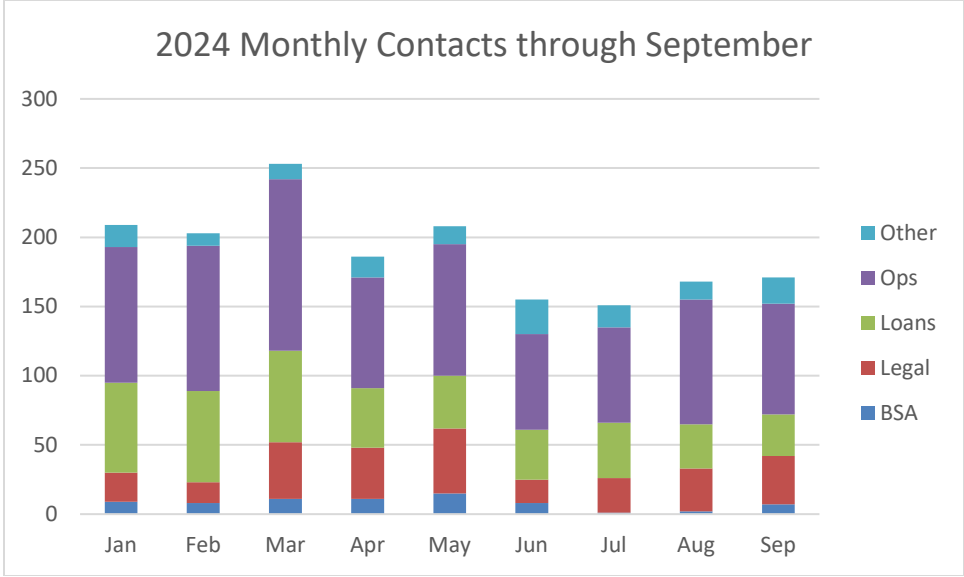
Servis1st –Card Program Endorsement through the ABA – Karen Grahn KGrahn@servisfirstbank.com

Compliance Alliance – Reached out to Victoria Stephens, General Counsel to possibly help us write Record Retention Handbooks for our members.

Legal Report — The following is a recap of the Compliance Team’s activities for the month of September 2024.

Call volume dropped to 23 calls from August’s 41. Email contacts/questions increased to about 147. Total contacts, then, were 171, a slight increase over the previous month. This averaged 8.6 contacts per business day. Some of the emails and calls are counted twice because they involved combinations of legal issues and operations or lending questions. For example, an operations or lending question issue might require interpretation of a trust or other legal document to determine positions or rights of the parties.

46 percent of the June total contacts were operations related, 27 percent pertained to loans, 20 percent involved legal issues, and 15 percent centered on BSA and other miscellaneous issues.



Member relations —

OBA Emerging Leaders Academy 24-25 class announced

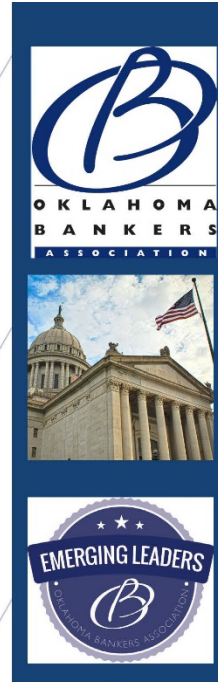
We proud to announce this year’s OBA Emerging Leaders Academy class! Full roster listed below. Watch for great things from this group. They will meet for their first session on Wednesday, Nov. 6 during which they will cover leadership styles and teambuilding.

Oklahoma Bankers Association

The 2024-2025 Emerging Leaders Academy Roster

Jonathan Baustert, BancFirst, Oklahoma City
Hailey Bishop, First Fidelity Bank, Oklahoma City
Chandler Bocox, Exchange Bank, Perry
Alyson Butler, AVB Bank, Broken Arrow
Haylie Calicott, First Security Bank, Oklahoma City
Nina Carter, Kirkpatrick Bank, Edmond
Kristi Cunningham, Shamrock Bank, N.A., Apache
Rebecca Delsigne, First Fidelity Bank, Norman
Zac Dillard, Vision Bank, Ada
Katie Donovan, First Fidelity Bank, Oklahoma City
Tania Fernandez, NBC Bank, Oklahoma City
Connor Freeman, Bank of Oklahoma, Oklahoma City
Caleb Kimberling, Great Plains Bank, Stillwater
Caitlin Goad, Arvest Bank, Edmond
Megan Long, First United Bank & Trust, Durant

David Madigan III, Sovereign Bank, Lawton
Laina Marshall, FirstBank, Atoka
Cole Martin, Quail Creek Bank, Oklahoma City
Corbin Paxton, Sooner State Bank, Tuttle
Dedra Radford, Security Bank & Trust, Miami
Alexa Robinson, Sovereign Bank, Holdenville
Cindy Rodriguez, First Bethany Bank, Bethany
Joshua Rowland, Frontier State Bank, Oklahoma City
Julia Rumley, Vision Bank, Ada
Karissa Suchy, First United Bank, Norman
Taylor Vargas, Stride Bank, Enid
James Wilson, Liberty National Bank, Oklahoma City
Kenny Wilson, Patrons Bank, Henryetta



2024 Hall of Fame Luncheon & Induction Ceremony set for Dec. 5

The Oklahoma Bankers Hall of Fame announced the four bankers who will be inducted into its 2024 class later this year.

The luncheon and induction ceremony is scheduled for 11:30 a.m. on Thursday, Dec. 5 at the Oklahoma History Center, which is located at 800 Nazih Zuhdi Dr., in Oklahoma City.

You are cordially invited to the
2024 Oklahoma Bankers Hall of Fame
Luncheon & Induction Ceremony

honoring

Guy Berry III, American Heritage Bank, Sapulpa
Herschel Brewster, Blue Sky Bank, Weatherford
Bradley Krieger, Arvest Bank, Oklahoma City
Gregg Vandaveer, Sooner State Bank, Oklahoma City

Thursday, December 5, 2024 • 11:30 a.m.

Oklahoma History Center • 800 Nazih Zuhdi Drive
Oklahoma City, Oklahoma 73105

Table of 10 • \$700

Individual Seat • \$75

Please RSVP by Nov. 29.

To Nancy McKinnis or Joan Anderson at (405) 424-5252 or nancy@oba.com, joan@oba.com.

Congratulatory messages & sponsorship opportunities available.
Contact Thi Pham at (405) 424-5252 or thi@oba.com.

**2024 Washington Visit wrapped up / Save the date for the
2025 Washington Visit**

A massive number of Oklahoma bankers and guests traveled to Washington D.C. the final week in September to meet with regulatory agencies and lawmakers. [Click here](#) to see more from the fly-in.

Save the date for next year, Sunday, Sept. 21 through Tuesday, Sept. 23, 2025. More information soon!



External/internal communications —

Included in your board packet is the annual social media report from the communications department (**Exhibit F**). It compares the number of likes/followers across three major social media platforms (X, Facebook and LinkedIn) for the OBA compared to other state bankers associations. Jeremy will have more details and can answer any questions about the report at the board meeting.

Also included in your board packet, as **Exhibit G**, is the OBA Social Media Content Calendar, developed by Jeremy to help keep his department on-task with postings for the association in the various social media realms. It's a part of the "revamped" social media efforts undergone by the communications department in the past two months – Jeremy can also talk more about it at the board meeting.

Besides social media, Jeremy is the midst of a cleanup of the website, fixing broken links, bad pages, etc., as well as replacing and updating the various plugins and back-end machinery that make the site "go". At some point, it will require taking the site down intermittently over a couple of days, but he plans to do it on a weekend in the next month, close to Thanksgiving, when we have a low visitor amount.

Finally, Jeremy ran across an advertisement in his social media feeds a few times over the past week. It's for a law firm, based out of Miami, Florida, that specializes in "Bank Overdraft Fee Class Action Lawsuits", to which they have an [entire subsection](#) on their website dedicated. In and of itself, there wouldn't be much to report, but the firm has started creating "personalized" ads that pop up on social media that is based on the user's location. The one Jeremy saw featured "First United Bank" ... you can see the ad as **Exhibit H** in your board packet. At the time, we're unsure if any other bank for Oklahoma users is "personalized" for social media users, but it is something to keep an eye on and of which to be aware.

Fraud Department — Current Trends:

- Consumer scam victims buying gold for courier to pick up after delivery
- Consumer scam victims withdrawing cash to deposit into crypto ATMs
- Consumer and business fraudulent wire transfers – BEC/EAC, customers falling for scams
- CrimeDex Alerts – August (12), September (14)

Projects in the works:

- Fraud Loss Action Plan - immediate actions needed to increase recovery options
- Fraud Prevention Questionnaire – documented proof of customer counseling on fraud

Statewide MAFIA or information sharing group meetings in Oklahoma City, Lawton, Texoma (Durant) and Stillwater. No meeting in your area and you would like to start one, please let me know.

Oklahoma Banker articles – September Scams Funded by Gold Purchases, October contributed to Adrian's article regarding CrimeDex

Weekly Update articles –8/19 Helping customers understand they are being scammed, and uptick in ATM scams; 9/23 Upcoming changes to reporting counterfeit currency; 10/7 Counterfeit check scams targeting attorneys.

Events include:

- 9/17 Community State Bank of Canton (Community)
- 9/18 OBA Basic Banking School (Bankers)
- 9/19 BancFirst Stillwater (Bankers)
- 9/19 Fox 25 news regarding investment scams
- 9/24 Oklahoma Society of CPAs Norman Chapter
- 9/30-10/1 IAFCI SW BSA & Financial Crimes Forum, Tulsa (OBA is a sponsor) 273 attendees
- 10/8 Western Oklahoma Bankers Association, Elk City (Bankers)

10/9 OKC MAFIA
10/9 OBA Consumer Lending School (Bankers)
10/14 FNBT Chickasha (Bankers)
10/15 Meeting with Oklahoma County Clerk Maressa Treat regarding UCC filing backlog
10/16 Tulsa MAFIA
10/17 Texoma MAFIA
10/24 OBA Bank Fraud Investigations 101 (Bankers)
11/5-7 Blue Sky Bank Cushing, Tulsa & Weatherford (Bankers)
11/7 BancFirst Sand Springs
11/14 Southeastern Oklahoma Bankers Association, Krebs (Bankers)

Board Calling Reports — We will discuss the pending board calling initiative.

Other business — If there is any other business for the board to discuss, we will bring it up here.