ICBA Elects New Officers
David Hayes Is New Vice Chairman

ALSO:
The Southeastern School of Banking ’2003 Session
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ON THE COVER

Blooming wildflowers across the state signal the start of spring after a long, cold winter.
Photo by Randy Ball, Rogersville
Make the tradition part of your future success—nominate someone from your bank to attend this year’s session.

First-Year Session: July 13-18, 2003  
Second-Year Session: July 20-25, 2003  
Discounted Tuition Deadline: June 5

For more information contact Susan Taylor, 615/244-4871 or 800/964-5525, or visit www.TNBankers.org
Employee Retention, New Revenue Sources, and Technology on the Minds of Community Bankers

Over the last 30 days, I have had the opportunity to participate in portions of both the ABA Community Bankers Conference and the ICBA Annual Convention. While not attending in large numbers as in the past, Tennessee community bankers still find value in participating in these two programs which target the community bank audience.

Both of these meetings coincide with the release of Grant Thornton’s Annual Survey of Community Bank Executives. For the past 10 years, this survey has established itself as a leading source of information about trends and developments among community-based financial institutions.

One of the important questions posed in the survey each year is, “What factors do community bankers deem most important to their continued success?” This year, the three factors identified most were:

- Retaining key employees
- Developing new sources of revenue
- Updating/expanding technology to serve customer needs better

As TBA president, I am proud to report that your association is well aware of Tennessee community bank concerns in these areas. We have developed, and continue to develop, programs to help our banks address these areas.

One example is the scheduled appearance of Rebecca Ryan at the 2003 TBA Annual Meeting. This is not Rebecca’s first appearance before Tennessee banks. She has appeared on the program for TBA Human Resource Conferences, and we have included articles under her byline in The Tennessee Banker.

Rebecca’s expertise is in the area of the changing demographics in the work force and how informed executives can create a work environment that attracts and retains the best and the brightest employees. Mark your calendar for Tuesday, June 10, as Rebecca will be featured on our convention business program that day.

New revenue sources was the focus of a panel of bankers at the TBA’s January Executive Management Conference held in Scottsdale. Community bankers Randall Clemons, Bill Dudney, and Ronnie Knight spoke informally about nontraditional fee-generating programs offered in their respective institutions. This is just another example of one of the important roles of trade associations such as the TBA — providing venues for bankers to talk with other bankers about the business of banking.

Finally, once again we will offer the TBA Strategic Technology Conference. Scheduled for April 2 and 3, this relatively new conference has developed a loyal following — primarily of community bankers who understand the value of staying informed on technology developments. Not only does the conference offer speakers on current technology issues, 15 vendors are featured in the trade show who will share information about technology-related products and services.

Finally, I thought it was interesting to note in the survey that while community banks continue to rank regional or “megabanks” as a major source of competition, credit unions rank right behind other community banks as the major source of competition.

The Tennessee Bankers Association continually seeks to take the pulse of our member banks — the vast majority of which are community banks. Surveys such as Grant Thornton’s, plus regular conversations with member banks help keep the TBA and its program on track.
REGISTERING: The beautiful and luxurious Loews Vanderbilt Plaza Hotel is headquarters for the 113th Annual Meeting of the Tennessee Bankers Association, June 8-10, 2003. Delegates are requested to preregister as soon as possible by completing this form and returning it, with payment for registration fees, to the TBA office. Delegates registering for the convention by May 23 will be included in the preregistration list available at the convention and will receive printed name badges.

WHAT'S INCLUDED: Convention registration includes admission to the Chairman's Reception and Exhibit Hall Reception on June 8; business session, exhibit hall, spouses program, and reception on June 9; and business session, exhibit hall, reception, and dinner on June 10.

HOTEL RESERVATIONS: The TBA has reserved a block of rooms at The Loews Vanderbilt Plaza Hotel at special convention rates. The hotel requires a deposit or credit card to guarantee all reservations. The Loews Vanderbilt Plaza must receive cancellation of guaranteed reservations 48 hours prior to arrival in order to avoid a charge equal to one night's room and tax. In the event of an unscheduled early departure, an additional charge of $50 will be applied to the guest account. Rooms are being held at a rate of $145 per night, single/double occupancy. Please reserve your accommodations directly with the hotel by calling 615-320-1700 or 1-800-336-3335. Remember to advise reservations personnel that you are with the Tennessee Bankers Association in order to receive the discounted room rate. The cutoff date for making hotel reservations is May 17, 2003, or until the room block is filled.

Please type or print. List name and badge nickname for each person attending and check appropriate space if registrant is a spouse. Social Security number is required for delegate, but will be used for tracking purposes only.

Name __________________________________________________ SS# ______________________________ Nickname _______________________ Spouse _____
Name __________________________________________________ SS# ______________________________ Nickname _______________________ Spouse _____
Name __________________________________________________ SS# ______________________________ Nickname _______________________ Spouse _____
Name __________________________________________________ SS# ______________________________ Nickname _______________________ Spouse _____
Name __________________________________________________ SS# ______________________________ Nickname _______________________ Spouse _____

COMPANY __________________________________________________________ CONTACT PERSON ___________________________________________________
STREET ADDRESS _________________________________________________________________________ PHONE_______________________________________
CITY ____________________________________________________________________________ STATE__________________ZIP ___________________________

REGISTRATION FEES: Full payment must accompany this form in order for registration to be processed.

Members, associate members—$425 per person $__________
Member spouses—$275 per person $__________
Nonmembers—$475 per person $__________
Nonmember spouses—$325 per person $__________
Children—$50 per person (18 and under) $__________

Total registration fee: $__________

Method of Payment: ☐ MasterCard ☐ Visa ☐ Check Ck#__________ Make checks payable to the Tennessee Bankers Association.
Credit Card # _____________________________________________ Exp. Date ___________
Name on card (please print) __________________________________ Signature of cardholder ________________________________
Card billing address __________________________________________ City __________ State_______ Zip ___________

CANCELLATION POLICY: Cancellations received in our office by May 30 will be eligible for a refund of registration fees, minus $25 per person. No refunds can be made after May 30 because of guarantees for food and other services. At-the-door registrants will be assessed a $25 late fee.

If you have a disability that may affect your participation in this meeting, please send TBA a statement regarding any special needs at least seven days in advance of the meeting. We will contact you to discuss accommodations.

Complete this form and return with fee to:
Tennessee Bankers Association, Attn: Penny Powlas, 201 Venture Circle, Nashville, TN 37228-1603
Phone: 615/244-4871 • 800/964-5525 Fax: 615/244-0995
Faxes for credit cards only
With the 113th Annual Meeting less than two months away, we hope you have registered for the meeting and made your hotel reservations. The Annual Meeting will be held June 8–10 at the Loews Vanderbilt Plaza Hotel in Nashville.

For those who are still trying to decide, and for those who have already made plans to attend, here is some information concerning the speakers selected to address the two General Business Sessions.

First General Business Session

As chairman of the Tennessee Bankers Association, Ed C. Loughry, Jr., will call the business program to order and welcome delegates at 9:15 on Monday, June 9. Loughry is chairman of Cavalry Banking in Murfreesboro.

The first speaker invited to address the convention is the Honorable Phil Bredesen, governor of the state of Tennessee. Bredesen will deliver a “state of the state” address. The governor, again at 9:15.

Next on the podium will be Eugene Ludwig. Ludwig is a former US Comptroller of the Currency and currently serves as chairman and CEO of Promontory Interfinancial Network located in Arlington, Virginia. Ludwig’s topic is Trends in the Economy and Their Effect on Banking. Promontory is the company behind the CDARS program, a new deposit placement service that offers unique benefits to help banks, particularly community and regional banks, attract and retain large local deposits. See the article about CDARS on page 21.

Closing out the first day’s session is Ken Fergeson with a Washington Report. Fergeson is chairman-elect of the American Bankers Association and chairman of NBanC in Altus, Oklahoma.

The day’s program will adjourn at 11:30.

Second General Business Session

Business resumes on Tuesday morning with Loughry’s call to order, again at 9:15.

Taking the podium first is a familiar face to bankers who have participated in the Government Relations Washington, D.C., visit in recent years. Emily Reynolds was elected secretary of the US Senate in January of this year. During the preceding two years, she was chief of staff for Senator Bill Frist.

Following Reynolds, Ray Smith will deliver a report on BankPac. Smith, director with FirstBank in Huntingdon, will discuss the recent increase the association has seen with BankPac contributions, but will also explain why we need more and better participation.

Next, Rebecca Ryan, president of Next Generation Consulting, Inc., will talk to the audience about what happens when Banking Meets the MTV Generation. We can all learn from her discussion of changing demographics in the workplace.

In keeping with tradition, the convention’s final speaker will be Chairman Loughry. He will report on association activities.

After Loughry, the nominating committee will deliver their recommendation for officer and director candidates to lead the association during the coming year, and delegates will vote on the nominees.

The Second General Business Session of the 114th Annual Meeting of the Tennessee Bankers Association will adjourn at 11:30 am.

Hotel Information

The Loews Vanderbilt Plaza Hotel is holding a block of rooms at the special convention rate of $145 per night, single or double occupancy.

May 17, rooms revert to standard pricing on a space-available basis.

Call the Loews Vanderbilt Plaza at 615-320-1700 or 800-336-3335 to reserve your accommodations. Remember to advise reservations personnel that you are attending the Tennessee Bankers Association Annual Meeting.

Registration Information

Convention registration fees cover all activities except the golf tournament. These include the Grand Opening Reception in the Exhibit Hall, the Chairman’s Reception, continental breakfast in the Exhibit Hall on Monday and Tuesday mornings, refreshment breaks, Spouses Program, Reception and Tour of the Country Music Hall of Fame and Museum, and the Reception, Dinner, and Entertainment on the last evening.

Don’t forget the opportunity to visit with the vendors in the Exhibit Hall to pick up all the latest information about products and services for the financial services industry. Then, there are the prizes in the Exhibit Hall that will begin giving away on Tuesday afternoon, and YES, you do have to be present to win.

Convention registration fees are:

- $425 for TBA members and associate members,
- $275 for member spouses,
- $475 for nonmembers,
- $325 for nonmember spouses,
- $50 for children under 18.

Brochures containing program information should be in the mail and are available upon request from Penny Powlas in the TBA office. Call 615-244-4871 or 800-964-5525. You may also view the brochure and register online on the TBA website at www.TNBankers.org.
Philip Norman Bredesen
Phil Bredesen, the 48th governor of Tennessee, has built a reputation for effective leadership in business and government. He campaigned for governor in 2002 on a platform to manage state government better, improve Tennessee's schools, and fix TennCare.

As mayor of Nashville from 1991 to 1999, Bredesen charted a course that made Music City one of the best places in America to live, work, and raise a family. Among numerous accomplishments, he brought the Tennessee Titans to the state, built a new local library system, and drove down the city’s crime rate.

Bredesen’s proudest accomplishment as mayor was infusing nearly one-half-billion new dollars into the local education system—adding more than 440 new teachers, building 32 new schools, and renovating 43 others.

Nashville saw record economic growth during Bredesen’s tenure and recruited high-quality jobs with major corporations such as Dell Computer Corp. and HCA, Inc. He oversaw the renewal of Nashville’s downtown entertainment district and spearheaded public-private partnerships that led to development of the new Country Music Hall of Fame and the Frist Center for the Visual Arts.

Community involvement is a central part of Bredesen’s life. He is a founding member of Nashville’s Table, a nonprofit group that collects overstocked and discarded food from local restaurants for the city’s homeless population. He also founded the Land Trust for Tennessee, a nonprofit organization that works to preserve open space and traditional family farms.

Bredesen and his family moved to Nashville in 1975. Doing research at the public library, he drafted a business plan that led to the creation of HealthAmerica Corporation, a healthcare management company that eventually grew to more than 6,000 employees. Bredesen sold the company in 1986.

He grew up in Shortsville, a rural farming community in upstate New York, and earned a bachelor’s degree in physics from Harvard University.

Eugene A. Ludwig
Eugene A. Ludwig is chairman, CEO, and managing partner of Promontory Interfinancial Network and former United States Comptroller of the Currency. Promontory is a financial advisory firm for community banks and complex financial institutions that specializes in risk management, government regulation, and policy. Prior to founding Promontory, Ludwig served as vice chairman and senior control officer of Bankers Trust Corporation/Deutsche Bank.

As head of the OCC, Ludwig oversaw the federal agency responsible for supervising federally chartered commercial banks and federal branches and agencies of foreign banks. He spearheaded efforts to modernize the banking industry.

Prior to joining the OCC, Ludwig was a partner at the law firm of Covington and Burling. He holds an LLB from Yale University and MA and BA degrees from Haverford College.

C. Kendrick Fergeson
Ken Fergeson is 2002-2003 chairman-elect of the American Bankers Association. He is also chairman of NBanC, Altus, Oklahoma.

Long active in ABA, Fergeson has chaired its Government Relations Council, Community Bankers Council, a joint trade association Credit Union Steering Committee, and Mortgage Bankers Association in addition to serving on the board of the Corporation for American Banking (CAB). Fergeson also served on the ABA Communications Council, Education Foundation and Professional Development Council, and chaired the Oklahoma Bankers Association.

Fergeson is active on local, state, and national boards of numerous groups, serving as chairman of the Quartz Mountain Arts Conference Center and the Native American Cultural and Educational Authority. He also served on the Board of Directors for Arts Education. He received the Oklahoma Education Association’s Arts Education Award for outstanding service for public education. He has served as chairman of the Oklahoma Arts Institute and the Oklahoma Business Circle for Arts Education. The Oklahoma Education Association also honored Fergeson for outstanding service for public education. He has also served on the ABA Communications Council, Education Foundation and Professional Development Council, and chaired the Oklahoma Bankers Association.

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Emily J. Reynolds
Emily Reynolds was elected and sworn in as the 31st secretary of the United States Senate on January 7, 2003. Prior to her election as secretary of the Senate, Reynolds was chief of staff for Senator Bill Frist, supervising his Washington, DC, and Tennessee offices. She served in this capacity for almost two years.

During Frist’s first term in office, Reynolds served as his chief of staff. She managed his successful reelection campaign in 2000 when he received more votes than any statewide elected official in Tennessee history.

Reynolds, a native of Nashville, returned to Tennessee in November of 1993 to serve as deputy campaign manager and finance director for Frist’s US Senate campaign. Following Frist’s election, Governor Don Sundquist appointed Reynolds as vice chairman and executive director of his TennCare Roundtable to ex-
amine the state’s replacement program for Medicaid and make recommendations for improvement.

Reynolds began her career in politics as a special assistant to US Senate Majority Leader Howard H. Baker, Jr. From 1980 to 1984, she managed special projects for the majority leaders’ office, served as the principal liaison to the White House Office of Personnel and the National Republican Senatorial Committee, and supervised the chief of staff’s operation.

Her campaign career began in 1985 when she was hired by former Missouri Governor Christopher S. Bond to run the finance operation for his successful 1986 US Senate campaign. Reynolds subsequently worked in seven statewide campaigns in six states, among them US Senator John C. Danforth (R-MO), US Senator John Heinz (R-PA), and US Senator Kay Bailey Hutchison (R-TX).

In 1992, Reynolds joined Bush/Quayle ’92 as deputy director of national coalitions. Supervising a staff of over 150, she consulted daily with White House and Cabinet officials, members of Congress, governors, and numerous national constituencies. Prior to joining the campaign, she had traveled extensively on behalf of the Vice President and Mrs Quayle on international assignments.

On a volunteer basis, Reynolds has taught campaign strategy and tactics for the International Republican Institute in Russia and Mongolia.

A 1978 graduate of Stephens College in Columbia, Missouri, Reynolds holds a BA degree in political science and TV/radio/film. Immediately following her graduation, she was named to the college’s professional staff as associate director of admissions.

**Rebecca Ryan**

Rebecca Ryan is a rising star among management experts and a fresh alternative to traditional speakers. Her jaw-dropping, “say-it-like-it-is” approach to managing and motivating young talent has catapulted her into the national media and America’s most progressive boardrooms. A president of Next Generation Consulting, Inc, Ryan works with organizations such as CBS, the American Bankers Association, and Fortune 1000 companies on strategies to slash recruiting costs for young tech-savvy talent, improve loyalty and retention of young talent, ignite innovation among multi-generational teams, and update management skills for those who supervise young talent.

She has been a featured speaker for TBA programs, including the 2002 Human Resources Conference, and an author of articles for The Tennessee Banker. Her most recent article was “From GIs to Gen Ys: Working in a Multi-Age Bank,” which appeared in the January 2003 issue.

Her fresh approach to attracting, managing, motivating, and retaining the next generation has been featured in the Wall Street Journal, the Financial Services Journal, and the Million Dollar Roundtable. TV and radio audiences from Washington, DC, to San Francisco know Ryan for her groundbreaking Hot Jobs—Cool Communities report.

Ryan has degrees in economics and international relations from Drake University.
Summit Consensus

Donald G. Ogilvie, American Bankers Association

ABA’s government relations Summit in March brought together the leadership of the state bankers associations, ABA government relations council members, industry grassroots/TEAM 21 state captains, and ABA’s board of directors. This important annual meeting helps our industry develop consensus on some of the key issues facing bankers today. And again this year, the banking leaders took those issues directly to their representatives and senators on the Hill.

They went to Capitol Hill to lobby Congress on reauthorization of the Fair Credit Reporting Act, deposit insurance reform, real estate brokerage, credit unions, and more.

We know Congress wants to hear a unified message from its constituents. That’s what they heard from the banking industry last month.

While in Washington, the bankers also had a chance to hear from top Congressional and Bush administration leaders: Senate Banking Committee Chairman Richard Shelby (R-AL); Treasury Secretary John Snow; and Senator Tim Johnson (D-SD), ranking member of the Senate Banking Financial Institutions Subcommittee.

During his remarks to the bankers, Senator Johnson announced that he had just introduced legislation (S 660) to make permanent a Fair Credit Reporting Act provision to prevent states from passing laws on information-sharing among banks and their affiliates. The announcement brought strong applause from the bankers. We favor authorizing the national FCRA law, which for years has helped make credit widely available and easily accessible to millions of consumers. A patchwork of differing state laws would set America’s system of granting credit back decades and greatly slow the wheels of commerce.

Building consensus among bankers is central to what ABA does. The gathering of banker leaders in March in Washington was an important component of that process. We were glad so many bankers could be with us to help deliver our industry’s legislative agenda on the Hill.

Four Tennesseans Attend Summit

The Tennessee delegation attending the ABA’s Government Relations Summit included TBA Chairman Ed C. Loughry, Jr, Cavalry Banking, Murfreesboro; Team 21 Captain Paul Willson, Citizens National Bank, Athens; Government Relations Committee Member Brad Champlin, Union Planters Corporation, Memphis; and Brad Barrett, TBA President.

ABA Convention 2003

An unforgettable meeting is on the horizon. Make spectacular Hawaii your destination for combining business and pleasure at ABA Convention 2003. This very special annual meeting takes place September 20–24 at the Hilton Waikoloa Village, Waikoloa, Hawaii. Mark your calendar now and reward yourself for working hard all year long.

The event will be the perfect occasion to combine business with pleasure. The program will include the latest updates and insightful perspectives from industry experts and world-class speakers guaranteed to educate, entertain, and enhance your personal and professional vision. Speakers to date include Walter Cronkite, the preeminent statesman of broadcast journalism; Cokie & Steve Roberts, journalists who will share their views on current political and governmental issues; Howard Fineman, Newsweek’s chief political correspondent; Frank W. Abagnale, best-selling author and consultant on crime and fraud; Ken Dychtwald, PhD, visionary, original thinker, best-selling author, psychologist, gerontologist, entrepreneur, futurist. Visit ABA’s website at www.aba.com or call 800-BANKERS for more information.

TBA Pre-Convention Trip

TBA is sponsoring a pre-convention trip. Dates are September 16–20, and bankers will stay at the dazzling Princeville Resort on the North Shore of the Garden Island of Kauai. The 23-acre resort offers a full array of recreational activities, including championship golf. For information on the Princeville Resort, visit www.Princeville.com. Contact Penny Powlas in the TBA office at 800-964-5525 or 615-244-4871 for travel, hotel, and registration information about the pre-convention trip.
The Independent Community Bankers of America has announced the election of new officers and executive committee members for the coming year. The eight bankers were elected by ICBA’s board of directors during the trade association’s 2003 National Convention and Techworld, which was held in March in Orlando, Florida.

David E. Hayes, president and CEO of Security Bank in Dyersburg, was elected vice chairman. The new ICBA officers and executive committee for 2003-2004 are:

- Chairman - C. R. (Rusty) Cloutier, president/CEO, MidSouth Bank, N.A., Lafayette, Louisiana
- Chairman-elect - Dale L. Leighty, president/chairman/CEO, First National Bank of Las Animas, Las Animas, Colorado
- Vice Chairman - David E. Hayes, president/CEO, Security Bank, Dyersburg, Tennessee
- Secretary - George C. Andrews, president/CEO, Capitol City Bank & Trust Company, Atlanta, Georgia
- Treasurer Thomas T. Hawker, president/CEO, County Bank, Merced, California

The existing ICBA chairman, A. Pierce Stone, chairman/CEO, Virginia Community Bank, Louisa, Virginia, becomes the ICBA’s immediate past chairman. The two nominees for the director-at-large positions on the Executive Committee are James P. Ghiglieri, Jr, president, Alpha Community Bank of Toluca, Illinois, and William Russell Carothers, II, chairman/president/CEO, Citizens Bank of Winfield, Alabama.

About Hayes

In addition to his position as the president/CEO of Security Bank in Dyersburg, David E. Hayes is vice chairman and COO of The Bank of Jackson and a board member of Security Bancorp of TN., Patriot Bank, and Gates Bank and Trust. His education background includes Memphis State University Business Administration School, the Stonier Graduate School of Banking, and numerous technical schools.

For the past year, Hayes has represented the ICBA on the TBA board of directors as one of two state chairmen from the ICBA. He has served as chairman and vice chairman of the ICBA’s payments and technology committee and as a member of the ICBA board of directors. Also with the ICBA, Hayes has served on the policy development and long-term planning committees, as chairman of the financial services corporation board, as a member of the ICBA Services Network board, on the ICBA Securities Corporation board, and presently is a special advisor to the ICBA Bancard board. He also serves as the ICBA representative on the Banking Industry Technology Secretariat (BITS) board.

Within the Tennessee Bankers Association, Hayes has served as director and on several key committees. He is also a past chairman of the board of trustees for The Southeastern School of Consumer Credit™.

Active in community affairs, Hayes has served as the chairman of the Dyersburg/Dyer County Chamber of Commerce, member of the Industrial Action Team, member of the Dyer County Industrial Development Board, chairman of the Dyer County United Way, and as president of the Dyer County Heart Association. He also served on the executive committee of the Dyersburg State Community College Foundation board and
ICBA contributes to Habitat for Humanity

During their recent National Convention and Techworld, members of the Independent Community Bankers of America contributed $10,000 to Habitat for Humanity of Orlando, Inc. The donation was made on behalf of the efforts of the nation’s community bankers to promote homeownership.

Community bankers presented the donation to Martha Davis, president of the Orlando chapter of Habitat for Humanity, a nationally recognized nonprofit housing organization.

More than 3,000 people representing the community banking industry gathered for this year’s event at the Orlando World Center Marriott Resort, March 2–6. The donation was given to support Orlando’s homeownership effort in lieu of entertainment provided for community bankers at the yearly convention banquet.

Bankers attending the ICBA Convention regularly volunteer a “helping hand” to benefit Habitat for Humanity in the community where the convention is held. This year, volunteers worked from 8:00 to 2:30 on the day before the official opening of the meeting.

“Community bankers visiting Orlando from all across the country were happy to help local families and the cause of homeownership,” said ICBA Chairman A.

Pierce Stone, chairman and CEO of Virginia Community Bank in Louisa, Virginia. “Whether assisting people save for down payments on a mortgage or guiding them through the home-buying process, community bankers play an integral part in expanding homeownership for all Americans. And we really had a good time spending the day working to assist an Orlando family achieve the American dream.”

Orlando Habitat for Humanity has built more than 90 homes, and their goal is to start 20 new homes this year. Habitat brings together people with resources and people in need to build simple, decent, affordable houses in their community. Each family contributes 300 hours of “sweat equity” towards their home and others. Families are selected based on their need for adequate shelter, their ability to pay their mortgage, and their willingness to partner with Habitat.

Kenneth A. Guenther, president & CEO of the Independent Community Bankers of America (ICBA), announced that he would be retiring at the next ICBA convention in March 2004.

Guenther, who joined the ICBA in 1979 and became its chief executive in 1982, stated, “It has been an honor and a privilege to represent the nation’s community banks for more than 20 years. They are the vital backbone of Main Street America.”

The ICBA’s chairman, C.R. (Rusty) Cloutier, in his capacity as chairman of the ICBA Executive Committee, simultaneously announced the election of Camden R. (Cam) Fine as the incoming president & CEO-elect.

Fine will become the ICBA’s chief executive officer when Guenther retires in March 2004. He is a native Missourian and comes to the ICBA from the Midwest Independent Bank in Jefferson City, Missouri, where he serves as president. Fine was educated at the Virginia Military Institute (VMI) and the University of Missouri-Columbia. He served as a commissioned officer in the US Army’s Signal Corps.

In 1978, Fine joined the Missouri state government, and in 1981 former governor and current US Senator Christopher “Kit” Bond appointed him director of the state’s tax division. In 1984, Fine was asked to charter and organize the Missouri Independent Bank, a banker’s bank.

The bank changed its name to the Midwest Bank in 1994 and now serves community banks in three states.

Fine is a distinguished graduate and past chairman of the board of advisors of the Stonier Graduate School of Banking. In October 2000, he was appointed to the prestigious Federal Advisory Council of the Board of Governors of the Federal Reserve System representing the 10th Federal Reserve District (Kansas City).

Cam Fine and his family will relocate to Washington, the headquarters of the ICBA. Ken Guenther will serve as a consultant to the ICBA after he steps down as president and CEO.
The post-September 11 environment has brought many changes to our security concerns as a nation and how we approach the protection of our persons and property. In the banking world, legislation such as the USA Patriot Act has forced financial institutions to implement a number of new initiatives to combat money laundering and to provide sufficient due diligence on private banking clients. In their fervor to enforce the new regulations, however, federal regulators and financial institutions have neglected the area where banks arguably suffer the greatest losses: employees.

Employee theft has always been a concern for banks, even in good financial times. In the current financial climate, the risk is even greater. A bad economy creates need. Employment at a financial institution, due to the very nature of the business, creates opportunity. The final equation is simple, need + opportunity = crime.

As recently as 2001, insider abuse accounted for 50 percent of all bank fraud and embezzlement cases investigated by the FBI. An FDIC study of 67 bank failures between the years of 1960 and 1974 concluded that 57 of those failures involved insider fraud. Last year alone, two bank failures were caused by internal fraud. This sobering figure, when coupled with potential regulatory fines of one million dollars per day, for each time a bank knowingly hires or is affiliated with individuals who have been convicted for any of the barrier crimes provided in Title 12, US Code Section 1829, should convince even the most cost-conscious bank that employee background screening is a small price to pay considering the risk.

Once a financial institution has resolved to conduct thorough investigations of their employees, however, how should they implement that process? There is no method that will keep every bad apple from your bunch, however, the following is recommended:

1. Perform a Social Security Number verification and trace for every applicant in order to verify that the individual is who they say they are, in addition to providing a resident history for the individual. This also will provide any additional names, social security numbers that the individual has used.

2. A minimum 10-year criminal history search should be done in all jurisdictions where the individual has resided and/or worked. Do this even if fingerprints are submitted to the FBI for a nationwide criminal record check. The delay at the FBI, which has been over two months at times, can increase new hire costs associated with recruiting, training, and ultimately terminating the individual due to adverse findings. Additionally, waiting eight weeks creates a window of time for a criminal to operate.

3. Employment verifications are also a vital tool due to the fact that many crimes at financial institutions go unprosecuted either for fear of negative publicity or the fact that the dollar figures are not large enough to pursue. This information proves invaluable to you as an employer, however, particularly because crooks often will migrate from bank to bank, victimizing each along the way. Without performing employment verifications, this crucial information could be missed.

4. Check applicants’ credit histories. Employees who commit fraud often have poor credit histories or are extended beyond their financial means, thereby creating greater need.

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Beware the Trojan Horse
Conducting adequate background investigations on your employees

by Jesse N. H. Bacon
Vice President and General Counsel, Kroll Background Screening Group

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Kroll Background America, Inc. (KBA) is one of the nation’s leading providers of information about people, their businesses, and related historical information. KBA specializes in providing executive due diligence services, employment screening services, and disability claim review for corporations and government agencies in an effort to increase workplace security, manage risk, and comply with mandated regulatory and statutory laws. They are an associate member of the Tennessee Bankers Association. Nick Demetros in their Nashville office can be reached by E-mail at ndemetros@krollworldwide.com or by telephone at 615-345-9760.

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1 RMA Journal May 1, 2001 “An Insightful look at Insider Abuse” by Michelle Hobson.
2 Ibid.
5. Screen current employees’ criminal and credit histories every three years to verify that they have not been convicted of offenses while employed, thereby incurring potential fines for the institution. Updated credit reports may also reveal financial difficulties that would make them more susceptible to committing a crime.

6. If an applicant has worked in the financial services industry in some capacity, an employer should consider a search of sanctions recorded against individuals by Federal and state regulatory agencies such as the NASD, SEC, HUD, stock exchanges, and state securities boards.

7. Examine vendor screening programs which require vendors to provide background investigations for any of their employees who enter into the financial institution, such as repair men or maintenance staff. These individuals often slip beneath the radar.

Finally, in conducting these searches, it is important to use a reputable licensed Consumer Reporting Agency that has an in-house compliance department familiar with the financial industry’s regulations applicable to background investigations. Additionally, the company should be insured adequately and provide indemnification for any errors or emissions on its part. It makes sense to pass on liability where the error is not yours.

Contact Nick Demetros, ndemetros@krollworldwide.com, for additional information.
Since 1939, the Tennessee Bankers Association has contributed to the education of our members’ junior- to mid-management staff through its general banking school. Over the years, what began as the “Study Conference” has grown into The Southeastern School of Banking. This is an intensive, intermediate-level general banking school consisting of two one-week resident sessions over two years.

The curriculum focuses on critical banking functions, their interrelationships, and determinants of profitability. Students develop analytical skills and management techniques in addition to an understanding of the role of the commercial bank in the ever-changing financial services industry.

For 2003, the first-year session is scheduled for July 13–18, and the second-year session follows July 20–25. Classes are conducted at the Owen Graduate School of Management on the campus of Vanderbilt University, and banker students are housed at the Loews Vanderbilt Plaza Hotel, across the street from the campus.

The TBA is currently accepting applications. Applications received in the TBA office before June 5 qualify for a discounted tuition rate, a savings of $150. Standard tuition applies after June 5.

**Admission**

Potential candidates for TSSB are career financial industry employees in higher-ranking staff or junior- to mid-management positions. Applicants must have a working knowledge and understanding of basic banking terms, concepts, and processes.

Successful applicants will have a college degree and two years of banking experience or a high school diploma coupled with five years of banking experience. Admission to TSSB also requires the completion of either AIB or college courses in Principles of Banking, Money and Banking, and Accounting. Work experience or demonstrated knowledge can be substituted for portions of the prerequisite course work.

Bankers interested in enrolling in TSSB, in either 2003 or in the future, are encouraged to attend the TBA’s one-day Introduction to Banking Workshop. This workshop serves as excellent preparation for the school.

**Curriculum**

The TSSB curriculum consists of over 80 hours of classroom instruction during the two-year period. The course of study was developed in conjunction with the ABA, industry experts across the country, and the TSSB board of trustees.

First-year students study the following: sales management training, strategic planning and control, macroeconomics and the banking system, bank financial analysis, managing liquidity and capital planning, lending, investments, asset and liability management, and human resources management.

Classes during the second session are: management, technology in banking, trust services, employee skills—managing up the organization, supervisory skills—managing across and down the organization, collections and bankruptcy, the changing banking environment, business ethics and code of conduct, and bank security.

Both years participate in the Stanford Bank Management Simulation, Version 11, which exposes students to the experiences encountered in running a commercial bank. This bank management model reflects current bankingtrends including capital adequacy, cost of funds, evaluation of equity, fee income, and increased lending risk.

The program is offered at two levels, which allows students with different levels of knowledge to participate on an even basis. Simulation Group A focuses on gaining a working knowledge of bank financial management techniques and is designed for students with a limited understanding of financial statements and/or projection analysis. Simulation Group B focuses on prudently developing and managing an upward trend in ROE and stock price. This group is designed for students who already understand how to read and use financial reports.

**Scholarship Opportunity and Other Recognition**

One outstanding graduate of The Southeastern School of Banking will be selected to represent TSSB at the AIB Convention, and a $1,000 scholarship will be awarded to TSSB participants at the competition.

Applications are due in the TBA office at least four weeks prior to the start of classes. For more information, contact the Tennessee Bankers Association, 4400 Sunset Drive, Nashville, TN 37204; 615-371-8802.
Southeastern School of Banking will receive a scholarship to attend the Graduate School of Banking at Louisiana State University. The GSB funds the scholarship. The recipient must be employed at a Tennessee commercial bank or savings and loan institution. Information about applying for the scholarship will be distributed to second-year students during the summer session.

The TSSB’s honor program recognizes students in the top 10 percent of their class. CEOs are notified of their exemplary work. They are also recognized in a statewide press release and in The Tennessee Banker magazine article covering the school.

TSSB graduates qualify for credit from the Institute of Certified Bankers (ICB) and for 70 hours of Continuing Professional Education (CPE) credit in the Management field.

Tuition

Again, June 5 is the discounted tuition application deadline. Discounted tuition is $1,225 for TBA members and $1,375 for nonmembers. After June 5, standard tuition is $1,375 for TBA members and $1,525 for nonmembers. This reflects a savings of $150 per person.

The tuition covers instruction and instructional materials; housing at the Loews Vanderbilt Plaza Hotel; breakfast, lunch, and refreshment breaks daily; and Sunday dinner for first-year students. Evening meals are on your own.

A $250 deposit must accompany the application. Upon acceptance, TBA will bill the applicant’s institution for the balance due. Applicants withdrawing after June 5, but before July 1 will receive a refund of all but the $250 deposit. No refunds are offered, with the exception of extenuating circumstances, if a student withdraws after July 1 or fails to attend the school.

You can view a brochure containing complete program information and register online at the TBA website, www.TNBankers.org. Please direct questions to Susan Taylor, CM P, director of professional development, in the TBA office by calling 800-964-5525 or 615-244-4871 or by e-mail to srtaylor@TNBankers.org.

TSSB FACULTY

FIRST-YEAR SESSION

Ronnie Boling, Senior Vice President, SouthTrust Bank, Nashville, Lending
M. Cary Collins, PhD, Associate Professor of Finance/Stokely Scholar, The University of Tennessee, Knoxville, Managing Liquidity/ Capital Planning
J. Ronald Frost, Group Vice President, Wachovia Bank (Retired), Atlanta, GA, Strategic Planning
Charles H. Gordon, Jr, President, Renewal Concepts, Jasper, GA, Sales Management
Steven S. Greene, Partner, Matthews & Greene, LLC, Atlanta, GA, Human Resource Management
Kenneth W. Smith, Senior Vice President, Security Federal Savings Bank, McMinnville, Investments
William F. Staats, PhD, LBA Chair of Banking/Professor of Finance, Louisiana State University, Baton Rouge, Louisiana, Macroeconomics and Asset/Liability Management
James W. Wansley, PhD, Professor of Finance, Department Head/Clayton Homes Chair of Excellence in Finance, The University of Tennessee, Knoxville, Bank Financial Analysis
Paul G. Wilson, President, Citizens National Bank, Athens, Investments
Tim Amos, Senior Vice President and General Counsel, Tennessee Bankers Association, Nashville, Government Relations

SECOND-YEAR SESSION

J. Brook Blake, Security Training and Corporate Officer, Bank Security, SunTrust Bank, Atlanta, GA
Curt Faulkner, Program Administrator-Applications, Department of Financial Institutions, Nashville, Bank Regulators
Ernie Froedge-Simms, Management Trainer/Consultant, C & T Seminars, Franklin, Management
Steven A. Goodman, Owner and President, TrainWorks, Nashville, Trust
Eric Hoghaug, Technology Practice Manager, Alex Sheshunoff Management Services, LP, Austin, TX, Changing Bank Environment
David Kemp, President, Bankers Management, Inc, College Park, GA, Collections & Bankruptcy

Ray Powell, President, Consulting Associates, Spanish Fort, AL, Business Ethics
Kerry Sauley, PhD, Management Department, Louisiana State University, Baton Rouge, LA, Employee Skills
Jimmy Sawyers, Director of Consulting, Reynolds, Bone & Griesbeck, PLC, Memphis, Technology in Banking
Tom A. Wright, Chairman, President, and CEO, Enterprise National Bank, Memphis, Supervisory Skills

SIMULATION FACULTY

Director: Greg Jones, President/CEO, Cornerstone Community Bank, Chattanooga
Simulation Assistant: Sherrie King, Vice President, Correspondence Services, FTN Financial Services, Chattanooga
Tammy Flanagan, President, Lebanon Region, First Tennessee Bank National Association, Lebanon
Frank Parker, Senior Vice President, Citizens National Bank, Athens
Marvin L. Price, Cashier, Mountain Valley Bank, Dunlap

BOARD OF TRUSTEES

President: Stephen Henry, President, Oakland Deposit Bank, Oakland
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Chairman: Jason West, President, PrimeTrust Bank, Nashville

DIRECTORS

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Group 2—Leslea Ogle, Branch Manager, Banking Officer, BB&T, Gatlinburg
Group 3—Gregory Johnson, Vice President, Citizens Tri-County Bank, Dunlap
Group 4—Chris Phillips, Assistant Vice President, Macon Bank & Trust Company, Lafayette
Group 5—Brent Parsley, Vice President, First National Bank of Manchester, Manchester
Group 6—Jamie Sweeney, Vice President, Cavalry Banking, Murfreesboro
Group 7—Michael E. Cary, Senior Vice President, Carroll Bank & Trust, Huntingdon
Group 8—Chris Huffman, Loan Officer, BancorpSouth, Jackson
Tennessee’s young adults are leaving schools without the ability to make critical financial decisions that affect their lives. Many are unable to balance a checkbook, and most simply have no insight into the basic survival principles involved with spending, saving, and investing.

In a 2002 survey conducted by the Jump$tart Coalition for Personal Financial Literacy, the average financial literacy score of high school seniors in Tennessee was 51.8%. Considering that 70% is passing, this survey provides disturbing evidence that young adults are unprepared to enter the “financial world.”

Tennessee Jump$tart – A Coalition for Personal Financial Literacy seeks to improve the financial literacy of Tennessee’s consumers with a special focus on the state’s youth. The coalition, which works in cooperation with the national Jump$tart Coalition, is a group of educators, nonprofit groups, and private industry executives working to improve the personal financial literacy of Tennessee’s consumers. The organization employs several different efforts to achieve their goal, including legislation, community awareness, and financial literacy programs.

Tennessee Jump$tart continues to make huge strides in its effort to promote financial literacy and envisions a time when all young people in Tennessee will be financially literate and equipped to achieve financial goals upon graduation from high school.

April is “Financial Literacy for Youth Month.” This is a national opportunity to draw attention to the need for young adults to obtain training in such personal finance basics as money management, saving and investing, and use of credit.

We are encouraging all members of the coalition to participate in this event.

To fulfill this vision, the coalition needs your support and involvement. In a couple of weeks, Tennessee Jump$tart will be sending a brochure to members of the Tennessee Bankers Association telling them more about this organization and asking them to join and/or become a benefactor. Please be on the lookout for this mailer and contact the Tennessee Jump$tart Coalition about getting involved. Or contact TBA’s Tausha Carmack, associate counsel, who is a member of the board for Tennessee Jump$tart. You can also visit the coalition’s website at www.jumpstart.org. Tennessee’s youth need your help!

OTHER FINANCIAL LITERACY RESOURCES

In addition to Tennessee Jump$tart, Tennessee bankers interested in contributing to financial literacy for today’s youth will find a wealth of resources and links to information on the TBA website at www.TNBankers.org and the ABA website at www.aba.com. On TBA’s site, click on Professional Development or Consumer Information. On the ABA website, click on Consumer Connection.

The following statistics were taken from the ABA website:

- Teen consumers spent an average of $104 per week in 2001.
- The American family spends $1.22 for every dollar it earns.
- Future generations will inherit $12 trillion over the next 20 years.
A group of former leaders of federal bank supervisory agencies recently unveiled a new deposit placement service that offers unique benefits to help banks, particularly community and regional banks, attract and retain large local deposits.

The Certificate of Deposit Account Registry Service, or CDARS, was developed by Promontory Interfinancial Network and recently endorsed by the American Bankers Association as “good for the banking industry and our economy,” according to Donald G. Ogilvie, ABA president and chief executive officer.

CDARS is a Web-based service that lets banks conveniently place deposits into CDs at other banks. In return, the bank receives back an equal amount of funds from other banks using the service, essentially keeping the entire amount of the deposit in the local community.

In addition, the bank sets the interest rate on the entire package of CDs bought by its customers. And the customer’s entire portfolio of CDs is managed through the primary bank relationship, where personally identifying customer information is kept confidential.

“CDARS gives me the opportunity to respond more effectively to my customers’ needs,” said O. Jay Tomson, chairman of First Citizens National Bank, Mason City, Iowa, and former president of the Independent Community Bankers of America. “My customers depend on our community bank, and they trust us to do the right thing as stewards of their money. CDARS helps us do the right thing.”

CDARS is the inaugural offering of Promontory Interfinancial Network, a financial services technology company founded by Eugene A. Ludwig, former US Comptroller of the Currency, Alan S. Blinder, former vice chairman of the Federal Reserve Board, and Mark Jacobsen, former chief of staff at both the OCC and the Federal Deposit Insurance Corporation. The company’s boards include other prominent former government officials, including William Seidman and William Isaac, both former FDIC chairmen.

“CDARS extends to the customers of community and regional banks a savings option that is widely offered by the largest money-center banks, brokerage firms, and Internet-based services,” said Ludwig, chairman and CEO of Promontory. “CDARS simply makes this savings option more convenient by allowing small banks to better serve the needs of consumers, small businesses, school boards, local governments, and nonprofit organizations.”

Our members consistently have told us that they need a long-term solution to attract the new deposits necessary to fund lending and investment activities in their communities. CDARS is such a solution. Now smaller banks have the opportunity to promote a new, secure deposit choice that allows customers to keep their savings in a local institution.”

DONALD G. OGILVIE, PRESIDENT AND CEO, AMERICAN BANKERS ASSOCIATION

How does it work? For example, a bank in the network has a customer who wants to place an additional $300,000 through its primary bank. The bank enters this request onto the CDARS system. The funds are processed through CDARS, which places them in any number of branches at other network banks. At the same time, $300,000 is sent back to the customer’s bank, just as if the original $300,000 deposit never left the institution.

(continued on page 23)
ABA SURVEY

Community Banks Retaining Personal Touch, Expanding Technology, and Products

Three out of four community banks actively monitor customer service quality, and nearly a quarter (22 percent) go so far as to employ “mystery shoppers,” according to a joint community banking survey by the American Bankers Association and the ABA Banking Journal. Findings were released at the ABA’s 2003 National Conference for Community Bankers, held February 9-12 in Hollywood, Florida.

The survey compiled the views of top management at 760 community banks across the country on topics ranging from customer service measurement, funding, technology expenditures, product offerings, and hiring practices. The average asset size of the sampled banks was $178.8 million.

The survey finds that community banks are keeping pace with conveniences consumers are demanding while retaining key ingredients of personal service. For example, 79 percent offer Saturday hours, 91 percent offer debit cards, 70 percent offer or plan to offer telephone banking, and 65 percent offer or plan to offer online banking.

At the same time, 96 percent of survey respondents say a human operator answers all calls to the bank’s main number during banking hours, and nearly two-thirds require employees to return customer e-mails, voice mails, and messages the same day they are received.

“This year’s survey helps illustrate why community banking remains such a popular choice,” said Steve Cocheo, executive editor of ABA Banking Journal and author of the survey. “It also shows us that community banks are operating in an increasingly competitive environment.”

Specifically, the survey offers three indexes that weigh bankers’ responses to questions about their top competition in various business, consumer, and ag banking products. The results were as follows:

- **Business Banking**—Community bank CEOs most often cite large banks as their toughest competitor in business banking, with community banks running a close second. Specifically, 61 percent of participants said other community banks were their toughest competition for business operating loans, while 32 percent said large banks were similar. Similar results were reported for term loans and, to a lesser extent, business deposits. But, large banks were the toughest to beat in the areas of business cash management, long-term investments, and trust, services some smaller banks do not offer.

- **Ag Banking**—Banks with agricultural activity most often cite the Farm Credit System as the toughest competitor in town. Thirty-one percent, for instance, say FCS is the toughest to beat in the farm mortgage area, versus 17 percent who identified community banks. And though community banks edged out FCS as the toughest competitor in equipment loans and farm operating loans, the FCS ran such a close second that it won first place in the overall Farm Banking Competitive Index.

- **Consumer Banking**—While large banks are considered most competitive in the areas of personal trust, home equity lines, and personal financial planning, community banks still emerge as the top vote-getter overall in consumer banking. For instance, community banks were rated the top competitor by 49 percent of respondents in the area of consumer deposits and by 43 percent in personal unsecured loans. They rate a close second to large banks, 34 percent to 36 percent, in home equity loans and to mortgage companies, 24 percent to 34 percent, in first mortgages. In auto loans, captive finance companies and credit unions led the pack, with 47 percent and 27 percent of the vote, respectively.

This year’s survey also asked more detailed questions relating to product mix and employee hiring, with sometimes surprising results. “We probed a little deeper in this survey and found that some common assumptions about the industry—like how hard it is to hire a top-notch sales team—aren’t necessarily true,” said Cocheo. Among the survey’s key findings:

**Human Resources**

- **Revenge of the Nerds.** Though bankers often talk of the difficulty in finding good marketing or sales staff, survey participants said the hardest post to fill was that of trust officer, with 91 percent saying this post would be hard or very hard to fill. Next hardest were compliance officer with 90 percent, IT officer with 85 percent, and business lender with 82 percent.

- **Screening Candidates.** Seventy-one percent of bankers say they use credit reports to screen officer candidates while just 11 percent use fingerprint checks. Other screening devices reported were background checks, 70 percent; Predictive Index or similar tests, 19 percent; basic skills test, 16 percent; drug testing, 15 percent.

(continued)
DEBIT CARDS

- **Internet Predictions.** While 52.5 percent say branches are their leading consumer banking channel now by volume, 40 percent predict that will be true in 2006. Conversely, less than one percent see Internet banking as their top-volume channel today, but 22.5 percent predict it will be in 2006.

- **Latte & Loans.** Twelve percent have opened a “nontraditional” or “boutique” branch in the last five years. A quarter of those banks were located in the Northeast.

- **State Farm Is There.** Thirty percent of respondents singled out State Farm Bank as a competitor that had entered their market(s) in the past year. Other new competitors mentioned were community banks by branching, 31.5 percent; large banks by acquisition, 22 percent; and credit unions by branching, 21 percent.

DEBIT CARDS

- **Free, but Not Automatic.** While 91 percent of respondents offer debit cards that are usable for consumer purchases, only six percent automatically issue them with all consumer accounts. The majority, 73 percent, do not charge a usage fee.

- **Losing Proposition.** Sixty-two percent say their debit card program is not profitable on a stand-alone basis. The larger the bank, however, the more likely the program is to be profitable, perhaps indicating that volume is a factor.

MISCELLANEOUS

- **Deposits Are Up.** Deposit levels increased at 73 percent of community banks last year. This most likely was the case with banks in the Northeast, 92 percent, and West, 89 percent, and least likely in the Midwest, 63 percent.

- **...So Is Free Checking.** Forty-three percent reported seeing an upsurge in local competitors offering free checking. Another quarter—especially banks in the Midwest—said free checking was the norm in their area.

- **Sweeping while They Wait.** More than half, 55 percent, of the banks surveyed are offering some sort of business sweep account service, while a little more than a third believe legislation enabling them to pay interest on business checking—still pending in Congress—would help their bank raise funds.

- **Product Mix Offers Mixed Results.** While some products commonly are offered at community banks, they are not necessarily significant revenue generators. For instance, while 65.5 percent of respondents offer online banking, only 10 percent of those respondents say it brings in meaningful revenue. The opposite is true in some cases. Only about seven percent offer real estate brokerage, but 61 percent of those bank’s say the product generates significant revenue.

- **Corporate Reconnaissance.** Of the banks that use mystery shoppers to monitor service quality, most use them to visit or phone the bank’s office, but 27 percent also use them to visit the competition.

The complete survey report is available in the February issue of ABA Banking Journal. For a copy, contact Hector Cruz (hcruz@aba.com) at 202-663-5315.

CDARS (CONT’D FROM P. 21)

As a result, the customer’s principal and interest are eligible for full FDIC insurance. Meanwhile, the customer receives just one bank statement, from the originating bank, which lists the entire portfolio of CDs.

Because interest rates vary according to local market conditions, the network employs a “rate bridge payment” among the banks to permit customers to receive the interest rate agreed upon with their primary bank. Thus, if the originating bank agrees to pay 1.5 percent, while the bank that receives some of its customer’s funds is only paying 1 percent, then the originating bank agrees to send a present value payment of the 0.5 percent difference to the other bank holding its customer funds.

It’s all computed by a sophisticated placement engine that makes the actual payments simple for bankers and their customers. To date, Promontory has more than 170 banks signed up for the program.

“CDARS performs the calculations and provides all the information to the bank, including the amount of any rate bridge payment,” said Jacobson, president and chief operating officer of Promontory. “And accounting and settlement is in conformance with industry standards.”

In addition to Ludwig, Blinder, Jacobson, and Seidman, the Promontory board of directors includes O. Jay Tomson; James M. Culberson, Jr., chairman emeritus of the First National Bank and Trust in Asheboro, NC, and a former ABA president; J. Michael Shepherd, executive vice president and general counsel of The Bank of New York Co; former Senator Warren B. Rudman; former Federal Reserve Board Governor Edward W. Kelley, Jr; Frank N. Newman, chairman emeritus, Bankers Trust Co, and former deputy secretary of the US Treasury Department; Frank G. Zarb, former chairman and CEO of the NASD and NASDAQ; and Anne L. Armstrong, regent of the Texas A&M University System and former Counselor to the President under Presidents Nixon and Ford. Isaac chairs Promontory’s bank advisory board of 30 banks across the country.

Commenting on the current economy that has resulted in new deposits entering the banking system over the last year, Ludwig said that banks should do everything they can to hold onto many of those deposits and prevent them from leaving the banking system once the stock market improves.

“Now is the time for banks to lay the foundation for regaining the market share they have lost to other financial services providers. Tools such as CDARS can help banks provide greater savings and investment options to their customers and greater funding options for themselves,” Ludwig said.

If you are interested in CDARS and how it can help your bank compete, contact Bruce Green, regional director, Promontory Interfinancial Network, at 615-221-2186.
This year’s Credit Conference featured a wide range of workshops and speakers. (1) TBA Chairman Ed Loughry opened the conference, welcoming attendants. (2) As conference chairman, Stephen Hagood, Branch Banking & Trust, Knoxville, presided over the sessions. (3) David Kemp closed the conference with advice on improving loan profitability. (4) A panel of regulators discussed credit examination principles and policies. Left to right are Tennessee Financial Institutions Commissioner Kevin Lavender and Jim Douthitt from his department; Marion Rivers, Atlanta Federal Reserve; John Carter, FDIC Dallas regional director; and Paul Robertson, assistant deputy comptroller for the Memphis office of the OCC. (5) In his workshop, William Gerich gave bankers negotiating techniques to achieve better loan pricing. (6) Workshop speaker John Barrickman focused on five critical management issues to deal effectively with problem loans. (7) A number of bankers took the opportunity to meet Commissioner Lavender.
(1) Economist Ed Seifried delivered some thought-provoking observations and predictions about the effect of recent events on the US economy and worldwide markets.
(2) Rebecca Clark looked at the impact of HOEPA and RESPA in relation to predatory lending issues.
(3) From his perspective as a pastor, Jimmy Latimer talked about the ethical responsibilities of lenders in light of recent business scandals and failures.
(4) Jack McCall employed Southern humor in his role as a last-minute substitute for scheduled luncheon speaker Major General David Petraeus. As Commander of Fort Campbell, Petraeus was called to duty in the Middle East.
(5) TBA President Brad Barrett, right, presented Credit Committee Chairman Hagood with a clock in recognition of his service.
(6) Members of the Regulators Panel took time after their session to answer questions one-on-one with bankers in the audience.
March 12, 2003

Mr. Brad Barrett
Tennessee Bankers Association
201 Venture Circle
Nashville, TN 37228-1603

Dear Mr. Barrett:

Thank you for providing finance students from the University of Tennessee at Martin with the opportunity to attend the Tennessee Bankers Association Credit Conference. The outstanding quality of the Conference, the reduced rate offered by TBA, and the generosity of our regional banks made this a very successful joint venture. The students learned a great deal and gained valuable insight into the banking profession. They actively participated in each of the sessions and were very well received by the bankers.

Susan Conley, Debbie Brickles, Susan Taylor, and the entire TBA staff were most gracious in assisting us. The students were made to feel very comfortable in an environment which was new to them. They left the Conference with a renewed optimism and excitement about their chosen field. As you know, it is always helpful when students can see that the things they learn in the classroom have “real world” applications.

Due in large part to your leadership, the Tennessee Bankers Association is recognized as one of the most outstanding state organizations in America. The TBA’s reputation for service to the banking community is unparalleled. It is a privilege to be associated with the Association and your outstanding staff.

Thank you again for partnering with us as we educate a new generation of banking professionals.

Sincerely,

Thomas H. Payne, Ph.D.
Dunagan Chair of Excellence in Banking
Professor of Finance

Enclosure

Thanks to the sponsorship of the Tennessee Bankers Association and four member banks, seven students in the finance program at UT Martin were able to attend the Credit Conference. The banks were BancorpSouth, Jackson; First State Bank; First-Citizens National Bank, Dyersburg; and Commercial Bank & Trust Co, Paris. Pictured left to right are students Hunter Hart, Melanie Clinton, Patrice Burnett, Ginger Pinson, James Story, Mark Richardson, and Ronnie Tuscan with Tom Payne, PhD, who holds the Dunagan Chair of Excellence in Banking at UT Martin.
Effective Practical Loan Review for Community Banks

Improve risk management with this new regional workshop

Recent economic uncertainty makes it more critical than ever that all banks, regardless of size, have an effective and practical loan review program in place. With this in mind, the TBA is pleased to introduce a new regional workshop series, Effective Practical Loan Review for Community Banks. The full-day program will be offered June 3 in Knoxville, June 4 in Nashville, and June 5 in Jackson.

Increasingly, loan review is viewed as a vital and necessary component of risk management for community banks. The need for loan review effectiveness has been reinforced by both an increased number of problem assets and regulator insistence that each bank establish programs to identify credit problems, monitor policy/procedure compliance, and ensure lien documentation is complete and enforceable.

Bob Ullom, the program’s instructor, is well known to Tennessee bankers as a faculty member of The Southeastern School of Commercial Lending and as the speaker for a number of TBA credit management and loan review workshops. President of R. V. Ullom and Company, Houston, TX, he has more than 30 years of experience in bank management and financial training.

Ullom will deliver a fast-paced, real-world, how-to seminar designed to help bankers:

- establish or improve loan review priorities, policies, and procedures
- develop and maintain credit and collateral files
- implement and maintain a loan grading system as preparation for better bank examinations, and
- best use the scarce bank resources—people and time—allocated to this important function.

With an enthusiastic and attentive approach to teaching, Ullom provides information that is relevant and immediately useful. The program is intended for all personnel involved in or concerned with starting or improving the loan review function. This includes senior lending management, loan officers, loan review and credit administration personnel.

Participants will receive a detailed, comprehensive manual which includes forms and checklists you can use in your bank’s loan review program. In addition, the manual will serve as a desktop reference for questions relating to loan review.

Attendants qualify for six hour of CPE credit in the area of management and for 6.5 hours of credit from the Institute of Certified Bankers. The ICB area is to be determined.

Registration fees are $195 for TBA members and associate members and $245 for nonmembers. This covers instruction, the comprehensive manual, refreshment breaks, and lunch. We encourage you to register early as space is limited.

The brochure and registration materials are available on the TBA website at www.TNBankers.org or by request from Debbie Brickles or Susan Conley in the TBA office. Call 615-244-4871 or 800-964-5525.

Essential Teller Issues

Updated and revised with new materials

Don’t miss out on the upcoming Essential Teller Issues Workshops. The content for these evening programs is updated and revised for 2003.

Workshops are scheduled for four sites across the state. Dates and locations are: May 5, UT Conference Center, Knoxville; May 6, Airport Marriott Hotel, Nashville; May 7, Old English Clarion Hotel (formerly the Four Points Sheraton), Jackson; May 8, Holiday Inn, Memphis.

In the Essential Teller Issues brochure the dates are correct, but the corresponding days of the week should read:

Knoxville, Monday, May 5
Nashville, Tuesday, May 6
Jackson, Wednesday, May 7
Memphis, Thursday, May 8
Instructor Taye Cairnes will focus on the "Top 10 List for Today’s Teller." Cairnes is training consultant for InterAction Training Systems. She will employ her years of experience in the various teller positions to show bankers how to excel when selling and interacting with the customer. A motivating speaker, Cairnes will equip tellers with the skills required to deal proficiently with customers, use loss prevention techniques in making decisions, and put a harmonious touch into every transaction.

Tellers will learn to be attentive to the transaction anomalies that will help uncover illicit financial networks, essential in complying with the USA Patriot Act. Cairnes will also review other regulations from the teller’s perspective, such as the Bank Secrecy Act, Reg CC, and the Fair Lending Act. Cairnes has prepared a manual that serves as a guide for the program and as an invaluable reference within the bank.

Your tellers will leave this program with a complete picture of how their decisions, actions, and knowledge affect every key stakeholder—the bank, the community, the stockholder, the customer, the branch, the department, and the teller!

AUDIENCE

The Essential Teller Issues Workshop was developed for tellers, branch managers, branch operations coordinators, teller supervisors, and trainers. It should prove beneficial for anyone in the bank expected to fill in, train, or manage the teller position.

Attendants qualify for three hours of CPE credit in the area of specialized knowledge and applications.

AGENDA

The day of the program, tellers will check-in between 4:30 and 5:00 pm. Dinner will be served promptly at 5:00. The presentation will begin at 5:45 and conclude at 8:45.

Top 10 List for Today’s Teller

Learn and follow the list to ensure an impeccable reputation!

1. Follow procedure
2. Maintain flexibility
3. Manage risk
4. Act diplomatically
5. Project a professional image
6. Keep a positive attitude
7. Stay alert and aware
8. Promote sales and provide service
9. Vigilant compliance with regulations & policies (Reg CC, BSA, Patriot Act)
10. Mastering the balancing act

FEES

Registration fees are $145 for TBA members and associate members and $195 for nonmembers. This fee covers instruction, the manual and instructional materials, refreshment breaks, and dinner.

You may view the program brochure and register on the TBA website at www.TNBankers.org. If you have a question, contact Debbie Brickles or Susan Conley in the TBA office at 800-964-5525 or 615-244-4871.

TBA Announces New Webcast/Telephone Seminar on Reg E

TBA recently sent out brochures for an upcoming webcast/telephone seminar, Regulation E: The Electronic Funds Transfer Act, scheduled for May 2 from 1:30 to 3:30 CT, is the first webcast/telephone seminar endorsed by the association.

The program was developed especially for ACH operators, compliance officers, bank training employees, ACH coordinators and managers, and chief operating officers.

It will revolve around the history of Regulation E and the Electronic Funds Transfer Act. You will gain an understanding of the types of transactions covered under Regulation E along with those that are exempt. The instructors will compare Reg E to Reg Z and teach you how to determine which regulation applies. They will also discuss access devices, customer and financial institution liability, disclosure requirements, documentation, and error resolution.

Telephone seminars provide immediate information to a broad audience with specific time set aside for questions. Each site license entitles you to one phone connection at one location, but an unlimited number of listeners may participate on your connection by speaker phone.

For this particular seminar, if you choose the webcast option, participants also will be able to view online visuals as the presentation is delivered.

For a brochure containing complete program, pricing, and registration information, contact Susan Conley in the TBA office at 615-244-4871 or 800-964-5525.
EMPLOYMENT

POSITIONS WANTED

0301-1 CURRENT CFO/EVP

0301-3 COMPLIANCE SPECIALIST
Continuing, which includes assisting clients in dealing with regulators on specific compliance matters, assisting clients in dealing with compliance programs, and assisting clients in the overall management of a compliance function and regulatory risk. You will provide up-to-date technical information to clients on changes in regulations, current prominent regulations, problems that could occur, and the overall management of regulatory risk. Qualified candidates must have minimum of 3-5 years of regulatory compliance experience with a banking regulatory agency, at a financial institution, or as a compliance consultant. Approximately 50% travel, and you will need to feel comfortable working with team members in widespread geographic locations throughout the Midwest. Please send confidential resume and salary requirements to: Crowe, Chizek and Company LLP; Fax: 219-236-7609; E-mail: recruiting@crowechizek.com; www.crowechizek.com.

POSITIONS AVAILABLE

0302-1 COMMERCIAL SALES MANAGER
Union Planters Bank, NA, seeking commercial sales manager for Cookeville, TN. Must have 10+ years’ banking experience, prior management experience, strong commercial credit and business development skills in both the small business and middle market segments. Will also serve as Community President for Cookeville. Ability to work comfortably with community leaders and local advisory board. Ability to coach/lead/mentor staff is very important. Will have 4 RM’s and 2 A’s as direct reports. Seasoned. Ability to balance team play and individual initiative. E-mail resumes to: kris.moore@upbna.com in Knoxville office.

0209-1 TEAM LEADER – COMMERCIAL BANKING
US Bank, with $165 billion in assets one of the top 10 bank holding companies in the nation, seeking individual for Clarksville location to lead a team of experienced commercial banking relationship managers. The primary focus of the team is customer advocacy for significant US Commercial clients through the servicing of commercial lending relationships and cross-selling of financial services, focusing on revenue generating activities. Key requirements include: 7 years or more of commercial lending experience and a background in commercial real estate and agricultural lending is a plus; 5 years or more of experience in a retail banking environment; 2 years or more of commercial lending management experience, including staff development, budget responsibilities and regional profitability through achievement of revenue goals; well-developed written, speaking and presentation skills. Key responsibilities include: lead a relationship management team to build and maintain a $70M M+ portfolio of commercial credits in the Clarksville, TN region; manage team credit portfolio, maintaining acceptable credit quality and loan profitability for the region (which includes M adisonville and Hopkinsville, Kentucky); maintain and expand effective calling program for existing customers and business development prospects; and approve or recommend loan applications within assigned limits. US Bank® offers a competitive salary, bonus and benefits, with the opportunity for professional advancement, financial incentive, and personal and growth satisfaction. Contact: Scott Jennings, Executive Recruiter, Scott.jennings@USBank.com, US Bank, 425 Walnut Street, CN-WN-02HR, Cincinnati, OH 45202; Fax: 513-762-8847.

0209-2 SENIOR CREDIT OFFICER
Growing community bank in Middletown, TN is seeking a senior credit officer. Successful candidate will have degree in business, finance, and/or accounting—advanced degree desirable—and minimum of 10 years’ banking experience with major focus on lending activities. Should have had portfolio responsibilities in commercial, consumer, and mortgage lending. Must have business development, management, and supervisory experience. Requires extensive knowledge of compliance and regulatory matters pertaining to the loan and loan operations areas of a bank. Must have developed and demonstrated skills in leadership, organizational effectiveness, business development, and management of staff and resources. Competitive Salary and benefits. Send resume to: #0209-2, Tennessee Bankers Association, 201 Venture Circle, Nashville, TN 37228.

0303-2 COMMERCIAL LENDER
Growing middle Tennessee bank seeking experienced commercial lender. Minimum of 5 years’ banking experience and a winning attitude preferred. Competitive salary and benefits. Reply to: #0303-2, c/o Tennessee Bankers Association, 201 Venture Circle, Nashville, TN 37228-1603, or E-mail resume to: ppowlas@tnbankers.org.

0302-2 BANK PRESIDENT
Acquisition group seeks bank president. Candidate should be an operational innovator with a strong track record of conservative and consistent performance. Requirements include: lead a relationship management team to build and maintain a $70M M+ portfolio of commercial credits in the Clarksville, TN region; manage team credit portfolio, maintaining acceptable credit quality and loan profitability for the region (which includes M adisonville and Hopkinsville, Kent-ucky); maintain and expand effective calling program for existing customers and business development prospects; and approve or recommend loan applications within assigned limits. US Bank® offers a competitive salary, bonus and benefits, with the opportunity for professional advancement, financial incentive, and personal and growth satisfaction. Contact: Scott Jennings, Executive Recruiter, Scott.jennings@USBank.com, US Bank, 425 Walnut Street, CN-WN-02HR, Cincinnati, OH 45202; Fax: 513-762-8847.

0208-2 LAO REVIEW OFFICER
Loan review, some audit responsibilities, appraisal review, & financial statement analysis. Desire 4-5 years of loan review analysis & compliance experience. Must be a self-starter. College degree preferred. Send resume to: Personnel Department, Wilson Bank & Trust, PO Box 768, Lebanon, TN 37088; fax: 615-443-5447. EOE

0208-1 ACCOUNT EXECUTIVE
Growing statewide mortgage company is expanding throughout Tennessee and Kentucky through growth of its Financial Institutions division. Successful candidate will have understanding of community banks and experience in working successfully with community bankers. Candidates will be hired for any one of three regions consisting of west, middle, and east Tennessee as well as regions throughout Kentucky. Successful candidate must be motivated and organized. Position is strictly commission-based with high income potential. Benefits are available at a 50% cost to the employee. Please send resume to: M mortgage Company of America, Attn: Eric Hendrickson, 2416 21st Avenue, South, Suite 202, Nashville, TN 37212.

0205-3 SENIOR CREDIT OFFICER
Growing statewide mortgage company is expanding throughout Tennessee and Kentucky through growth of its Financial Institutions division. Successful candidate will have degree in business, finance, and/or accounting—advanced degree desirable—and minimum of 10 years’ banking experience with major focus on lending activities. Should have had portfolio responsibilities in commercial, consumer, and mortgage lending. Must have business development, management, and supervisory experience. Requires extensive knowledge of compliance and regulatory matters pertaining to the loan and loan operations areas of a bank. Must have developed and demonstrated skills in leadership, organizational effectiveness, business development, and management of staff and resources. Competitive Salary and benefits. Send resume to: #0205-3, Tennessee Bankers Association, 201 Venture Circle, Nashville, TN 37228-1603.

THE TENNESSEE BANKER / APRIL 2003
STATE DEPARTMENT
FINANCIAL INSTITUTIONS

UBS PaineWebber Trust Company, Nashville, TN, merged with and into UBS Paine Webber Trust Company, NA, Weehawken, NJ (trust company left state-chartered system on 1/1/03; official documents filed to terminate statecharter on 2/12/03) (effective 1/1/03).

FEDERAL RESERVE SYSTEM


AmSouth Bank, Birmingham, AL, application to establish a branch at 5218 Hickory Hollow Boulevard, Antioch, TN (approved 3/14/03).

National Bank of Commerce, Memphis, TN, report on competitive factors of the proposed merger with BancMortgage Financial Corp, Antioch, TN (approved 3/14/03).

OFFICE OF THE COMPTROLLER
OF THE CURRENCY

First Tennessee Bank National Association, Memphis, TN, application to relocate Farragut Branch from 11200 Kingston Pike to 11864 Kingston Pike, both in Knoxville, TN 37922 (approved 2/28/03).

Union Planters Bank, N A, Memphis, TN, application to close Auburntown Branch, 73 East Main Street, Auburntown, TN 37016; Tennessee Ridge Branch, 13200 North Main Street, Tennessee Ridge, TN 37178 (withdrawn 2/26/03).

First National Bank of Tullahoma, Tullahoma, TN, application to close The Money Mark Center Branch, 1905 North Jackson Street, Tullahoma, TN 37388 (received 2/24/03).

National Bank of Commerce, Memphis, TN, application for new Centerville Branch, 3035 Scenic Highway, Snellville, GA 30039 (opened effective 2/14/03).

National Bank of Commerce, Memphis, TN, application for new Hamilton branch, 3350 Hamilton Mill Road, Buford, GA 30519 (opened effective 2/14/03).

National Bank of Commerce, Memphis, TN, application for new Lower Roswell Branch, 4880 Lower Roswell Road, Marietta, GA 30068 (opened effective 2/14/03).

National Bank of Commerce, Memphis, TN, application for new Hospital Drive Branch, 8501 Hospital Drive, Douglasville, GA 30134 (opened effective 2/14/03).

National Bank of Commerce, Memphis, TN, application to establish a branch at 1800 Hospital Drive, Snellville, GA 30078 (opened effective 2/14/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 90 Wagon Yard Plaza, Carrollton, GA 30117 (received 3/14/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 958 McEver Road Extension, Suite B-4, Gainesville, GA 30504 (received 3/14/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 800 Commerce Drive, Peachtree City, GA 30269 (received 3/14/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 1735 North Brown Road, Lawrenceville, GA 30043 (received 3/14/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 245 Town Park Drive, Suite 190, Kennesaw, GA 30144 (received 3/14/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 6862 Elm Street, Suite 320, McLean, VA 22101 (received 3/14/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 7040 Kingston Pike, both in Knoxville, TN (opened effective 2/14/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 1575 John Knox Drive, Colfax, NC 27235 (received 3/11/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 990 Hammond Drive, Suite 1020, Atlanta, GA 30328 (received 3/14/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 3133 Golf Ridge Boulevard, Suite 201, Douglasville, GA 30135 (received 3/14/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 800 Commerce Drive, Peachtree City, GA 30269 (received 3/14/03).

National Bank of Commerce, Memphis, TN, application to open new branch, 3350 Hospital Drive, Douglasville, GA 30134 (opened effective 2/14/03).

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National Bank of Commerce, Mem-
**ACTIONS OF BANK REGULATORY AGENCIES**

**phis, TN**, application to close Rocky Mount Money Market, 400 Old Franklin Turnpike, Suite 110, Rocky Mount, VA 24151 *(received 3/14/03).*

Union Planters Bank, NA, Memphis, TN, application to close Centralia-McCord Banking Center, East McCord Street *(closed effective 3/7/03).*

First State Bank, Maynardville, TN, application for state to national conversion, proposed corporate title, mailing address, and spokesperson, FSGBank, NA, PO Box 309, Maynardville, TN 37087, Rodger B. Holley *(received 3/21/03).*

Frontier Bank, Chattanooga, TN, application for state to national conversion, proposed corporate title, mailing address, and spokesperson, FSGBank, NA, 817 Broad Street, Chattanooga, TN 37402, Rodger B. Holley *(received 3/21/03).*

Union Planters Bank, NA, Memphis, TN, application to merge/acquire Union Planters Bank of Northwest Tennessee, FSB, Paris, TN *(received 3/19/03).*

Citizens National Bank, Sevierville, TN, application to open new branch, 284 Morrell Road, Knoxville, TN 37919 *(received 3/18/03).*

First National Bank, Lenoir City, TN, application to open new Tellico Village Branch, 290 Village Square, Loudon, TN 37774 *(approved 3/25/03).*

First Tennessee Bank National Association, Memphis, TN, application to close Hermitage Kroger Branch, 5544 Old Hickory Boulevard, Hermitage, TN 37076 *(received 3/28/03).*

National Bank of Commerce, Memphis, TN, application to open new Kirby Gate Money Market Branch, 2835 Kirby Road, Memphis, TN 38119 *(opened effective 3/21/03).*

**NEWS FROM WASHINGTON**

**Online Applications**

National banks now have the option to complete and submit branch and relocation applications electronically through the new “e-Corp” system, the Office of the Comptroller of the Currency reports. The product of a five-month pilot test, the new system should make the application process simpler, quicker, and more accurate than the traditional system, OCC said. It is available on OCC’s secure extranet Web site available exclusively to national banks.

**Thumbprint Passes Maryland Legal Test**

Maryland’s Court of Appeals, the highest in the state, has rejected a claim by a Baltimore attorney that the required use of a thumbprint for noncustomers breaches a person’s privacy and is not reasonable under the provisions of the Uniform Commercial Code. The decision in Messing vs. Bank of America effectively confirms that thumbprints are an effective and reasonable means banks have of reducing check fraud. ABA and the Maryland Bankers Association participated in the case as friends of the court.

**Banking Trade Groups Support Principles of Electronic Check Clearing Legislation**

The five major banking trade associations have expressed their united support for legislation to promote increased efficiency and potential cost savings through greater use of check truncation. "We believe that legislation to sanction check images or ‘substitute checks’ will facilitate electronic check processing that will produce significant cost savings, efficiencies, and new consumer conveniences to the great benefit of both consumers and financial institutions,” said Danne Buchanan, testifying at a hearing of the Senate Banking Committee.

Buchanan was representing the American Bankers Association, America’s Community Bankers, the Consumers Bankers Association, The Financial Services Roundtable, and the Independent Community Bankers of America. Buchanan is also executive vice president of Zions Bancorporation in Salt Lake City, Utah.

The trade groups support the general principles outlined in the Federal Reserve Board’s check truncation proposal, which would allow a collecting bank to remove—or truncate—the original; paper check from the check collection process and enable the entire banking industry to use electronic images to process and clear checks.

While the Check Modernization Bill (HR 1474) to facilitate check truncation needs some improvement, it “will serve as an excellent basis for final check modernization legislation that will benefit consumers, businesses, financial institutions, and the economy as a whole,” Grant Cole, senior vice president at Bank of America, told the Financial Services’ Financial Institutions Subcommittee on April 8.

Buchanan recommended retaining the check collection system’s existing body of law and regulations. "We believe that the body of law and regulations that has developed around existing check clearing processes is both effective in protecting consumers and minimizing the banking industry’s exposure to fraud,” said Buchanan.
# TENNESSEE BANKERS ASSOCIATION

## PROFESSIONAL DEVELOPMENT CALENDAR

For detailed program descriptions and registration information, visit our website at [www.TNBankers.org](http://www.TNBankers.org)

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<th>Date</th>
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<tr>
<td>April 21, 22, 23, 24</td>
<td><strong>Practical, Effective Secured Loan Documentation</strong></td>
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<td>April 21</td>
<td><strong>Loan Pricing Issues</strong></td>
<td>Telephone Seminar</td>
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<td>April 26–29</td>
<td><strong>Young Bankers Division Leadership Convention</strong></td>
<td>Sandestin Beach Resort, Sandestin, FL</td>
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<td>May 5–7</td>
<td><strong>2002 Government Relations Committee Washington, DC Visit</strong></td>
<td>Washington, DC</td>
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<td>May 5, 6, 7, 8</td>
<td><strong>Essential Teller Issues</strong></td>
<td>Regional</td>
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<td>May 6</td>
<td><strong>Check Handling for Tellers</strong></td>
<td>Telephone Seminar</td>
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<td>May 18–23</td>
<td><strong>The Southeastern School of Commercial Lending</strong></td>
<td>Nashville</td>
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<td>May 29</td>
<td><strong>The Flood Disaster Protection Act</strong></td>
<td>Telephone Seminar</td>
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<td>May 30</td>
<td><strong>Analyzing Personal &amp; Business Tax Returns</strong></td>
<td>Telephone Seminar</td>
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<td>June 3, 4, 5</td>
<td><strong>Loan Review</strong></td>
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<td>June 8–10</td>
<td><strong>113th TBA Annual Meeting</strong></td>
<td>Nashville</td>
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<td>July 13–18</td>
<td><strong>The Southeastern School of Banking I</strong></td>
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<td>July 20–25</td>
<td><strong>The Southeastern School of Banking II</strong></td>
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<td>August 26, 27, 28</td>
<td><strong>HMDA</strong></td>
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<td>September 4</td>
<td><strong>Community Bank Directors Conference</strong></td>
<td>Nashville</td>
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<td>September 9 &amp; 10</td>
<td><strong>Residential Real Estate Lending</strong></td>
<td>Nashville</td>
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<td>September 11 &amp; 12</td>
<td><strong>Basic Consumer Lending</strong></td>
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<td>September 15 &amp; 16, 16 &amp; 17, 17 &amp; 18, 18 &amp; 19</td>
<td><strong>Compliance with Federal Lending Regulations</strong></td>
<td>Regional</td>
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<td>September 22</td>
<td><strong>Financial Institutions Conference</strong></td>
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<td>September 23, 24, 25, 26</td>
<td><strong>Bank Secrecy Act</strong></td>
<td>Regional</td>
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Remember to register for Sandestin!