

WISCONSIN COMMUNITY BANKING *News*

Volume 11, No. 6
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Pause to Look at the Scoreboard

Jim Tubbs, CBW Chairman and President, State Bank of Cross Plains

From board meetings to customer phone calls to operational decisions, we spend busy days leading our community banks through the fields of decreased loan demand, rugged regulations, and a slow economy. We voice our industry's principles to skeptical critics, competitors, and legislators who should know better. Some days, we're too busy to look at the scoreboard.

I invite you to pause and reflect on how our industry has succeeded in the past few years. Thanks to CBW and ICBA, our industry enjoys an enhanced credibility and a greater awareness of its unique role in economic growth. Both nationally and here at home, more people have greater knowledge of our impact on their lives. Our loyal customers are still with us. Our employees stay with us and reach out to support our increased community needs.

This issue of your association's magazine includes the latest "Banconomics Update," which documents improved performance for many Wisconsin financial institutions, despite the tepid economy. This issue contains reports of the use of ICBA and CBW marketing campaigns to remind the public of our presence and our values. It recounts how individual banks have extended a hand to help local families and announces awards our member banks have received to recognize their work in our communities.

Several articles—including "Local Governments" (p. 4) and "Partnerships Key" (p. 16)—call for creativity and collaboration to meet local economic challenges. This, of course, is what we do best. Community bankers have often solved problems by reaching out to know and work with customers individually, to partner on loans, and to find creative ways to tell our story. Have you seen our association's new homegrown marketing messages? (See them at www.communitybankers.org or in our September/October magazine.)

I don't know exactly what number is on our scoreboard, but the community banking industry is clearly ahead in the game for customer loyalty.

This success is laying the foundation for the next generation of community bankers. It is supporting creative plans for new products, services, and facilities. Community banking will change in the coming years, but it will always be a resource of first resort for individuals, families, and organizations in our areas.

On our cover ... Markesan State Bank began in 1891 with capital of \$13,350.63. Today, its four locations in Markesan, Randolph, and Waupun serve customers across Green Lake, Dodge, Columbia, Marquette, and Fond du Lac counties. Visit www.markesanstatebank.com and click on the history tab to see a slide show of historic images.



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Call for Creative Solutions

Local Governments Caught Between Rock, Hard Place

Mary Lou Santovec

Property values have dropped significantly from their high in 2007. Besides causing pain for their owners, the decline has impacted state and local governments that rely on property taxes to fund services and programs. How are they adjusting to the gap?

Richard Mattoon is a senior researcher and advisor at the Federal Reserve Bank of Chicago. Admitting he's an economist and his presentations are "usually depressing," Mattoon didn't shy away from delivering the unvarnished news about the financial status of local governments, during his remarks at the Economic Development in Rural Wisconsin conference held in Wausau in October.

"When you have a financial crisis, not just a recession, the way out is different. Growth is slower and bumpier."

We need to go back a decade to see just how much pressure has been put on local governments from an economic standpoint. During the 2001 tech bubble recession, state governments felt significant stress. But the money from the burst bubble traveled into real estate, ultimately resulting in a gain in property values and an increase in revenue for state and local governments. Municipalities that relied on property taxes to fund services enjoyed the boom times and even created additional fees and taxes to "capture" more of the real estate gains.

Today, state and local governments are bearing the brunt of those earlier decisions in the wake of the largest decline in GDP. Property value reassessments are coming in with discounts as high as 30 percent from the peak in all markets. The result? Fewer property taxes being collected and less money for government coffers.

During the Great Depression, property taxes evaporated as people walked away from their homes. Now, the mortgage holder is required to pay them, even if Freddie or Fannie holds the mortgage.

Property taxes have been a consistently growing part of the revenue stream. Some fortunate communities have more options than property taxes to

fill their coffers. Hotel and other impact fees can blunt some of the pain. But not all impact fees are viable now. Take, for instance, Chicago's development fees (once representing significant revenues for local and state governments), which have collapsed.

Don't look for support for new or increased fees. In a sluggish economy, there's not much appetite for either.

Although farm land values are rising, agriculture also won't fill the gap. Most communities treat farm land differently for tax purposes and they won't see increases in revenue from higher land values.

Housing has a lot of "secondary multiplier effects" in most communities but it doesn't look like a hot real estate market will be the answer either. "After a recession, you usually see a lot of pent-up demand in real estate. But now that pent-up demand is staying pent-up."

Housing: Failure-to-Launch Generation

Part of that can be attributed to the "failure-to-launch" generation, which prefers a return to the nest rather than striking out on their own. "Until that generation moves forward, you won't see an increase in real estate demand or new housing starts."

Unfortunately, the adjustment process is just beginning. In Illinois, the bad years have not yet come into the assessment cycle. "If my house declined 25 percent in value, my taxes should be down 25 percent in value." But taxes have remained at the higher levels.

When the bad years finally hit, expect revenue to decline. The 2010 survey from the National League of Cities expects a 1.8 percent decline in property tax collections that won't go back up any time soon. Cities will have to adjust their expectations as citizens refuse to pay more money on a declining asset.

So how will municipalities make those budgetary adjustments? Likely through cuts. Mattoon pointed out that all job cuts from the 2008 recession have been concentrated in state and local governments, which is "very unusual for coming out of a normal recession."

No industry has been exempt. Public safety, public welfare programs, personnel, basic services, education have all taken significant hits.

But "the biggest wild card is state aid." In Wisconsin, "2011-2013 budget cuts direct state aid by 7 percent (\$48 million) and categorical aid by \$136 million." The federal government is pushing down to a lower level where there's a less robust tax base. "It's very unlikely to be unwound any time soon."

Some communities are coping with the downturn by relying on their rainy day funds. Unsure of when they will get paid by state government, most have significant reserves and cash on hand that can act as a buffer.

One source of revenue could come from services, which are under-taxed compared to goods in many areas. Mattoon quoted Michael Pagano, dean of the School of Public Administration at the University of Illinois Chicago, who suggested linking the tax base to the underlying engines of economic growth such as income and wages.

Other strategies include broadening the sales tax base. The nonprofit Northwestern University pays a hefty fee to the city of Evanston for the services it uses, but restructuring property taxes to require nonprofits to pay them continues to be very controversial.

Mattoon noted that there are two schools of thought surrounding the municipal bond market and issuing debt—"Armageddon and a tempest in a teapot." Both Meredith Whitney and Nouriel Roubini (aka Dr. Doom), who belong to the Armageddon school of thought, suggest there will be problems with defaults over \$100 billion over the next five years.

But history doesn't predict that. There have been only 600 municipal bankruptcy filings since the Great Depression and they don't occur in general obligation bonds issued by local government but rather in bonds issued for projects like sewer systems or housing. The stigma of bankruptcy is so high, municipalities guard their credit rating.

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'Twas the Night Before the Examination

(Author Unknown)

'Twas the night before the examination and all through the bank,
We awaited the examiners, our spirits were dank.
The policies were bound in a book with great care,
We all gathered around to say a quick prayer.

The bank staff so jittery just thinking of the Feds,
While visions of violations danced through their heads.
How could this go right with so much at stake?
Our capital so vulnerable was there for the take.

When out in the lobby there arose such a clatter,
We sprang from our desks to see what was the matter.

And what to our unlucky eyes should appear,
But a man with a badge and eight of his peers.
With computers and briefcases and faces so numb,
We knew in a flash that our time had just come.

More rapid than soldiers he filed in his clan,
And he gathered them all in an office to plan.
"Be picky, be thorough, be tough, use your weight,
To let them all know you have control of their fate.
To Credit, to Audit, go make them feel small,
Now dash away, dash away, dash away all."

And then in a twinkling we heard through the door,
The sharpening of dozens of claws on the floor;
And as the door opened, our eyes grew quite large,
Out came the head honcho, the Examiner-in-Charge.

He was dressed up like Rambo, from his head to his feet,
He looked like he craved a good piece of raw meat.
A bundle of printouts he held close to his chest,
For two long weeks the copier, it would not rest.

His eyes did not twinkle, his brows did not bend.
Is there anyone out there this man could call friend?
He was calm and collected, so passive and cold,
He backed down to no one but God we are told.
The stub of a pencil he held tight in his teeth,
From his belt hung "APR Examiner" tucked in a sheath.

First to the break room to fill up his large belly,
Free coffee and soft drinks and donuts with jelly.
He'd work for an hour and then break for some lunch,
Where he went for two hours, we don't have a hunch.

For the rest of the day he would talk on the phone,
And tie up the line 'til the time to go home.
This routine dragged; would he never be done?
Finally his troops had all gone, ev'ry last one.

And then the day came when he said we should meet.
We entered "his" office; he said "take a seat."
"Regs have all changed, your policy stinks,
Our file samples should be doubled methinks.
Looking at HMDA, it's not your best year,
You need creative underwriting, it's all crystal clear.
Your Reg. DD schedule is wrong, you must cut your fees,

Daryll Lund, CAE,
CBW President
and CEO



What do you mean who is TiLA, rethink your compliance strategies.

But what we won't stand for is legal infractions,
If you don't add controls, we could take further actions.
Now don't feel so badly, such problems aren't rare,
But I still feel impelled to give you a good scare."

He spoke no more words, but walked straight out the door,
We followed him wondering if he would be telling us more.
He then shook his finger at us from afar,
And nodding his head he got into his car.
And we heard him exclaim with very much cheer,
"You passed your exam, I'll see you next year!"

Merry Christmas, Happy Holidays, and Happy New Year
to the Wisconsin community banking family! 🐻

Compliance Program Highly Rated by Wisconsin Community Bankers

For the ninth straight year CBW is sponsoring the Community Bankers for Compliance Program (CBC) in 2012 with Young & Associates, a nationally recognized compliance consulting firm that specializes in community banking. The CBC program is CBW's most highly rated educational program.

The CBC program includes quarterly full-day seminars based on the most recent industry and regulatory developments, access to the Young & Associates toll-free compliance hotline, and a CBC Members Only website hosted by Young & Associates that provides timely compliance information and tools.

The quarterly compliance seminars offer peer networking and include a regulatory update and a comprehensive discussion of one or more compliance regulations. Attendees receive a compliance manual each quarter that is generally in excess of 200 pages that can and is used as a reference to the changing regulations and as a training manual for other employees.

If you have questions, contact:

Sandy Gruber at 608-833-2384, sandy@communitybankers.org
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One Bright Side

There is one bright side—for a local government with good ratings, this is the best time to issue debt. The municipal bond market offers a financial opportunity and the chance to invest in infrastructure.

Special factors came into effect during 2010 including the extension of the Bush tax cuts and the Build America Bonds that put a lot of pressure on municipal bond market, which scared away investors. A rally in the equity markets and the end of mono-line insurers, which would buy a bond and insure it up to a Triple A rate, also were factors in the municipal market's poor performance that year.

Overall, the picture for municipalities looks somewhat rosy – or does it? There's one thing that could bring everything to a halt: "the dreaded off-balance sheet

liabilities."

Many municipalities have balanced their budgets by not fully funding pensions or putting money aside for future health care liabilities. There's an unfunded pension debt of between \$1.7 trillion to \$4 trillion haunting municipal balance sheets. Wisconsin's is a mere \$56.2 billion. "Wisconsin is one of the best-funded state pension systems."

Another problem: pension funds are using an investment percentage of 8 percent for calculation purposes, an unrealistically high expectation at this point. There's also the concern that reported liabilities are actually understated.

Municipalities have a legitimate claim for saying they're very stressed especially if the town is heavily dependent on property taxes. That pressure is likely to continue for some time as the rebound in the housing market behaves like a deflated basketball.

Mattoon warned about federal or state governments making decisions that will have unintended consequences for years like capping deductions for home mortgages. These will make claims on future revenue.

Creativity will be what fuels solutions. To cope with the downturn, municipalities have employed different strategies. Some are collaborating across jurisdictions for service delivery or getting more productivity out of it. Both of these are feasible if the service areas cope well with each other or if one has a costly program that's hard to develop.

Other solutions include creating a regional tax authority and using pricing more effectively, charging fees to reflect the actual cost of services. Every police force doesn't have to have a detective; there could be one for a region. "I've got great faith in communities in figuring out things." 🍷

Ag a Powerful Economic Engine for Rural America

In nearly a quarter century, Senator Herb Kohl has focused on three topics: agriculture, small business, and aging. Now 18 months away from retirement, this "no-nonsense, non-partisan" legislator is working hard to get small business back on track, said Eric Ness, Wisconsin District Director of the Small Business Administration. Ness introduced the Democratic senator who keynoted the luncheon held on the first day of the two-day Economic Development in Rural Wisconsin conference held in Wausau in October.

"Agriculture is the largest economic force in Wisconsin," Kohl said. "That makes it a powerful economic engine for rural America." If the energy found in rural America can be released, the U.S. can become a "global powerhouse."

Of the \$835 million in loans guaranteed by the Small Business Administration in 2011, almost half went to rural America. The Small Business Act generated \$12 billion in tax credits. These funds helped cover start-up costs that often prevent people from turning their dreams into small businesses.

Kohl pointed to two businesses, Helene's Hilltop Orchard in Merrill and MacFarlane's Pheasants in Janesville who, without help from the SBA, would not have experienced success. The Mer-

rill orchard received a grant to install solar panels while the Janesville pheasant company, which sells birds around the world, worked with the Small Business Center at UW-Whitewater and the Wisconsin Department of Agriculture to remain competitive.

"This is the tip of the iceberg," he said. "They show how a little help can go a long way."

Kohl has supported free trade agreements with Panama, Colombia, and South Korea. "For rural Wisconsin, the South Korea agreement is a huge opportunity. It's the fourth largest market for Wisconsin farm exports."

Kohl's focus on small business is not surprising. He continues his ownership in the Milwaukee Bucks, and business opportunity is a prime interest.

But partisan politics has no place in his office. "Some people look at politics as a partisan activity. One of the things I learned early was how not to be partisan."

His interests bridge both sides of the aisle. He believes that "all ideas need to be respected and heard by someone who wants to be a senator in Wisconsin and in every state."

"We work best when we work together. We dialogue best when we sit down and talk with each other."

The radical left or right have a role to play, he noted. "They are all good people; all patriotic people and they all care about our country. They all need to be heard."

"It's the job of leadership to listen to them but not to let them dominate the process."

When asked about the economic slowdown, Kohl pointed to the fact that we all now live in a global economy. "There's so much competition out there and we're bringing up young people who want to be successful. No one would say it's easy anymore."

Compounding that is the issue of immigration. Kohl pointed out that "we're all immigrants to this country."

"One of the things I believe that has made us great is our diversity around the world. Immigration has to be handled intelligently. We must find a way to encourage it and not throw the baby out with the bath water."

Not ready to rest on his laurels, Kohl noted he was grateful for this opportunity. "It's been a great, great job. I still have a year and a half to change the world."

When asked what advice he would give to his successor in the Senate, Kohl replied, "Don't get caught up in your own ideology. Don't let it paralyze you. It's the way down, not the way up." 🍷



What kind of insurance company finds a way to replace your cherished family memories?

Just before Christmas, a water main broke, flooding the condominium of a West Bend Home and Highway® policy holder. Everything was ruined, including wrapped gifts and 20 years of cherished family photos stored on the family's computer hard drive.

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Fine Points

Establishing a Movement

Camden R. Fine, president and CEO of ICBA

Opportunity comes in many forms, but almost always only once.

The paralyzing fear from the early days of the Wall Street financial crisis that morphed into consumer frustration and anger toward Wall Street institutions appears to be moving into a new, more active phase. Consumers are awakening to their collective power in the marketplace. More are ready to vote with their wallets and deposits than ever before—mostly to make a stand against the belief that the economic playing field is tilted against the ordinary citizen and in favor of the “corporate elite.”

Community banks could be nearing a tipping point. That is, more Americans



are ready to start a new relationship with a local community bank. All they need is a nudge or a helping hand.

That’s why ICBA launched the “Go Local” campaign for the community banking industry. Tapping into existing recognition of the benefits of shopping locally, the Go Local campaign highlights the benefits of doing business with local community banks. Supporting small businesses and local economies, obtaining relationship-based service with fewer fees, and making a free-market statement to counter the abuses, arrogance, and tone-deafness of Wall Street financial firms are among the campaign’s empowering messages.

The Go Local campaign has been a remarkable success so far. National and local media are producing stories about it, and more than 22.5 million people who pass through Times Square this holiday season will view campaign videos.

By working together in a sustained way, ICBA and individual community

banks can nurture a grassroots movement, particularly among the up-and-coming generations, that puts community banking in the forefront of consumers’ financial choices and personal values. ICBA is positioning the Go Local campaign for a long run, and we’re hoping every community bank participates.

To do your part, prepare for it. Make the campaign part of your board discussions. Prepare staff to help new customers close old accounts. Think about related issues such as how to best cross-sell new customers, the implications of acquiring more deposits, and how to solidify your bank’s position as the new customers’ primary financial institution.

With a steady effort, we will continue to attract people to our banks. Truth and momentum are on our side. Let’s seize this opportunity. Let’s all Go Local.

Get Go Local campaign information and resources—www.icba.org/golocal.

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



Economic Strategist: Stuck in Neutral

While some pockets of strength have emerged and there's been an uptick in inflation, the overall economy seems stuck in neutral, according to Craig Dismuke, senior vice president and chief economic strategist at the Memphis, Tenn.-based Vining Sparks. "We've had nine quarters of growth—an average of 2.5 percent in the U.S. [so] we're not doing that well. It will take a long time to get back to the growth of the early 2000s if at all." Dismuke made the comments by telephone connection at an ICBA Securities seminar held in Wisconsin Dells in November.

Dismuke pointed to the Federal Reserve announcement last summer to hold interest rates down for nearly two additional years. He also pointed to various "headwinds" that are hindering growth.

Too few jobs are being created and the payroll trend is flattening out. Many people have withdrawn from the labor force. "There's a lot of slack in the labor market."

Home prices are falling again,

because distressed properties are driving prices lower. "It may take about four years for this shadow inventory to work through the system."

The federal deficit is an anchor. Entitlement spending increased 11 times over the past 45 years, while real GDP increased only three times.

"You cannot fix it just by raising taxes; entitlements must be cut," Dismuke said. However the deficit is lowered, it will impact GDP. Both raising taxes and restructuring government expenditures will impact the GDP. "GDP growth will be weak for the next 10 years."

The European crisis adds to uncertainty. The financial instability in Europe "feels like a replay of the U.S. financial crisis."

Dismuke reported on a survey of bankers that asked about their greatest concerns for profitability in the near future. Respondents' top three concerns were:

- Regulatory environment
- Economic outlook
- Declining loan portfolio

The survey also asked about obstacles to healthy loan growth. The single biggest obstacle was "lack of demand," mentioned by almost three fourths (73.4 percent) of the respondents, followed by "lack of quality applicants," listed by 60.9 percent of the respondents. Falling home prices is big factor in lack of loan growth and has resulted in less collateral and low business confidence.

"Onerous regulatory requirements" were mentioned by 38.4 percent of the survey respondents. Only 10.0 percent mentioned "inadequate capital" as an obstacle to loan growth.

"CEO confidence is affected by how they feel about the economy, politics in Washington, D.C., and future sales by their companies," Dismuke said. "CEO confidence directly impacts hiring." And consumer confidence correlates with consumption. "All of these things point to a tough investment market for some time." 🐼

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It's Go Time

Munis Offer Bargains at Year-End

Jim Reber

If your holiday gift list includes some high quality investments with limited price volatility, good liquidity, and, oh yes, high yields, this column is for you. Your friendly state and local governments are likely to roll out some gift-wrapped offerings for even the most discriminating of investors. But time is of the essence.



Fixed income markets in general, and the municipal market in particular, have had a wild ride in the last 12 months alone. The muni market's volatility was in large part created by an unlikely source: Meredith Whitney, the analyst who last December brazenly predicted "hundreds of billions of dollars" of defaults in 2011. Through nine months of this year, total defaults have not yet reached one billion. Muni interest rates

skyrocketed as soon as her comments hit the media.

Other Factors at Play

Whitney's comments aside, the muni market was already suffering from a state of indigestion thanks to Congress. The main 2009 stimulus bill, the ARRA, contained several provisions that greatly increased the supply of munis in late 2010.

One provision created a taxable muni known as a Build America Bond. The purpose of BABs was infrastructure improvements, but the catch was they had to be issued before Dec. 31, 2010. A total of \$187 billion made it through the cattle gates before they were padlocked. Others were the "2 percent bond" and the "AMT exempt bond." These two are similar in that they, too, had to be issued by year-end 2010, and both have features that can offer superior value to garden variety bank-qualified munis.

Finally, another provision that sunset was the annual dollar limit on an issue for it to be considered bank-qualified.

Between 1986 and 2008, that number was \$10 million. For the two subsequent years, it was raised to \$30 million. We are now back to the pre-2009 limits.

Since it was clear the door was closing by December of last year, the muni mill was working three shifts. Huge supplies of all the above were being churned out, and in fact 2010 set a new standard for total issuance of all municipal debt. The deluge simply could not be handled by the investing public, and what had to give were prices. That, along with Whitney's haymaker, meant bargain time for patient investors.

The current year has seen the corollary. Supplies have greatly been limited: Total new bank-qualified issuance through October has been \$14 billion, whereas \$38 billion was raised last year. Defaults are running well behind recent experience,

and banks remain flush with cash, so yields have gradually declined (i.e., prices have risen).

The good news is that munis remain a bargain by almost any yardstick. A 10-year AA-rated General Obligation muni as of this writing has a tax-free yield of about 125 percent of the benchmark 10-year Treasury. The "normal" relationship is about 85 percent. That advantage escalates when the tax-equivalent yield formula is put in place. Add to this the resiliency of the steep curve, and you have some built-in protection against rising rates.

Remember December

Things should get better for investors between now and year end. There is every expectation that yields will rise as, once again with feeling, muni issuers rush to the window to get debt booked by Dec. 31, so as to comply with the \$10 million per year limits. Keep in touch with your brokers, and keep some powder dry, to take advantage of the higher yields.

If you are able to go holiday shopping for bargain munis, remember to expand your wish list to include bonds other than bank-qualifieds. BABs and "2 percent bonds" can be found with a little bit of comparison shopping. Keep in mind that Jan. 1 is by far the biggest date of the year for maturities and calls for municipals, so you may be able to replace some of your current holdings a few days early and beat the rush.

Good news of a different manner is likely to occur in January. As the December supply gets worked out, there is very little new supply in January, for the exact same reason as there is a year-end crush. Lack of supply equals rising prices. So don't be surprised if January proves to be a seller's market.

Be sure to consult with your brokers and tax accountants before selling any munis though. Whether they have losses or gains, their tax-free nature requires careful analysis to make sure any transactions achieve full market efficiency. ■

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



ICBA's Go Local ad runs in Times Square through Jan. 1.



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WBD Offers SBA Refinance Program

MONONA—The Small Business Administration (SBA) has issued final regulations on the SBA 504 refinance program. Last year Congress approved legislation that would allow small business owners to refinance their commercial real estate debt using the SBA 504 program.

Interim regulations greatly restricted the opportunities to use this program, but SBA has now revised its regulations and removed those restrictions, allowing more business to benefit from this program.

The final regulations allow lenders to provide financing for up to 90 percent of the property's appraised value using the standard 504 structure of 50 percent lender; 40 percent Wisconsin Business Development (SBA 504); and 10 percent borrower's equity. For loans with short maturities, refinancing would allow the customer the benefit of a 20-year fixed rate position (currently under 5 percent). To the extent that the existing debt is under 90 percent of appraised value, the business can increase its long-term debt up to that level and use the "cash out" to pay payables, buy inventory, or for other business-related purposes. This opportunity would allow businesses to use equity in real estate with a long-term amortization to pay off short-term payments. The intent was to provide a greatly needed source of working capital, as well as restructure the balance sheet for a generation.

Lenders could use this program to have their customers pay down lines of credit and improve their working capital, resulting in improved cash flow. It would also provide a more favorable loan-to-value structure to meet regulatory requirements.

"We are very pleased to offer a refinance program that can help small businesses restructure their debt, lock in a favorable second mortgage rate, and use long-term financing of existing equity to add working capital," said Joe Wolfe, president and CEO.

The program ends Sept. 27, 2012, and funding is limited to \$7.5 billion nationally. To learn more, visit www.wbd.org/contact_us.

Godfrey & Kahn Creates Talking Points Regarding Concealed Carry

The new concealed carry provision found in Wisconsin Administrative Code Chapter 18 was enacted on Nov. 1. Whether or not a bank opts to post a notice prohibiting the concealed carry of handguns and other weapons, bank staff or customers may question the decision. Godfrey & Kahn, S.C., developed the following talking points for community banks that post—and for those that have chosen not to post—a concealed carry prohibition.

For Banks That Do Not Post a Concealed Carry Prohibition

After careful consideration, Bank management has decided not to prohibit the concealed carry of handguns and other weapons by customers for a variety of reasons, including:

- Wisconsin law now permits law-abiding, trained, and licensed citizens who are 21 years of age and older to legally carry a concealed weapon.
- Wisconsin law may provide our Bank with immunity from certain liability if we permit customers to carry concealed weapons.
- We do not want to put our employees in a situation where they must confront an individual carrying a weapon in order to enforce a ban on such weapons.

Nothing prevents the Bank from changing its weapons policy to prohibit weapons at any time in the future.

Due to the uncertainty surrounding this new concealed carry law, Bank management decided to take a “wait-and-see” approach. Bank management will continue to monitor our weapons policy and make changes as deemed necessary.

The Bank continues to prohibit employees from possessing a firearm or any other weapon on Bank property or in the course of employment, except as otherwise provided by law.

We continue to be committed to a safe and secure customer experience and workplace. Please help us by directing all customer and employee concerns to management’s attention. Any questions from a customer or the media regarding the Bank’s position on concealed carry should be directed to _____.

For Banks That Post a Concealed Carry Prohibition

After careful consideration, Bank management has decided to prohibit the concealed carry of handguns and other weapons by customers for a variety of reasons, including:

- Subject to certain limitations, Wisconsin law allows property owners to prohibit weapons on their property.
- We wish to promote a safe and secure customer experience and workplace, and we believe the prohibition of concealed weapons may limit additional safety risks for our customers and employees.

- Customers do not need a firearm or other weapon in order to conduct business with us.

Although Wisconsin law would provide our Bank with immunity from certain liability if we permit customers to carry concealed weapons, we believe this immunity is very limited in scope and that we are not exposing ourselves to any additional liability so long as we exercise reasonable care at all times.

Employees should consult the Bank’s policy with regard to enforcing our prohibition of concealed weapons.

Nothing prevents the Bank from changing its weapons policy to permit weapons at any time in the future. Due to the uncertainty surrounding this new concealed carry law, Bank management made a decision to initially prohibit weapons. Bank management will continue to monitor our weapons policy and make changes as deemed necessary.

The Bank also continues to prohibit employees from possessing a firearm or any other weapon on Bank property or in the course of employment, except as otherwise provided by law.

We continue to be committed to a safe and secure customer experience and workplace. Please help us by directing all customer and employee concerns to management’s attention. Any questions from a customer or the media regarding the Bank’s position on concealed carry should be directed to _____.

Community Bankers of Wisconsin members can obtain a sample Weapons Policy by contacting Peter Wilder at Godfrey & Kahn by e-mail at pwilder@gklaw.com.

Regulators Refocus on IT

Following the economic events of 2008, regulators generally turned their focus away from IT; however, the pendulum is now swinging back, according to the November-December issue of McGladreys’ Bank Notes. An article, “Fresh Focus on IT: Preparing for a New Regulatory Phase,” includes a list of the top five IT security issues of interest to regulators:

- Internet authentication requirements—This issue is in response to the growing volume of hacking and privacy breaches of customer accounts online, and the resultant fraud and theft.
- Information technology risk assessment—Regulators are increasingly demanding that banks look at their over-

all IT risk and not just at a few areas of the organization.

- Business continuity and disaster recovery plan—Check to see if you have a plan, that it’s up-to-date, has been tested, has been reviewed by the IT steering committee, and finally, has board approval.

- Vendor management oversight—Each vendor should be rated by the degree of risk of the assets or services they’re providing.

- Social engineering testing—Social engineering testing attempts to test the resiliency of employees to follow security policies.

To read more, visit: <http://mcgladrey.com/Publications/Bank-Notes>.

Customer Number Off By a Mere 436,000

“Credit Unions Eat Crow on Customer Numbers,” ran the headline American Banker reported in early December. The Credit Union National Association (CUNA), based in Madison, initially reported an increase in U.S. credit union customers of 650,000 in the weeks before Bank Transfer Day on Nov. 5. It later turned out that the actual number was 214,000.

Wisconsin Banconomics Benchmarks

Commercial & Savings Institutions Less Than \$1B	9/30/11 \$ in 000's	Change from One Year Ago	Change from Last Quarter
Wisconsin Banking Indicators	Total (Sum)	%	%
Number of Banks	260	-2.3%	↓ 0.0%
Number of Employees	12,412	-0.2%	↓ -0.5%
Total Assets	\$55,238,509	-0.3%	↓ 1.1%
Total Deposits	\$45,988,491	0.1%	↑ 0.9%
Net Loans & Leases	\$37,806,895	-3.8%	↓ -0.4%
Net interest income	\$1,442,032	1.8%	↑ 51.2%
Total noninterest income	\$448,267	11.5%	↑ 49.3%
Net Income (Year-to-date)	\$316,711	87.5%	↑ 59.7%
Wisconsin Banking Performance Ratios	%	%	%
Profitable Banks	88.85	11.5%	↑ 0.9%
Banks with Earnings Gains	61.15	2.3%	↑ -0.6%
Net Interest Margin	3.80	2.7%	↑ 0.5%
Noncurrent loans to loans	3.08	-7.5%	↓ 2.3%
Net charge-offs to loans	0.84	-13.4%	↓ 1.2%
Loss allowance to loans	1.92	-1.0%	↓ -1.0%
Net loans and leases to deposits	82.21	-3.9%	↓ -1.3%
Return on Assets	0.77	87.8%	↑ 6.9%
Return on Equity	7.05	80.3%	↑ 5.1%
Equity Capital to assets	11.22	5.9%	↑ 2.0%

Wisconsin Banconomics Lending Benchmarks

Commercial & Savings Institutions Less Than \$10B	9/30/11 \$ in 000's	Change from One Year Ago	Change from Last Quarter
Wisconsin Lending Indicators	Total (Sum)	%	%
Net Loans & Leases	\$37,806,895	-3.8%	↓ -0.4%
All real estate loans	\$30,347,523	-3.8%	↓ -0.2%
Construction and land development	\$2,292,092	-23.0%	↓ -5.4%
Commercial real estate	\$12,777,254	-0.4%	↓ -0.6%
1-4 family residential	\$11,408,054	-4.2%	↓ 0.6%
Farm loans	\$1,074,044	5.8%	↑ 1.6%
Commercial & industrial loans	\$5,282,766	1.5%	↑ -1.9%
Loans to individuals	\$1,119,411	13.8%	↑ -0.4%
Credit cards	\$64,749	6.2%	↑ 0.6%
Small business loans of \$1M or less	\$6,198,092	3.7%	↑ -2.6%

Partnerships Key to a Thriving Rural America

Mary Lou Santovec

In 2009, President Barack Obama appointed Dallas Tonsager as undersecretary of Rural Development under Tom Vilsack, the Secretary of Agriculture. Tonsager's appointment gives this South Dakota dairy farmer, former regulator in the Farm Credit System, and developer of a cheese factory in Monfort, Wis., a unique perspective on the opportunities available in rural America.

Created during 1990s out of the Farmers Home Administration, the Rural Development Agency services a \$160 billion portfolio of loans supporting rural electric systems, homes, hospitals, and apartments. Only \$1.8 million — less than 2 percent — is currently delinquent.

"These are people who are generally economically challenged," Tonsager said of the communities where the loans are made. "But they are rural Americans and they pay their bills."

With 42 programs and projects, the agency is charged with finding the resources to put the deals together. "In talking about the future, we have to convince people to invest in the deals." And

with the agency set to shrink by 10 percent, "it means we will need more and more partners" specifically businesses and lenders championing the ideas and bringing funding to the table.

Rural development is not the same thing as agricultural development, and this sets off competition for funds. "I see it as my job to argue with both groups and draw the two together. It helps everybody. They have to work together and ideally have to both invest in each other."

Despite a few good years with \$140 billion in agricultural exports and a \$42 billion export surplus on ag production that success didn't translate into a rise in prosperity for rural communities.

When "ag went backwards" in the 1980s, the industry's troubles became the catalyst for the idea that "we had to make stuff out of what we grow." "We have to be constantly engaged in that, looking around the corner for the next big thing."

A big believer in biofuels, Tonsager got involved in building the ethanol industry in the Plains States during the 1990s. Demand from the national airlines and the U.S. military is expected to grow the market for biofuels. According to Tonsager, the U.S. has the capacity and

mechanisms to create biofuels without materially affecting the cost of food and affecting trade agreements. "That kind of opportunity is incredibly manageable. Management of risk is hard to predict. We think it's our job to take the risks." Broadband and wood energy are also ripe for investment.

What's needed is the opportunity for local people to invest in the ventures and to keep some of that equity at home. Rural America is providing the land, the knowledge, and the employees so it stands to reason it should reap some of the financial benefits.

The ideal state for rural America is one where it's constantly renewing itself. Agriculture should be constantly seeking the next big idea. Along with that, there needs to be a mechanism for capital to come to the idea. Wall Street needs to be able to see reasons to invest in rural communities.

Local communities know what they want. They just need the investments to make it happen. ■

Stronger Quarter

Net income for the third quarter was up for many Wisconsin banks.

Brown Deer's Bank Mutual Corp. saw a third quarter net income of \$1.3 million, up from \$926,000 during the third quarter of 2010. Year-to-date, the parent company of Bank Mutual has a net loss of \$49.0 million. The loss includes a non-cash goodwill impairment charge of \$52.6 million.

Madison's First Business Financial Services reported a third quarter net income of \$2.2 million. This compares with \$969,000 for the third quarter of 2010.

Sturgeon Bay's Baylake Corp., the parent company of Baylake Bank, reported third quarter net income of \$1.3 million, an improvement over a net loss of \$500,000 during the third quarter of 2010.

Capitol Bank, headquartered in Madison, has seen its net earnings grow from \$614,000 during the third quarter of 2010 to \$779,000 for the third quarter of 2011. Deposits grew \$11.8 million to \$212 million while loans grew \$10 million to \$186 million. ■

Customers Enjoy Expanded Surcharge-Free Network AND Easy Ways to Locate Participating ATMs

CBW's ATM Access network has partnered with the In Balance® Alliance offered by the Independent Community Bankers of Minnesota, to expand surcharge-free access. Cardholders traveling across the Wisconsin-Minnesota border can now freely withdraw money at over 800 ATMs. Cardholders driving anywhere in the two states can find the closest surcharge-free ATMs by connecting to the Internet via their Blackberry® or other mobile device. Cardholders can also visit the CBW website (www.communitybankers.org) to search for participating ATMs by city or participating community bank. To learn more, call CBW at 608-833-4229.





Michael Gliniski, Ajay Ganju, Brett Patten, Kent Musbach, Levi Lura, Josh Hunt, Marc Gall, Dennis Romero.

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Extreme Makeover: Domain Name Edition

Erik Osterkamp, CISSP, CISA, CRISC,
Secure Banking Solutions

We all know and immediately recognize common generic top-level domain (gTLD) suffixes, like .com, .net, .org, .gov, and .edu. On June 20, Internet Corporation for Assigned Names and Numbers (ICANN) voted to end most restrictions on gTLD suffixes, opening the gates to a virtually endless number of new domain suffixes in any language. Think .coke, .nike, .google, .apple, and on.

Applications for the first round of new gTLDs will be accepted from Jan. 12 to April 12, 2012, and will cost \$185,000 nonrefundable with a recurring annual fee of \$25,000. The high prices and tough evaluation process of proving that an established public or private organization has a legitimate claim to the name are said to be the regulating force behind preventing the massive issue of cybersquatting (i.e., registering domains with bad faith intent to profit from individuals and companies with a trademark contained within the name by selling it at an inflated price).

Some bloggers claim that this latest change is unnecessary and nothing more than a money grab by ICANN. Others fear that countries will be able to more easily restrict access to whole ranges of Web sites in order to censor and prevent access to information and open communication in the name of national security. While others simply think that the addition of seemingly random domain suffixes may reduce a customer's ability to distinguish legitimate and secure Web site hyperlinks from phishing hyperlinks. Banks currently train their employees and customers to look for <https://www.website.com> instead of <http://website.thief.com>, but they will now be faced with ever-changing domains that will make it more difficult to distinguish the good from the bad.

It is not all bad or all about the money though. This change could potentially improve information security and the fight against identity theft. Since the owners of new gTLD suffixes will operate and manage them as full-fledged

domain registries, it may be easier for industries to closely regulate and protect the Web site domains using their suffix. For example, a banking association could purchase and manage the .bank suffix and only allow vetted, legitimate financial institutions to use it (e.g., www.firstbank.bank, www.firstnational.bank).

ICANN is in the process of finalizing security requirements around the new gTLD suffixes that will be included in the Applicant Guidebook. Specifically to name a few:

New gTLD applicant registry operators will be appropriately reviewed to determine if they have a criminal or malicious history. As the potential registry operator of the .bank domain suffix, the banking association should have no problems there.

The registry operator must deploy Domain Name System Security Extensions (DNSSEC) in order to reduce the risk of spoofed DNS records and DNS redirection, the attack vectors used in

pharming, a method of identity theft.

The registry operator will draft a framework for high security verification intended for domain owners (banks, in this example) to establish and prove an enhanced level of security and trust, enabling those banks to distinguish themselves as secure and trusted to their customers. This is the same concept currently employed somewhat generically by displaying TRUSTe or VeriSign security seals on Web sites. In this case, the banking association would authorize their own branded seal of security to be used on member banks' Web sites.

With businesses looking to protect their brand and organizations looking to take advantage of the enhanced security controls around their domain, it will be interesting to see who buys up these new domain suffixes, and what they end up naming them. Luckily, the changes will not go into affect until sometime in 2013, so we still have time to enjoy the Internet as we know it today. 🐾

COMMUNITY INVOLVEMENT



Pictured, from left, first row: Journey Pancake, Jace Meyers, Noah Uitz, and Matthew Mooney; from left, second row: Kinder Place teachers Angie Scharnell and Lisa Edwards

Bank Donates to Day Care Center

OCONOMOWOC—First Bank Financial Centre donated \$900 to St. Paul's Kinder Place day care center in Oconomowoc. These funds, solicited through the bank's Spring Auction, were used to purchase eight new cribs for the infant area.

As a thank you to FBFC and other donors, a quilt was made to display the donor names and hangs in the infant area of Kinder Place.

State Bank of Cross Plains Helps Family

CROSS PLAINS—The State Bank of Cross Plains raised over \$5,700 for the family of Matt Meinholz at an October brat and bake sale. Meinholz, a senior and a football player at Middleton High School, was diagnosed with brain cancer earlier this year. He is currently receiving treatments in Boston, and the family has been traveling back and forth for extended, costly stays. The money raised will help the family offset some travel expenses and medical bills.

Making the Holidays Happy

LAKE MILLS—The Greenwood's State Bank has joined with the Lake Mills Optimist Club and Christmas Neighbors of Jefferson County to bring Christmas cheer to local families. In addition to serving as the drop-off point for donations of clothing, new toys, and food, the bank is "adopting out" several stuffed bears to be decorated, judged, and given to new homes. 🐾

FASB Finalizes Qualitative Goodwill Impairment Guidance

In September 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-08, *Testing Goodwill for Impairment*. The purpose of this standard is to simplify how entities test goodwill for impairment.

Prior to the issuance of this ASU, accounting standards required an entity to test for goodwill impairment at least annually by comparing the fair value of the reporting unit with its carrying amount. ASU No. 2011-08 is an amendment to the current accounting standards governing goodwill impairment and allows an entity to first make a qualitative assessment of factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on this qualitative assessment, an entity may determine it is more likely than not that the fair value of the reporting unit still equals or exceeds that reporting unit's carrying value, in which case the entity will not be required to incur the cost of calculating the reporting unit's fair value. If an entity cannot make this determination, then the entity must perform an analysis of goodwill impairment using the current two-step impairment test.

The ASU provides several examples of events and circumstances that should be considered when performing a qualitative assessment, including but not limited to:

- Macroeconomic conditions, such as a deterioration in general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, or other developments in equity and credit markets.
- Industry and market considerations such as a deterioration in the environment in

which an entity operates, an increased competitive environment, a decline in market-dependent multiples or metrics (consider in both absolute terms and relative to peers), a change in the market for an entity's products or services, or a regulatory or political development.

- Cost factors such as cost increases in raw materials, labor, or other costs that have a negative effect on earnings and cash flows.
- Overall financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods.
- Other relevant entity-specific events such as changes in management, key personnel, strategy, or customers; contemplation of bankruptcy; or litigation.
- Events affecting a reporting unit such as a change in the composition or carrying amount of its net assets, a more-likely-than-not expectation of selling or disposing all, or a portion, of a reporting unit, the testing for recoverability of a significant asset group within a reporting unit, or recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit.
- If applicable, a sustained decrease in share price (consider in both absolute terms and relative to peers).

When performing the qualitative assessment, the entity should place more weight on events and circumstances that most affect the reporting unit's fair value and should consider any positive or mitigating factors that may affect its

analysis. If a recent fair value for the reporting unit is obtained, this should also be considered in management's analysis. Additional considerations are included in ASU No. 2011-08 for reporting units that have a carrying amount of zero or a negative amount.

The amendment removes the provision that a detailed determination of fair value of a reporting unit may be brought forward from one year to the next. If the qualitative analysis results in an assessment that it is more likely than not the fair value of the reporting unit is less than its carrying amount, a new fair value calculation will have to be obtained.

Finally, the ASU removes the requirement to include certain quantitative disclosures about the significant unobservable inputs used in fair value measurements for goodwill after the initial recognition in a business combination.

ASU No. 2011-08 is effective for fiscal years beginning after December 15, 2011, although earlier adoption is permitted. For more information about ASU No. 2011-08 and its potential impact on your financial institution, please contact your Wipfli relationship executive.



By Brett Schwantes,
Senior Manager
Wipfli LLP

WIPFLI LLP
CPAs and Consultants
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Noteworthy Community Bank Anniversaries

Congratulations to the following Wisconsin community banks, which celebrate key charter anniversaries in the final quarter of 2011:

130 Years

Richland County Bank, Richland Center, on December 25

120 Years

First National Bank of Platteville, on December 1

Markesan State Bank, on November 1

Peoples Community Bank, Mazomanie, on November 28

115 years

Bank of Monticello, on December 25

100 Years

Palmyra State Bank, on October 21

River Bank, Stoddard, on October 11

Wisconsin Community Bank, Madison, on November 1

95 Years

Shell Lake State Bank, on November 16

10 Years

Citizens Community Federal, Eau Claire, on December 10, 2001



Left: Daryll Lund, right, presents a CBW plaque to Mike Mikkelsen, president and CEO of Palmyra State Bank, recognizing its centennial.



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For more information about our Banking & Financial Institutions Team, contact Tom Homberg at 414.287.9429 or thomberg@gklaw.com, or visit www.gklaw.com.

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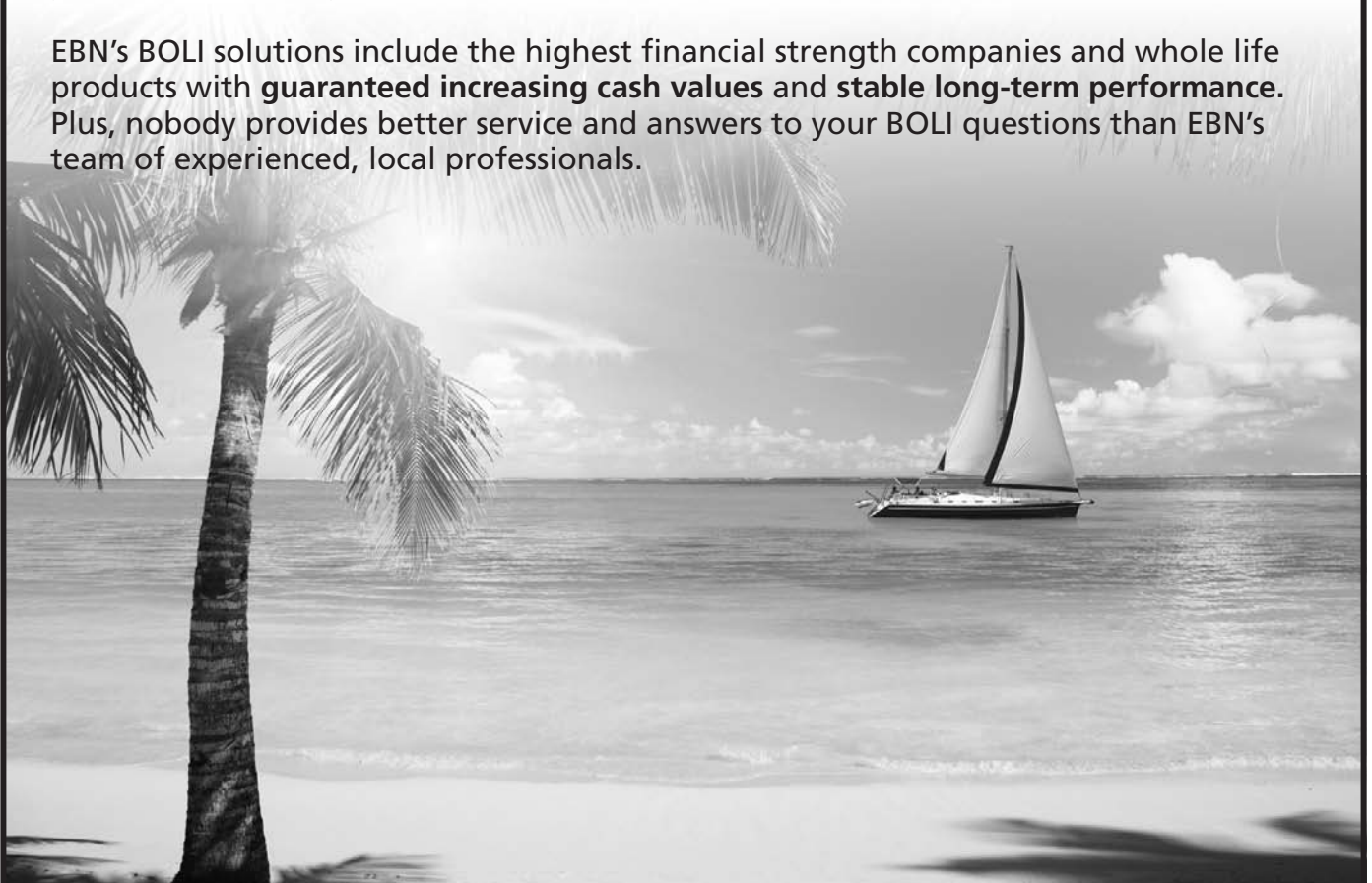
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Wednesday, Dec. 14: Your Social Media Communications Policy: Strategies to Protect Your Bank

Thursday, Dec. 15: Form 1099 Reporting: Third-Party Vendor, Foreclosures, Debt Forgiveness, and More

Wednesday, Jan. 4: Managing the New Appraisal Guidelines for Residential Property

Thursday, Jan. 5: Regulation E Legal Update: How to Properly Handle ATM and Debit Card Claims

Tuesday, Jan. 10: Commercial Lending Series: Required Compliance for Real Estate-Secured Commercial Loans

Thursday, Jan. 12: Director Series: Banking Out of Recession

Wednesday, Jan. 18: Roadmap for Reporting to the Board

Thursday, Jan. 19: Capital Stress and Capital Contingency: Their Role in Capital Planning

Tuesday, Jan. 24: IRA/HAS Review and Update 2011 Tax Year

Thursday, Jan. 26: Understanding Borrowers' Tax Returns Part 1: Basics, Itemized Deductions, Interest and Dividend Income (Schedule B) and Sole Proprietorships (Schedule C)

Tuesday, Jan. 31: SBA Eligibility Hot Topics

In 2012 your bank can benefit from a new promotion for the CBFE Webinars. If your bank signs up for one of the four series (six webinars in each series) you will receive the sixth webinar at no charge. If your institution signs up for all four series (24 webinars) you will receive an additional webinar at no charge (that would be five webinars at no cost!)

The four series are:

- Required Compliance Webinars
- Commercial Lending Webinars
- Directors Webinars
- Accounting/Auditing Webinars

Most conferences run from 2:00 p.m. to 3:30 p.m. However, the Director Series webinar on Jan. 12 begins at 10:00 a.m. For questions on any of these conferences or about the Webcast itself, please call Sandy Gruber at (608) 833-4229 or e-mail sandy@communitybankers.org. Visit CBW's Web site, select the desired workshop, and follow the link to register online.

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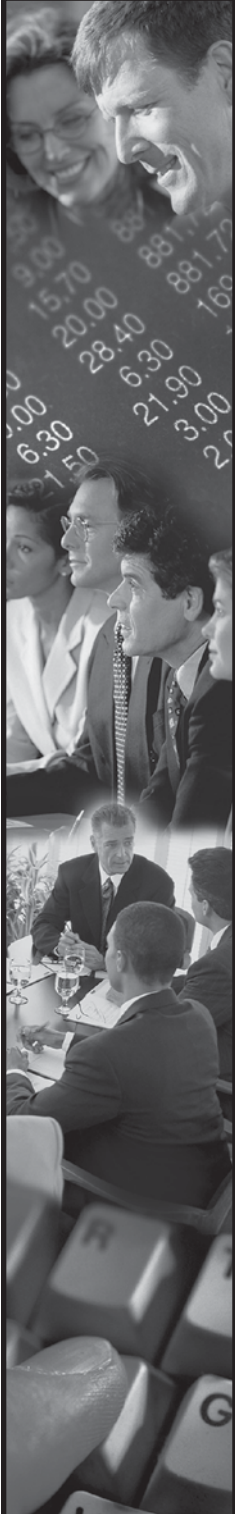
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BANKERS WORKING FOR BANKERS

Go Local Campaign Takes Off



Heritage Bank, headquartered in Spencer, has added this Go Local campaign billboard to its Marshfield office.

Farmers Savings Earns Local Readers Choice Award

MINERAL POINT—Farmers Savings Bank recently received readers top mention in the Dodgeville Chronicle's Readers Choice Awards in the Best Bank/Credit Union category. A full-page spread of award winners featured a photo of the heads of six bank offices including Mary Jo Ceniti, president (Mineral Point), Deb Poad (Dodgeville), Jen Dougherty (Ridgeway), Judy Hendrickson (Hollandale), Barb Shaw (Edmund), and Eddie Ellinski (Mount Horeb).

FBFC Named Business of the Year

OCONOMOWOC—First Bank Financial Centre received the Waukesha County Business of the Year Award from County Executive Dan Vrakas at the 16th Annual County Executive Awards Luncheon in Waukesha.

Each year, an independent panel of judges, including business executives, community leaders, and past award winners, selects the Waukesha County Executive award recipients. In 2011, more than 40 businesses were nominated for Business of the Year, and FBFC is very proud to have earned the title, said Mark W. Mohr, president and CEO. "As a community bank, our mission is to be an engine of economic growth for our local business community. It is the success of our customers that is the source of this incredible recognition."

WHEDA Provides Additional Down Payment Aid

MADISON—The Wisconsin Housing and Economic Development Authority (WHEDA) has made upgrades to its WHEDA Advantage Mortgage Loan program that will benefit both borrowers and lenders.

Effective immediately, borrowers will be able to use the Easy Close Advantage Loan for their entire down payment when

using a WHEDA Advantage mortgage. Under the WHEDA Easy Close Advantage, borrowers receive a low-cost, fixed interest rate for 10 years and immediate access to loan funds at the time of closing to cover their down payment and closing costs.

The Easy Close Advantage Loan can be used with the WHEDA Fannie Mae Advantage or the WHEDA FHA Advantage mortgage programs. For the Fannie Mae Advantage, the maximum down payment and closing cost loan amount is the greater of \$3,000 or 3 percent of the home purchase price. For the FHA Advantage, the maximum down payment and closing cost loan amount is the greater of \$3,500 or 3.5 percent of the home purchase price. The minimum Easy Close Advantage loan amount is \$1,000.

SBA Loans Popular

Setting a record for the number of SBA guaranteed loans granted, Community Bank & Trust, Sheboygan, earned a number two ranking in SBA loan volume among Wisconsin lenders in its asset class this year. The bank made 76 loans for a total of \$55.1 million.

Oconomowoc-based First Bank Financial Center (FBFC) was also number two in its asset class for SBA loans. FBFC made 186 loans totaling over \$100 million.

Making Wellness a Priority

Two banks have been honored for their emphasis on wellness. The Wellness Council of America honored PyraMax Bank, Milwaukee, with its Gold Well Workplace Award.

North Shore Bank's Shape Up program received a third-place award in the medium category (101-1,000 employees) from the Business Journal of Greater Milwaukee. The bank's Shape-Up program features Zumba classes, on-site Weight Watchers meetings, chair massages at the corporate office, flu shots, CPR certifications, self-defense training, walking challenges, and "Biggest Loser" weight loss competitions. The bank has focused on employee wellness for the past 10 years.

Appraiser Part of Centennial Event

PALMYRA—As part of its 100th anniversary activities, Palmyra State Bank hosted Ron Beckstrom, a member of the American Numismatic Association for a free appraisal event in October. Beckstrom appraised coins, paper money, and gold jewelry. His findings included a \$1 gold piece minted in 1851, \$10 and \$20 gold pieces, a Canadian gold coin, and a South African Krugerrand.

Banks Form Trust Partnerships

PORT WASHINGTON, MANITOWOC—Both Port Washington State Bank and Bank First in Manitowoc have formed a partnership with Legacy Private Trust Co. in Neenah to enhance the banks' trust and investment capabilities and services. Legacy, which has assumed the responsibility for all trust and investment management accounts at both banks, currently manages more than \$450 million in trust accounts. ■

PEOPLE



Bank Staff Receive Lifetime Service Awards

Three, 30-year employees of Peoples Bank, Elkhorn, received CBW Lifetime Service Awards recently. Pictured, front, from left: award recipients Marge Babcock, Arlene Madison, and Audrey Peterson; back: Daryll Lund, CBW, and Tom Oehler, Peoples Bank president and CEO.

continued on page 26



What is our
WHEDA® Advantage?

Down payment
assistance got
us into our first
home sooner.

The WHEDA® Easy Close Advantage is designed specifically for WHEDA Advantage borrowers. This low-cost, fixed-rate, 10-year loan helps borrowers get immediate access to mortgage loan funds at the time of closing which can be used for down payment and closing costs.

Discover the WHEDA Advantage and get your borrower into a home mortgage they can afford long-term. Income and purchase price limits apply. Interest rates are subject to change daily. To learn more, go to www.wheda.com/MortgageLenders/.

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Banker All Tied Up

SPENCER—CBW board member Marty Reinhart, Heritage Bank, Marshfield, participated in a United Way fundraising effort in Spencer, where Heritage has a banking office. Contributors gave \$1 per foot or \$5 for a full once-around wrap of an individual. The event raised \$750, including the \$100 contribution of a business customer who explained that he's felt tied up by bankers his whole life and couldn't miss the opportunity for a role reversal!

From left, Daryll Lund, CBW, presents a plaque to Jon Mentink, First Bank of Baldwin, for his service to the Community Bankers of Wisconsin Board of Directors. 🇺🇸





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