

## Budget Rebuilding: Your 2020 Strategic Planning Session

*Reconstruct  
coronavirus-  
busted budgets  
to find new  
insights,  
opportunities*

By Amber Seitz

Banking, like many other industries, has a “downturn playbook,” a set of common strategies designed to help individual institutions weather economic dips. However, today’s circumstances are different from every previous recession and depression, both in speed and in the sense that the economic dive is (in large part) voluntary. The novelty has resulted in some very interesting and impressive moves by the Federal Reserve (a new version of QE, MMLF, lending to securities firms, repo operations, etc.), but also an “oldie but goodie:” slashing the federal funds rate.



However, interest rates seem more all over the map than they really are, according to **Karen Mitchell**, senior manager – risk advisory at Wipfli LLP.

The pivot point was when rates went down in both August and October 2019, and then the two emergency cuts in April 2020 pushed things over the edge.

“Balance sheets have been fairly stable, for community banks especially, with steady loan growth over the past few years which were largely offset

by a decline in AFS securities,” said Mitchell. “The banks were in a fairly decent position at the beginning of the crisis.”

During the last rising rate cycle, bank cost of funds moved up slowly relative to the Federal Funds rate. Many community banks faced risk to margin compression in a very low rate environment, as asset yields could fall more than liability cost savings would offset. With the rapid decline in market rates, many banks have been

(continued on p. 20)

## WBA Offers Perspective, Expertise to Assembly Committee at Hearing About Reopening Wisconsin

By Amber Seitz

On April 30, WBA President and CEO **Rose Oswald Poels** (*pictured, right*) testified before the Assembly Committee on State Affairs during a hearing focused on the “Back



to Business” plan for reopening Wisconsin.

WBA was invited to testify because of the association’s unmatched ability to provide the committee with information, context, and insight related to the Paycheck Protection Program. Specifically, WBA was asked to provide a summary of the program

and discuss the impact of PPP on Wisconsin as well as identify issues and challenges.

Leading off the hearing, Committee Chair **Rob Swearingen** (R-Rhinelander) set the tone by calling the informational hearing a “first attempt” to vet ideas for how to get businesses open again. He requested both Republicans and Democrats “lower their defense shields” in order to assess the impact of the virus and identify ways to move forward.

The first to testify, **Scott Manley**, executive vice president of government affairs at

(continued on p. 25)

# An Exciting Finish to a Successful Year

By Mark Meloy

My term as WBA Chair is certainly going out with a bang, not a whimper. These past few months, as the nation has grappled with the fallout of the coronavirus pandemic, Wisconsin bankers have stepped up and demonstrated the qualities and commitment that have kept me in banking for over 35 years.

Before this crisis and in the midst of it, we have shown compassion for our customers even as we work long hours to help them weather this storm, and I'm confident we will continue to do so after this crisis has passed—which it will. My main goal during my term as chair was to encourage more of my fellow bankers to speak up and tell our industry's story, the story about the good we do in our communities and how we help grow our state's economy.

The adventure with PPP loans gave us the opportunity



## Message from the Chair

Mark Meloy

to do just that, without ever saying a word. From multiple national news outlets, both print and media, to WEDC Secretary-Designee **Missy Hughes**, to the business owner down the street... I've seen and heard the compliments to community banks from all of them.

Banks were designated as "essential services" under Governor **Tony Evers** "Safer-At-Home" executive order, so dedicated bankers across the state continued to serve both consumer and commercial clients, sometimes working from home and sometimes from within the office. We received

that designation because a bank is something no community can do well without. Not only do we provide financing and a safe place for people and businesses to save, we provide guidance and support to our customers during some of their most emotional and difficult decisions. For example, a home is the largest purchase most people will ever make, and our mortgage lenders guide their customers through that exciting, stressful process.

As our state and nation emerge from this pandemic and its many challenges, I encourage you not to stop telling our story. We have always been dedicated to our customers and our communities, and we will continue to be.

I would like to take this opportunity to thank WBA President and CEO **Rose Oswald Poels** and all the WBA

team for their tireless support and guidance throughout this past year, and especially for your hard work and dedication during the height of this crisis. I've heard from many of you about the great work they have done in these stressful and fast-moving times. Keeping up with all of the information and changing rules and regulations would have been impossible without the hard work of WBA, and it has been my honor to serve our industry alongside Rose and the entire WBA team. I also wish to thank my bank and my family for their support and patience with the extra time this position sometimes requires. Finally, I wish to thank all of you for your confidence and support. It has been my honor to serve.

*Meloy is CEO of First Business Bank, Madison and the 2019-2020 WBA Chair.*

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## Elder Fraud:

# Wisconsin Still Waiting in Its Quest to Help Seniors

By Mike Semmann

World Elder Abuse Awareness Day is planned for June 15. Originally launched by the International Network for the Prevention of Elder Abuse, the purpose of the day is to provide an opportunity for communities around the world to promote a better understanding of abuse and neglect of seniors by raising awareness of the cultural, social, economic, and demographic processes affecting elder abuse and neglect. WBA encourages you to participate in a way that helps seniors in your community.

Closer to home, WBA continues to work for passage of elder fraud protection on a state level. The official last day of the state's regular legislative session has come and gone, and all the legislation that did not pass both the Senate and the Assembly in the same form is considered to have failed. So technically, that means a large number of high-profile bills officially died, because they have not cleared both houses. Many were waiting for action in the Senate, which cancelled a planned session earlier this



### Advocacy Update

Mike Semmann

spring that was meant to be its final session.

**However**, the governor can call a special session or the Legislature can go into an extraordinary session if they want to act on these bills, or any other measures that are currently being negotiated. It should be baseball season, so... It's the bottom of the ninth, a runner is at third, and there are two outs. The industry still has a shot.

#### WBA Priority: Give banks a safe harbor to help seniors (AB 481/SB 429)

WBA's priority elder financial abuse bill falls into this camp. Under this bill, if a financial service provider reasonably suspects that financial exploitation of an adult at risk or an individual who is 60 years of age or older (together, vulnerable adult) has

occurred or been attempted, the financial service provider may, but is not required to, refuse or delay a financial transaction on an account of the vulnerable adult or on which the vulnerable adult is a beneficiary or on an account of a person suspected of perpetrating financial exploitation. In addition, a financial service provider is immune from criminal, civil, and administrative liability for all of the following: 1) refusing or not refusing, or delaying or not delaying, a financial transaction; 2) refusing to accept or accepting a power of attorney; 3) contacting a person or not contacting a person to convey a suspicion of financial exploitation; and 4) any action based on a reasonable determination related to the preceding items.

#### Elder exploitation bills that could be taken up by the State Senate

**» 2019 Assembly Bill 479:** Relating to: expediting criminal proceedings when a victim or witness is an elder person and preserving the

testimony of a crime victim or witness who is an elder person.

#### » 2019 Assembly Bill 480

Relating to: increased penalties for crimes against elder persons; restraining orders for elder persons; freezing assets of a defendant charged with financial exploitation of an elder person; sexual assault of an elder person; physical abuse of an elder person; and providing a penalty.

#### » 2019 Assembly Bill 481

Relating to: financial exploitation of vulnerable adults with securities accounts, violations of the Wisconsin Uniform Securities Law, granting rule-making authority, and providing a penalty.

#### » 2019 Assembly Bill 482

Relating to: financial exploitation of vulnerable adults with securities accounts, violations of the Wisconsin Uniform Securities Law, granting rule-making authority, and providing a penalty.

The Wisconsin state Senate Majority Leader **Scott Fitzgerald** and Senate President **Roger Roth** have indicated the Senate has plans to take up legislation. We hope they do so soon and will, of course keep you informed.

*Semmann is WBA executive vice president – chief operations officer.*

## WBA Submits Comment Letters on COVID-19 Relief Interim Rules

### *Summary of recent comment letters below*

On May 4, WBA filed with the federal banking agencies a comment letter to express support of the revision to the “eligible retained income” definition within each agency’s regulatory capital rules. In general, the interim final rule revises the definition of “eligible retained income.” WBA believes that the agencies’ proactive actions to identify the potentially negative impact the COVID-19 economic crisis may have on banks’ ability to use their



capital buffers would help alleviate any anticipated seizures. The revisions afford banks the opportunity to more comfortably use their capital buffer in adverse conditions. Read this comment letter here: [www.wisbank.com/media/567437/eligible-retained-income\\_20200504.pdf](http://www.wisbank.com/media/567437/eligible-retained-income_20200504.pdf).

On May 7, WBA filed a comment letter with the same agencies to express support of a second revision to the agencies’ regulatory capital rules. The revisions help facilitate the lending program offered via the Federal Reserve Bank of Boston’s recently created Money Market Mutual Fund Liquidity Facility (MMLF). WBA believes the agencies’ actions to neutralize the regulatory capital effect for banks to participate in the MMLF program will negate the possibility of increased

regulatory capital requirements for those participating banks. Without the changes made by the interim final rule, banks would be disincentivized from participating in the MMLF program. Read this comment letter here: [www.wisbank.com/media/567436/reg-cap-mmlf\\_20200507.pdf](http://www.wisbank.com/media/567436/reg-cap-mmlf_20200507.pdf).

*For copies of this or other WBA comment letters, please contact the WBA Legal Department at 608-441-1200 or visit [www.wisbank.com/CommentLetters](http://www.wisbank.com/CommentLetters).*

# Could your IT partner do this?

Locknet did, and we can help you.



Locknet Support Center, Onalaska, WI

At 10 a.m. on March 16, 2020, Locknet initiated its pandemic plan for the first time in company history. By noon, 100% of Locknet's technical team, over 60 employees including its entire Support Center, was successfully and securely working from home. 100%! All while call volumes hit all-time records—of over double the normal call volume—as many of the 11,000 employees Locknet supports began to work from home as well.

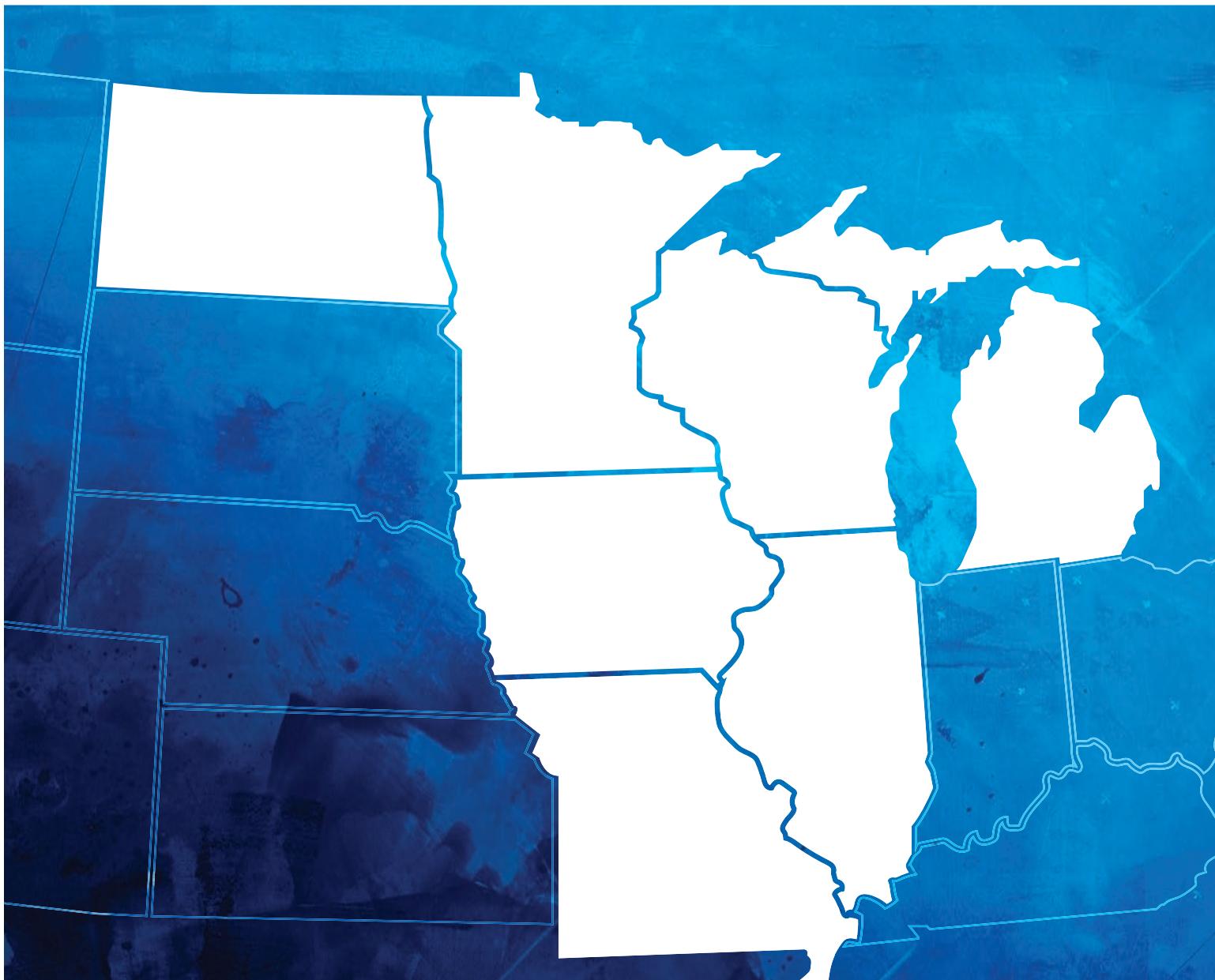
Locknet clients know that we have a team who can deliver, from anywhere, anytime, and we can apply that capability to ensure the survival of your business technology as well. Every IT company says they can do this, but in a true disaster, you find out who really can.

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## WBA 2020-2021 Leadership

# Welcome to WBA's Newest Board Members!

With the close of its fiscal year on May 31, WBA welcomes its newest members to the Board of Directors. **Dan Peterson**, president and CEO of The Stephenson National Bank & Trust, Marinette, has been selected to become the 2020-2021 WBA Vice Chair by the WBA Nominating Committee. Peterson is now in line to become WBA chair in 2022-2023.

Also serving as officers on this year's WBA Board of Directors are: Chair **Paul Kohler**, Charter Bank, Eau Claire; Chair-Elect **Ken Thompson**, president and CEO of Capitol Bank, Madison; and Past Chair **Mark Meloy**, First Business Bank, Madison.

The nominating committee, which is comprised of the current WBA officers and the



Northway



Provancher



Rosengarten



Peikert

» The newest members of the WBA Board of Directors (above) participated in a virtual orientation meeting on May 11.

four most recent past chairs, also selected the following four candidates to fill open seats on the 16-member WBA Board of Directors, all of whom have been deemed elected by the membership: **Jim Chatteron**, National Exchange Bank & Trust, Fond du Lac (At-Large); **Paul Northway**, American National Bank – Fox Cities, Appleton (Group 2);

**Jenny Provancher**, The Equitable Bank, S.S.B., Wauwatosa (At-Large); and **Teresa Rosengarten**, Unity Bank, Augusta (Group 1).

In addition, the Nominating Committee selected **Joe Peikert**, Wolf River Community Bank, Hortonville to fill the one-year unexpired term remaining on Peterson's board seat with his nomination to become a WBA Officer.

Continuing on the board are: **Al Araque**, JPMorgan Chase Bank, New Berlin; **Mark Erickson**, MidWestOne Bank, Osceola; **Donna Hoppenjan**, Mound City Bank, Platteville; **Jerry Jacobson**, Northwestern Bank, Chippewa Falls; **Timothy Kotnour**, State Bank Financial, La Crosse; **Thomas Reil**, Waldo State Bank; and **Mark Wierman**, Ixonia Bank.

WBA also thanks

**David Werner**, Park Bank, Milwaukee; **Christopher Del Moral-Niles**, Associated Bank, Green Bay; **Scot Thompson**, Denmark State Bank; and **Tom Van Pelt**, Citizens State Bank, Hudson, who are rotating off the board this year, for their dedicated service to the association and the industry.

## Changes to Reg CC Threshold Adjustments *Amendments go into effect July 1, 2020*

### When are the Reg CC inflation adjustments effective?

**Answer:** The Reg CC threshold adjustments due to inflation are effective on July 1, 2020.

On June 24, 2019, the agencies issued a final rule amending Reg CC to adjust dollar amounts for inflation, expand coverage to certain United States territories, and make technical corrections to Reg DD. The effective date for the threshold adjustments is July 1, 2020. However, banks are permitted to implement those changes sooner if so desired.

To summarize the inflation adjustments:

- The first \$200 becomes \$225.

- » Reg CC requires the first \$100 made by check be made available on the next business day. This "first \$100" rule



### Compliance Q&A

Scott Birrenkott

Visit [www.wisbank.com](http://www.wisbank.com) to learn more about this topic and other compliance-related issues.

was adjusted to \$200 in 2011 and becomes \$225 in 2020.

- The \$5,000 of the "large deposit" exception hold becomes \$5,525.

- » Reg CC permits an exception hold on large deposits in excess of \$5,000 which becomes \$5,525.

- The \$400 for non-next day items becomes \$450.

- » Reg CC provides that cash withdrawals from local and nonlocal checks need not be available for cash withdrawal until 5 p.m. on the

day specified in the schedule, but no later than 5 p.m., \$400 of the deposit must be made available for cash withdrawal, which becomes \$450.

- As of July 1, 2020 the amounts for civil liability in an individual action shall not be greater than \$1,100 and \$552,500 for class action.

- » Change in terms notification to customers will be required as well. Reg CC requires notice to customers at least 30 days before implementing a change to the bank's availability policy regarding such accounts, except that a change that expedites the availability

of funds may be disclosed not later than 30 days after implementation. Because the threshold adjustments mean that more funds are available to the borrower sooner, the change will expedite availability. Thus, customers must be notified of the changes no later than July 31, 2020. However, nothing is prohibiting a bank from sending a notice sooner if it chooses to do so.

*Birrenkott is WBA assistant director – legal. For legal questions, please email [wbalegal@wisbank.com](mailto:wbalegal@wisbank.com).*

*Note: The above information is not intended to provide legal advice; rather, it is intended to provide general information about banking issues. Consult your institution's attorney for specific legal advice or assistance.*

## *Turning the Dial:*

# Reopening Resource Center as Banks Open Branch Doors

As our state and nation begin to emerge from the COVID-19 pandemic, banks should start their reopening planning process with this Reopening Resource Center from WBA. This downloadable PDF contains several sections of information designed to facilitate bank decision-making in how and when to reopen, including checklists for each phase outlined in the Badger Bounce Back plan, questions to consider throughout reopening, recommendations from WBA, downloadable print resources, and a directory of third-party resources (also listed below). WBA updates the Reopening Resource Center as new information and guidance becomes available, so visit [www.wisbank.com/ReopeningResourceCenter](http://www.wisbank.com/ReopeningResourceCenter) for the most current version.

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## COVID-19: WBA REOPENING RESOURCE CENTER: VERSION 4.0

### » Checklist for Each Badger Bounce Back Phase

Under Emergency Order #31, [Badger Bounce Back](#)<sup>1</sup>, outlines a phased approach to reopening the state of Wisconsin's economy and society, gradually reducing restrictions on businesses and individuals. Banks should review each of the following checklists as each respective phase begins.

#### Phase 0.5

**Description:** On April 27 and May 11, Governor Evers issued [Emergency Order #34](#)<sup>2</sup> and [Emergency Order #36](#)<sup>3</sup>, respectively, each "turning the dial" to allow more businesses to open in more ways. Under these two orders, which are effective for the duration of the Safer at Home Order, more businesses are allowed to offer curb-side drop-off and in-person retail stores are allowed to open for up to 5 customers at a time. WEDC has created [reopening guidelines for businesses](#)<sup>4</sup> in conjunction with these orders.

#### Action Steps:

- Consider opening branches but limiting access to 5 customers.
- Review WEDC's [guidelines for professional services](#)<sup>5</sup> firms.

#### Phase 1

**Description:** Allows mass gatherings of up to 10 people; restaurants opening with social distancing requirements; removal of certain restrictions including retail restrictions for Essential Businesses and Operations; additional operations for non-essential businesses; K-12 schools to resume in-person operation; and child care settings resuming full operation.

#### Action Steps:

- Consider designating specific rooms for customer/client visits, minimally furnished for easy, quick cleaning after each use.
- Implement basic infection prevention measures, including promoting frequent handwashing and proper respiratory etiquette, providing tissues and hand sanitizer, and discouraging employees from sharing equipment. See [guidance from OSHA](#)<sup>6</sup>.
- Identify any employees who are at high risk and offer appropriate accommodations (PPE, separation of workstations, work-from-home options, etc.)
- Consider updating bank policy regarding masks to allow employees and customers to wear them. One possible identification procedure is to utilize phone banking ID requirements for customers wearing masks. Review robbery procedures with all staff, emphasizing awareness that some customers may enter the bank wearing masks.
- If you are limiting the number of occupants in a branch lobby, post signage notifying customers/the public.
- Review vacation, sick time, and/or leave policies with all employees.
- Discourage handshaking during any in-person meetings.
- Continue to practice social distancing.
- Provide [handwashing instructions](#)<sup>7</sup> for employees and customers.
- Require employees who become ill to go home immediately.
- Establish facility cleaning/disinfecting guidelines or policy, including increasing the air exchange in your building. See recommendations from the [EPA](#)<sup>8</sup> and [CDC](#)<sup>9</sup>.
- Encourage customers and clients to use online or mobile banking services whenever possible in lieu of coming to the branch.
- Create a communication strategy for customers/community across multiple channels (hardcopy mailing, bank website, social media, posters, phone scripts for call centers, etc.).
- Provide training for managers so they are able to accurately and effectively provide information and guide their teams.
- Empower employees with the authority to enforce bank guidelines with customers (e.g. use of PPE, social distancing requirements, etc.), including clearly defining outcomes for failure to comply. Educate all employees on guidelines and consequences.
- Review current service/product exceptions (fee waivers, etc.) and clearly communicate which exceptions remain in effect and for how long.

<sup>1</sup>[https://content.govdelivery.com/attachments/WIGOV/2020/04/20/file\\_attachments/1431309/EMO31-BadgerBounceBack.pdf](https://content.govdelivery.com/attachments/WIGOV/2020/04/20/file_attachments/1431309/EMO31-BadgerBounceBack.pdf)

<sup>2</sup><https://evers.wi.gov/Documents/COVID19/EMO34-SAHDialTurn.pdf>

<sup>3</sup><https://evers.wi.gov/Documents/COVID19/EMO36-SAHDialTurn2.pdf>

<sup>4</sup><https://wedge.org/reopen-guidelines/>

<sup>5</sup><https://wedge.org/wp-content/uploads/2020/05/COVID-19-Professional-Services-Guidelines.pdf>

<sup>6</sup><https://www.osha.gov/Publications/OSHA3990.pdf>

<sup>7</sup><https://www.cdc.gov/handwashing/index.html>

<sup>8</sup><https://www.epa.gov/pesticide-registration/list-n-disinfectants-use-against-sars-cov-2>

<sup>9</sup><https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/cleaning-disinfection.html> and <https://www.cdc.gov/coronavirus/2019-ncov/community/disinfecting-building-facility.html>

Download a PDF of the most up-to-date, five-page version of these guidelines at: [www.wisbank.com/ReopeningResourceCenter](http://www.wisbank.com/ReopeningResourceCenter).

## April Showers Bring May Flowers But What Do They Bring in June? How about a special Scenes of Wisconsin Calendar 99¢ deal?

If you have never purchased the Scenes of Wisconsin calendar before, this special offering is exclusively for you.

For over 14 years, the Wisconsin Bankers Association (WBA) has developed a high-quality, customizable wall calendar, "Scenes of Wisconsin," from photographs of the Badger State submitted by our own Wisconsin bankers, their family members, friends, and customers.

These photos represent the history and beauty of our great state, whether it's a historical location, county fair, carnival, parade or festival, local farm (including livestock), agricultural activity, fall color, winter snowfall, spring flower, or summer fun.



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Each year we average around 200 photographs submitted for a chance to be featured in this calendar. The selected 12 for the 2021 Scenes of Wisconsin Calendar will be announced in early June.

### Limited Time Offer!

In order to receive this special \$0.99 deal, this must

be the first time your financial institution has purchased the calendar, and your order must be placed by June 30. To order, contact WBA's **Jennifer Harder** at [jharder@wisbank.com](mailto:jharder@wisbank.com).

To check out the 2020 Scenes of Wisconsin Calendar photos, visit [www.wisbank.com/calendars](http://www.wisbank.com/calendars) or request a complimentary calendar be mailed to you by contacting Jennifer Harder.

**Are you a repeat calendar customer but haven't placed your order yet?**

Don't delay! Place your order by Aug. 15 at [www.wisbank.com/calendars](http://www.wisbank.com/calendars) to guarantee your calendar delivery in October.



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# 2019 | 2020

# YEAR IN REVIEW

IT isn't often you can say, without a shadow of a doubt, this year has been like no other in modern memory. The WBA's fiscal year runs from June 1 until May 31 and traditionally, we've reflected on how WBA and its subsidiaries have served you the entire year. But this is not like any other year. COVID-19 has changed how you serve your customers. You have the same dedication to fantastic service, but now it's delivered a little differently. It's the same for WBA.

That's why this *Year in Review* edition is separated into before and during COVID-19. Like you, we've stepped up to the challenge of adapting services, products, and delivery in a world that continues to change daily. This doesn't negate the value we delivered early in the year, but it does highlight how we've pivoted to meet your quickly changing needs.



Rose Oswald Poels  
WBA President and CEO

**BANKS** make a difference in their communities by providing financial resources and expertise, every day.

**WBA** does the same for you, your bank, and all Wisconsin bankers, every day.

**YOU** make a difference to your customers by providing value and service, every day.

Our mission statement says it all:

*"We promote a healthy environment for banks in Wisconsin through actively advocating, educating, and supporting our members."*

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## YEAR IN REVIEW – BEFORE COVID-19

### Advocating

**26** Pro-banking Wisconsin laws passed with potentially 6 more due to Senate Action in Extraordinary or Special Session.

**11** Anti-banking Wisconsin laws stopped.

**118** Advocacy Officers representing Wisconsin's banking industry.

**1,970** State bills actively tracked.

**575** Media mentions.

**6,414** Monthly Facebook impressions.

**1,194** Twitter engagements.

**45%** Increase in LinkedIn followers.

**16** Comment letters.

### Educating

**1,419** Legal Call Program questions between June 1, 2019 and March 13, 2020.

**5,400+** Attendees at WBA training events.

**660+** Educational opportunities (in-person and virtual).

**6** New, never-before-offered training programs.

**80** CEOOnly/CFOOnly Network questions answered.

**100+** Best Practices Library free resources available for members.

**5,400** Books about saving provided by the Wisconsin Bankers Foundation to banks for elementary school students.

### Supporting

**149** WBA Associate Members.

**37** Different types of services offered by Associate Members.

**\$8,000** Dedicated to scholarships for high school students and bankers continuing their education.

**OVER \$1.2 MILLION** In annual savings with the WBA EBC/UnitedHealthcare Association Health Plan.

**\$134,000** Saved in April Delta Dental premiums through the WBA EBC group dental plan.

**6** New WBA forms developed by FIPCO for Wisconsin banks addressing hemp, beneficial ownership, LIBOR Addendum, and more.

**\$187,000** Saved by clients using Information Security/IT Audit, ShareFI, eforms, and eSignature services.

### MONEY-SAVING PLANS

MBIS helped multiple banks obtain broader policies at the same or lower premiums than they had been paying. One example, a multi-branch bank saved over \$30,000 in renewal premiums.

**BEFORE COVID-19**

**Rose Oswald Poels**

WBA President and CEO Rose Oswald Poels testifies at an Assembly Committee on State Affairs hearing focused on the Back to Business Plan for reopening Wisconsin.

**SIX FREE WEBINARS**  
(Recorded in March and April.)

Six free coronavirus-related webinars were conducted in March and April.

**COVID-19 PAYCHECK PROTECTION PROGRAM – Forgiveness Phase**

**PPP Loan Forgiveness Guide for Borrowers and FIPCO's fillable PPP Loan Forgiveness Calculator.**

# YEAR IN REVIEW – DURING COVID-19

## Advocating

**15**

Business trade associations joined our coalition for the Act 185 (AB 1038) follow-up bill and recommendation for a Wisconsin COVID Task Force.

**230**

Eight press releases to 230 media outlets on the banking industry's COVID response.

**25+**

Official communications and hundreds of emails and phone calls between WBA and lawmakers.

**SAVED  
\$250  
MILLION**

Saved small businesses \$250 million in taxes by proposing the elimination of the tax on the amount of the PPP forgiveness for state tax purposes.

**100+**

Media mentions including interviews in *Wall Street Journal*, *Bloomberg*, *Milwaukee Journal Sentinel*, *Wisconsin State Journal*, *BizTimes*, *Milwaukee Business Journal*, and more.

## Educating

**300**

Emails per day (average) on questions around the CARES Act and PPP.

**27**

Updates to the WBA Paycheck Protection Program FAQ.

**529**

Legal Call Program questions between March 14, 2020 and May 15, 2020.

**20+**

CEOOnly/CFOOnly questions answered. To keep up with the rapidly changing situation, the Peer Q&A response window was shortened from one week to one day for coronavirus-related questions.

**6**

Free webinars (including sessions with SBA – Wisconsin).

**8**

Programs re-envisioned as virtual learning opportunities.

## Supporting

**140+**

Assets on the WBA Coronavirus Resource Page ([www.wisbank.com/Coronavirus](http://www.wisbank.com/Coronavirus)).

**20+**

Assets for banks to use with clients ([www.wisbank.com/COVID-19](http://www.wisbank.com/COVID-19)).

**11**

COVID-19 related forms created by FIPCO.

**PPP**

PPP Loan Forgiveness Calculator created by FIPCO.

PPP Loan Forgiveness Guide for Borrowers.

ShareFI PPP Agent services offered through FIPCO.

**2,700+**

Members now receiving the *Wisconsin Banker Daily*, an ePub with the latest news of the day on compliance, advocacy, and industry news.

DURING  
COVID-19

# Bulletin Board

*News about people working in Wisconsin's financial institutions*

## Promotions and New Hires

### Fond du Lac

National Exchange Bank & Trust has announced numerous promotions within the organization:

**Mitch Frydrych** (*pictured*) to senior vice president – information technology; **Lisa Karst** (*pictured*), **Cheryl Klauck** (*pictured*), **Mollie Schill** (*pictured*), and **Peggy Zickert** (*pictured*) to vice president – regional operations leader; and **Sally Harvey** (*pictured*), **Kristin Rowe** (*pictured*), and **Beth Schmidt** (*pictured*) to operations officer.

### Ixonia

Ixonia Bank is happy to announce the addition of **Chris Braatz** (*pictured*) as



assistant vice president of retail lending. In addition, the Board of Directors Ixonia Bancshares, Inc. is pleased to announce that **Mark R. Hogan** (*pictured*) has been elected to its Board and to the Board of Ixonia Bank. Hogan most recently served as secretary and chief executive officer

of the Wisconsin Economic Development Corporation (WEDC), and prior to that had a long and successful history in the banking industry.

### Madison

First Business Bank is pleased to announce the promotion of **Alton Multhauf** (*pictured*)

to vice president – treasury management. The Private Wealth team of First Business Bank is pleased to announce that **Ryan Witt** (*pictured*) was hired as vice president – wealth advisor, and **Brian Elmer** (*pictured*) was hired as vice president – wealth advisor. First Business Equipment Finance, LLC, a subsidiary of First Business Financial Services, is pleased to announce the promotion of **Spencer Woodbury** (*pictured*) to commercial finance – team lead.

### Sun Prairie

Bank of Sun Prairie announces **Rod Ellenbecker** (*pictured*) has joined as senior vice president, director of wealth management and trust.

(continued on p. 15)

## Tell Us More! Wisconsin Banks Continue Community Support.

Throughout the coronavirus pandemic, Wisconsin's banks have redoubled their efforts to support their communities. As an industry, banks have always been the cornerstone of the villages, towns, and cities they serve, but the ongoing challenges presented by COVID-19 provided extra motivation to help. WBA has collected stories from many member banks about their community support efforts. While there aren't enough pages to show them all, we hope the sampling below demonstrates their dedication. You can read more stories at [www.wisbank.com/COVIDcommunitysupport](http://www.wisbank.com/COVIDcommunitysupport). Don't see your bank's efforts? Let us know what you're doing! Send announcements, press releases, and/or photos to [bulletinboard@wisbank.com](mailto:bulletinboard@wisbank.com).



On Thursday, April 23 Aurora received 160 meals from Spudz, Waterfront Wine Bar, and Dairy Queen, and on Friday, April 24, Holy Family Memorial received 250 meals from Luigis, Pack'er Inn, and Perkins.

Investors Community Bank, Manitowoc, recently launched a special program to feed frontline health care workers in Manitowoc County and support the bank's restaurant customers. Employees at Aurora Two Rivers and Holy Family Memorial received meals courtesy of ICB as part of the bank's Fueling the Frontline initiative. The purpose of this initiative is two-fold: to thank those essential employees who are working in the health care field during this pandemic and to support restaurant customers by placing takeout orders.

### Berlin

Fortifi Bank awarded \$1,000 COVID Relief Grants to 20 non-profit organizations in May. Together with the Federal Home Loan Bank of Chicago (FHLBC), this money is intended to assist groups with the financial strain presented by COVID-19. "We are lucky to have such a strong partner with aligned values to accommodate this relief program," stated **Greg Lundberg**, president of Fortifi Bank.

(continued on p. 15)



BS Recruiters is an executive search firm providing placement services to banks in the Wisconsin market that seek top-caliber talent.

The keys to our long success are our industry experience, personal commitment, and professionalism of our recruiters. We enjoy long-term relationships with the great majority of our clients because of our commitment to provide them with the highest level of service.

Erick Gorecki  
262-369-7007

BS Recruiters  
155 E Capitol Drive Suite 5  
Hartland, WI 53029  
[www.bsrecruiters.com](http://www.bsrecruiters.com)  
Del Garcia  
262-369-8109

**Have good news?** To submit a notice, please email [bulletinboard@wisbank.com](mailto:bulletinboard@wisbank.com). Or mail entries to **WBA Bulletin Board**, 4721 South Biltmore Lane, Madison, WI 53718. Send photos as JPEG files. Questions? Contact WBA's **Amber Seitz** at 608-441-1237 or [aseitz@wisbank.com](mailto:aseitz@wisbank.com).





# Your EDUCATION Calendar

Conferences | Summits

Schools | Boot Camps

Seminars | Workshops

WBA Webinars

Other Events

## JUNE 2020

- **Compliance Forum: Session 1**

23-24 Virtual (*pricing options vary*)

## JULY 2020

- **Safe Deposit Liability Webinar**

1 \$325/connection (*includes access to recording*)

- **Agricultural Bankers Conference**

8 Wisconsin Dells or Live Stream;  
\$300/attendee

- **Strategic Marketing Workshop**

21-22 Madison; \$495/attendee

- **Women in Banking Conference**

Wisconsin Dells or Live Stream  
27 \$245/each first two bank attendees;  
\$195/each additional attendee

- **Credit Analysis Boot Camp**

28-29 Green Bay; \$495/attendee

- **Community Bankers for Compliance (CBC) – Session III**

28 Stevens Point (*pricing options vary*)  
29 Madison (*pricing options vary*)

## AUGUST 2020

- **Agricultural Lending School**

4 Optional Pre-School Workshop; \$200/attendee  
5-7 Madison; \$895/attendee

- **Chairman's Member Appreciation Golf Outing**

13 Wisconsin Dells

- **Internal Audit Workshop**

21 Madison; \$245/attendee

- **Independent, Stay Independent Bank Retreat**

25-26 Galena, IL; \$295/attendee

## SEPTEMBER 2020

- **Introduction to Commercial Lending School**

9-11 Madison; \$795/attendee

- **Management Conference**, Green Bay

15-16 \$250/each first two bank attendees;  
\$200/each additional attendee

- **Secur-I.T. Conference**, Wisconsin Dells

22-23 \$350/first attendee;  
\$300/each additional attendee

- **Bank Directors Summit**, Madison

24 \$225/first attendee;  
\$175/each additional attendee

- **Cash Management Workshop**

Madison; \$245/attendee

- **Enterprise Risk Management Workshop**

25 Madison; \$245/attendee

- **Enterprise Risk Management Peer Group**

29 New Berlin; \$39/attendee

## OCTOBER 2020

- **Margin Management Workshop**

6-7 Madison; \$450/attendee

- **BSA/AML Compliance Workshops**

6 Eau Claire; \$245/attendee

7 Neenah; \$245/attendee

8 Madison; \$245/attendee

- **Personal Banker School**

13-14 Madison; \$450/attendee

- **Advanced Financial Statement & Cash Flow Analysis Workshop**

15 Madison; \$245/attendee

- **IRA Essentials Workshops**

15 Eau Claire; \$225/attendee

27 Neenah; \$225/attendee

29 Madison; \$225/attendee

- **Advanced IRA Workshops**

16 Eau Claire; \$225/attendee

28 Neenah; \$225/attendee

30 Madison; \$225/attendee

## PROGRAMS TO BE RE-SCHEDULED

- **FIPCO Software & Compliance Forum: Deposits**

1 day; Madison; \$189/attendee

- **Principles of Banking Course**

2 days; Locations TBD; \$550/attendee

» Visit [www.wisbank.com/education](http://www.wisbank.com/education)  
for more information and online registration.

» Or email WBA Education at [wbaeducation@  
wisbank.com](mailto:wbaeducation@wisbank.com) or call 608-441-1252.

# 50

## ANNIVERSARY CELEBRATING SONJA VIKE



WBA is thrilled to recognize Sonja Vike for 50 years of dedicated service to the association and Wisconsin's banking industry! To celebrate this remarkable achievement, we've compiled a timeline with photos of Sonja throughout the years and highlights of significant events and milestones for Wisconsin's banking industry during her tenure at WBA. In addition, association staff will be celebrating with Sonja in person as soon as possible.

Sonja started working at WBA on June 8, 1970. She is responsible for graphics and layout of numerous association publications and marketing pieces (both print and digital), most notably the *Wisconsin Banker*. Sonja's skill as a designer and attention to detail have evolved the *Wisconsin Banker* into the state's premier financial trade publication.

Her work has helped deliver important information and brand awareness of WBA to its members during some of the banking industry's most challenging times, including the Savings & Loan crisis, the Great Recession, and the COVID-19 pandemic.

Sonja is not only an integral part of the WBA team, but also a proud mother and grandmother, golf enthusiast, and pug fan.



TYME (Take Your Money Anywhere) machines make their debut in Wisconsin.

WBA commemorates its centennial by commissioning a book, *Good as Gold: A History of Banking in Wisconsin*, as part of the celebration.

WBA launches [www.wisbank.com](http://www.wisbank.com).

Electronic payments outnumber paper checks for the first time in history.

On Feb. 27, the Community Bankers of Wisconsin and the Wisconsin Bankers Association merge to provide a united voice for Wisconsin's banking industry.

1970

1976

1981

1992

1995

1996

1999

2003

2007

2015

2020

Fax, phone, and hardcopy mail are the primary ways WBA contacts its member banks. There are 604 commercial banks headquartered in Wisconsin.

The number of banks headquartered in Wisconsin peaks at 636.

On June 28, WBA moves its headquarters to a new building on Madison's east side at 4721 South Biltmore Lane, where it remains to this day. WBA owns the building, giving the association a substantial equity position.

On June 29, the first iPhone goes on sale.

Amazon, Craigslist, eBay, Match.com, and Windows 95 all launch. The number of Wisconsin banks offering internet banking as a service begins to grow.

WBA finished a complete remodel of its Madison headquarters. As of May 15, there are 189 banks headquartered in Wisconsin.

# Thank You... Wisconsin Bankers are Amazing!

We are thrilled by the number of great things that WBA member banks did for their communities during the WBA Power of Community Week!

Here are just a few photos sent to us showcasing bankers' efforts in April. Check out [www.wisbank.com/BanksPowerWI](http://www.wisbank.com/BanksPowerWI) for more photos and interactive map that shows the location and activities of each as reported by the participating banks.



▲ Above: While social distancing, staff at Mound City Bank, Platteville found many ways to support the communities they serve – through supporting local food pantries, ordering staff meals from several local restaurants, to cleaning up local highways and sewing masks!

► Far right: While their local schools remain closed, staff at The Stephenson National Bank & Trust in Marinette, put together videos with various financial education lessons and related discussion questions, then created a portal on their website to share these videos with local teachers and families.

"On a regular basis, we dedicate so much time, effort, and resources to strengthening our community. This is our way of joining together with the rest of the Wisconsin banking industry to show the tangible ways in which we empower the communities we serve," said Daniel J. Peterson, SNBT president and CEO.

**Bunny Money**

Mollie Arthur reads "Bunny Money" by Rosemary Wells

**Discussion Questions for "Bunny Money"**

1. Why did Max and Ruby go shopping?
2. What was the price of the skating ballerina music box, and why couldn't Max and Ruby buy it?
3. After lunch Ruby said, "Money is running through our fingers, Max." What did she mean by that?
4. If you had \$15.25 like Max and Ruby did, would you save it or spend it?

**Money Money Honey Bunny**

Tina Hazen reads "Money Money Honey Bunny"

**Discussion Questions for "Money Money Honey Bunny"**

1. If you were Honey Bunny, how would you spend your money?
2. Do you think Honey Bunny was smart to spend money on all her family and friends?
3. Did Honey Bunny spend any money on herself?
4. How do you like to spend your money?
5. How do you save your money?

**Penny Pot**

Angie Uecker reads "Penny Pot"

**Discussion Questions for "Penny Pot"**



▼ **WBA and FIPCO Staff Involvement:** Your team at WBA and FIPCO didn't shy away from supporting our local communities! Several staff supported their favorite local restaurants; volunteered to pack care boxes at SecondHarvest Food Bank; sewed masks at home; donated blood; and the first-ever virtual crocheting party took place to make blankets for cats getting a new home at Angel's Wish Pet Adoption & Resource Center in Verona.



## Thank You... Wisconsin Bankers are Amazing!



◀ Far left: The team at Forward Bank, Marshfield, found ways to infuse over \$20,000 into their local economies by buying gift cards for local restaurants and giving them out to staff. Staff put together various care packages for essential workers at local healthcare facilities to thank them for moving their communities "forward to better health."

◀ Near left: Staff from Waumandee State Bank visited locally owned businesses near all their locations and purchased gift cards to show support for the small businesses.



◀ Each location of PyraMax Bank, Greenfield, joined the "World of Hearts" movement and decorated their branch windows to show support for their communities during the pandemic.

▲ Above left: On April 24, customers going through the Ladysmith Federal Savings & Loan drive-through were surprised to receive a gift certificate to a local restaurant – what a treat!

▲ Above right: Staff at Capitol Bank in Madison and Verona kicked off POC week with a virtual staff meeting and then encouraged everyone to find ways to have a positive impact in their own neighborhoods. Capitol Bank's Paige Janquart and her daughter spent Earth Day cleaning up around local walking trails.



**Wisconsin Bankers Association**

— Power of —  
**COMMUNITY**

[www.wisbank.com/BanksPowerWI](http://www.wisbank.com/BanksPowerWI)



## Strategic Planning

(continued from p. 1)

quick to drop deposit rates, according to **Marc Gall**, vice president at BOK Financial Corporation. In addition, alternative deposit funds have become less costly, which will help banks reduce interest expense and minimize margin compression. More banks may turn to brokered deposits, FHLB, or the Federal Reserve's PPP Liquidity Facility for low-cost funding options.

Perhaps the biggest risk for bank leadership is getting stuck in the moment. Putting out fires often feels productive and has many rewards—praise from coworkers and customers, and even media attention—but comes at the expense of evaluating long-term concerns and focusing on future opportunities.

### Save the Date:

» Margin Management Workshop, Oct. 6-7, WBA Office, Madison

Reconstructing a 2020 budget is an essential exercise to help bank management pay attention to the line items that will lead to long-term success, even as they triage immediate concerns (such as credit quality and margin compression). “You have to figure out what you should be focused on instead of constantly putting out fires,” said Gall. “Spending the time to put together a new budget will force you to think about those other elements that may not otherwise be top-of-mind.”

### Rebuilding Your Budget

The majority of banks craft budgets in alignment with the calendar year, which means most 2020 budgets are now completely defunct. On the loan side of the balance sheet, PPP and other crisis-relief lending will create a spike



Marc Gall



Karen Mitchell

### What's Next?

Both Gall and Mitchell said banks should anticipate changes in consumer behavior in their forecasts. “Don’t make assumptions about how consumers will behave in the new normal,” Mitchell warned. Two months of sheltering in place has disrupted old habits and formed new ones for most people. For example, banks can expect that the transition to online and/or mobile banking will accelerate. “This will change the landscape of banking, so don’t get left behind,” said Gall.

in loan balances, intensified by consumers and businesses drawing on existing lines of credit in order to maintain cash flow.

On the deposit side of the balance sheet, Mitchell says cash will move around based on consumer perceptions of strength and stability. “Just like in the great recession, there could be a flight to quality, so banks that are perceived as being strong may see an influx of deposits,” she explained. In addition, fee income (especially NSF and ATM fees) are likely to fall sharply.

On the investment side, Gall cautioned against becoming too conservative. “Having excess liquidity on the balance sheet in this environment will ultimately become more and more expensive,” he said. “Even though investment yields have come down, the takeaway is that you need to realize where we’re actually at... We’re in a super-low rate environment.”

All of this means one thing for 2020 budgets: “Redo them,” said Gall. Keep a copy for comparison purposes, but nearly every line item has changed significantly. The key to bank survival, as with every time of disruption, is to act. “Doing nothing is not a great strategy,” said Gall. “What will help banks through this is making decisions.”

If making decisions feels impossible because of all the uncertainty, it’s not getting better anytime soon (it’s a Presidential election year, on top of everything else). Get unstuck by thinking of this exercise as forecasting, rather than budgeting. After all, if a weather forecast for the week is 70% right, everybody thinks that’s pretty good! Also, forecasts are designed to be revised as new information becomes available. As Mitchell put it, “budgets are static, but forecasts can be a more dynamic tool.”

### 5 Questions Bank Leaders Must Answer Now to Reconstruct 2020 Budgets:

#### 1. What's our appetite for risk in this environment?

The bank’s risk appetite throughout the COVID-19 crisis and recovery will determine loan pricing and which markets and/or sectors the bank is ready and willing to serve (for both loans and deposits), as well as how much the bank funds its loan loss provision, according to Gall.

From an enterprise risk management perspective—the service line Mitchell leads at Wipfli—evaluating the full context of the current environment is key. “Look for the appropriate strategy in context of the risks this situation is presenting,” Mitchell advised.

» **Budgets are static, but forecasts can be a more dynamic tool.**

“Risk isn’t always a bad thing. It can be a good thing if you find the opportunities to serve your customers.”

Banks should evaluate their credit risk, in particular, in the wake of the Paycheck Protection Program. “PPP might create some good opportunities, but the profitability of those loans is different from regular loans,” Mitchell said.

#### 2. Where can we increase income?

Recalibrated 2020 budgets should incorporate new sales objectives that reflect today’s market. For example, while rates have been pushed down, banks could potentially make up some of that loss in volume. “There’s so much focus on PPP that it’s a bit lost that mortgage rates are extremely low,” Gall explained. “That could potentially be a nice additional revenue source this year if banks continue to focus on it.”

#### 3. What do we know about our customers?

“Evaluate the current situation for your bank, your community, and your customers,” Mitchell advised. “Understand your customers’ experience right now and you might find strategies you wouldn’t normally have seen. You don’t need to stay on defense.” The detailed data banks can glean by being proactive with their struggling customers will also help generate models that can be used to craft stress scenarios, perform sensitivity testing, and conduct non-parallel rate shock scenarios.

(continued on p. 21)

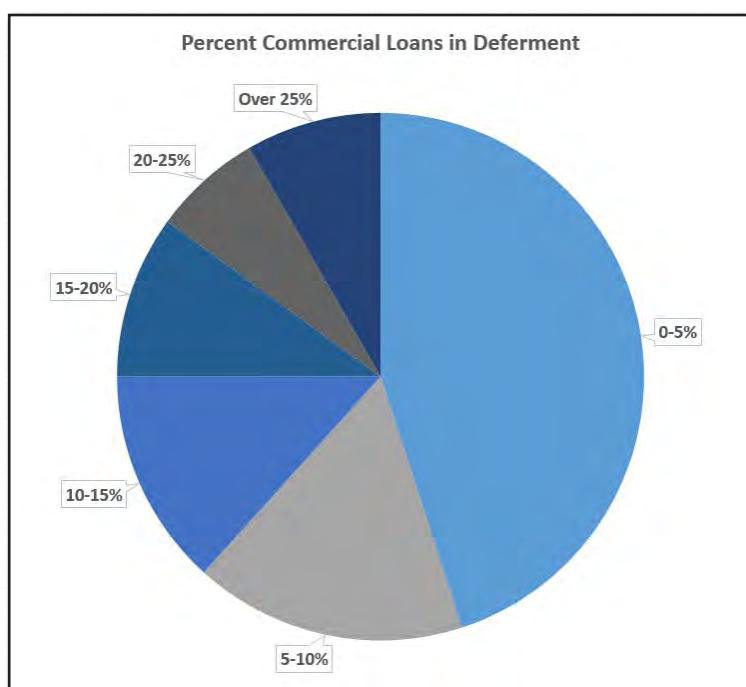
# The First Commercial Loan Deferrals End Soon – What's Next?

## *Helping regional and local economies adjust to a “new normal”*

The current pandemic has hit many sectors hard, reducing revenue for many businesses to a fraction of their normal levels. For some businesses, especially in travel, hospitality, and food service industries, cash flow is almost nil.

In addition to participating in the Small Business Administration's Paycheck Protection Program (PPP), many of WBA's member banks have implemented [relief options for their customers](#), including deferment plans for their commercial clients. The majority of those deferment agreements are for 60, 90, or 120 days. Banks have also been encouraged by [federal regulators](#) to “work constructively” with borrowers impacted by COVID-19. Loan modifications and deferral agreements are part of that effort.

WBA estimates, based on a brief membership survey and anecdotal conversations, that roughly half of WBA member banks have less than 10% of their commercial assets in deferment. However, approximately 10-15% of member banks have 20% or more in deferment. Results from a survey on May 7 showed 45% of banks indicate



» Percentage of deferred commercial loans from a May 7 survey of WBA member banks.

0-5% of their commercial loans are in deferment and 16.7% report 5-10% in deferment.

What happens when those deferment periods end?

If a business signed a deferment agreement for 60 days when the state of emergency was declared (March 25, in Wisconsin), payments are due again beginning May 25, the same day Wisconsin's extended Safer At Home order is set to expire, allowing most

businesses to *begin* reopening. Depending on the specifics of the agreement, many businesses will likely lack the cash flow to make the higher payments required under the “catch up” period.

Economic recovery from COVID-19 is unpredictable; how quickly regional and local economies return to “normal” may vary greatly. The key for banks will be to monitor which of their loans in deferment are most likely to

### FIPCO has four deferral agreements available:

- » (TL) 4S Simple Interest Deferral Agreement
- » (TL) 4 Deferral Agreement
- » (TL) 4B Payment Deferral Agreement
- » (TL) 4B 4G Reaffirmation of Guaranty (*to be used with WBA TL4B*)
- » Learn more at... [www.fipco.com/alert/remotework](http://www.fipco.com/alert/remotework).

struggle to restart their cash flow after the pandemic and therefore might need to be reclassified as nonperforming assets. Those projections will help the bank model its current and anticipated risk levels and managing pricing and terms of future loans toward those levels or limit the bank's exposure to certain sectors or markets.

Some of these adjustments are happening already, according to the latest [Federal Reserve quarterly survey of senior loan officers](#). The survey indicates over half of banks have either “somewhat” or “considerably” tightened lending standards for commercial construction (52.4%), multifamily (49.2%), and nonfarm nonresidential loans (52.3%). And additional 41.5% of banks reported tightening standards for large and medium C&I loans.

## Strategic Planning (continued from p. 20)

### 4. What ratio should we use for IRR management?

Typically, net interest margin is measured as a ratio (cash divided by total assets). Gall recommends measuring return on equity instead. “Otherwise you could be making less dollars, that is, shrinking the bank, in order to get a better ratio,” he explained. “Unless they need to for a capital reason, we're

advocating banks *not* shrink at this time.”

Whichever tools and tactics (ratios, models, etc.) the bank uses, Mitchell emphasized the need to avoid taking outcomes at face value. “Keep a critical eye on reviewing the results you're getting [from current actions],” she said. “You'll be using tools in new ways, so make sure the results make sense.”

### 5. What's fair for our staff?

“At many banks, compensation is tied to

performance and staff have been working around the clock to serve their customers under adverse conditions,” Gall pointed out. “Making your forecast more achievable for the rate and operating environment you're in is a fairer way of looking at things.” Adjusting sales and other revenue metrics to be achievable in the current market may also lead to discovering new areas to pursue (see question #2).

» Risk isn't always a bad thing. It can be a good thing if you find the opportunities to serve your customers.

**Seitz** is WBA operations manager and senior writer.

**BOK Financial Institutional Advisors** is a WBA Gold Associate Member.

**Wipfli LLP** is a WBA Silver Associate Member.

# Businesses Struggle with PPP Forgiveness, FIPCO Creates Free Calculator to Help

FIPCO, a wholly-owned WBA subsidiary, created a *free* Paycheck Protection Program Forgiveness Calculation Tool to help lenders provide their customers with information and to aid borrowers with calculations related to the forgiveness phase of the PPP program. FIPCO and WBA updated

**PPP Loan Forgiveness Guide:**  
 » [www.wisbank.com/articles/2020/04/wba-ppp-loan-forgiveness-guide](http://www.wisbank.com/articles/2020/04/wba-ppp-loan-forgiveness-guide).



**Visit WBA's Coronavirus Resource Center for more information:**  
 » [www.wisbank.com/COVID-19](http://www.wisbank.com/COVID-19).

the tool frequently to keep the information and calculations in the calculator current with SBA and Treasury rules. *Please note:* FIPCO is creating a *new* calculation tool to incorporate the interim final rules released by the

SBA on May 22. Watch [www.wisbank.com/COVID-19](http://www.wisbank.com/COVID-19) for more information as the tool is finalized and released.

FIPCO designed the tool to be user-friendly. It was a fillable PDF that performed the necessary calculations to generate important loan figures such as the adjusted forgiveness amount, anticipated forgiveness amount, and anticipated remaining principal loan balance.

The calculation tool was downloadable from

WBA's website and was also posted on the association's bank customer-facing coronavirus resource center: [www.wisbank.com/COVID-19](http://www.wisbank.com/COVID-19).

FIPCO also shared this tool with the Wisconsin State Legislature and it was discussed during a key legislative hearing (*see p. 1*). In addition, WBA shared the tool with WBA Associate Members and other state banking associations who are helping their clients and members navigate the PPP loan waters.

» Visit [www.fipco.com/alert/remotework](http://www.fipco.com/alert/remotework) for more information and resources.



**FIPCO IS HERE TO HELP.**

**Deferral Agreement Forms**  
**FastApp Online**  
**Loan Processing Central**



fipcosales@fipco.com

800-722-3498

[www.FIPCO.com](http://www.FIPCO.com)

## New Offering From FIPCO: PPE Masks

As our state and nation begin to emerge from the COVID-19 pandemic, banks should start their reopening planning process including PPE for employees. FIPCO now offers two mask options available for purchase:

### » KN95 Mask:

This reusable mask is eco-friendly and protects from viruses, dust, pollution, and allergens.



### » Non-Medical Use Personal Protection Face Mask:

This disposable mask is FDA registered and features three layers of protection. It is

lightweight and comfortable with an elastic ear-loop and built-in metal adjustable nose bridge for a better fit.



Learn more about these facemasks or purchase at [www.fipco.com/news/masks](http://www.fipco.com/news/masks). Questions? Contact FIPCO by email at [order@fipco.com](mailto:order@fipco.com) or call 800-722-3498, ext 222.

# Why You Must Join the Next Generation: NGAV

## *Next generation antivirus benefits*

By Ken Shaurette

**Next generation antivirus** (NGAV) differs from the **traditional antivirus** solutions we've been using for years by incorporating many additional controls, functions, and features. NGAV has the ability to learn behavior at the endpoints. They identify anomalous behavior without any download or matching to virus signature database. Advance to an Autonomous Breach Protection solution with managed detection and response (MDR) that covers your users, hosts, files, and network.

Traditional antivirus has lost its effectiveness as operating systems, software, computer networks, and digital threats have become more sophisticated. The rapid growth in the number of threats is continuous and includes new malware and creative variations, which makes traditional signature-based approaches ineffective.

The 2020 pandemic has made us rethink many things about how our companies do business. It has instilled the need for a closer look at the kinds of attacks occurring across the world. Modern attacks possess a considerable threat to organizations that do not have advanced protection in place (*pie chart, above*):

While 21% of emails featured simplistic attacks (a link to a malicious executable), most include advanced capabilities such as malicious macros and exploits or redirection to malicious websites – a challenge met easily with an Autonomous Breach Protection solution.

Taking a close look at how these attacks would be blocked by appropriate enhanced controls

verifies that they should be regarded as a serious risk potential (*bar chart, below*):

This graphic of Attack Blocking Methods illustrates that only around 10% would be blocked by traditional antivirus solutions, using the old signature-based architecture.

into attack visualizations that power Autonomous Breach Protection.

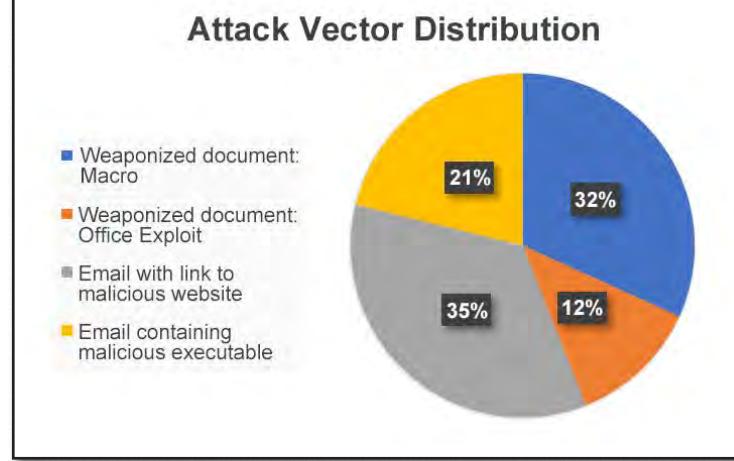
EDR can help discover even the most minute changes in files, registries, and networks. Being able to do that helps uncover malicious activity hidden in

» Contact FIPCO's **Ken Shaurette** at 800-722-3498, ext. 251 or [itserices@fipco.com](mailto:itserices@fipco.com) to learn more about these services.

tactics, techniques, and procedures (TTPs) used by the bad guys today to breach organizations, including traditional malware, zero-day attacks and even advanced malware-free or file-less attacks.

### **Replace Outdated Antivirus**

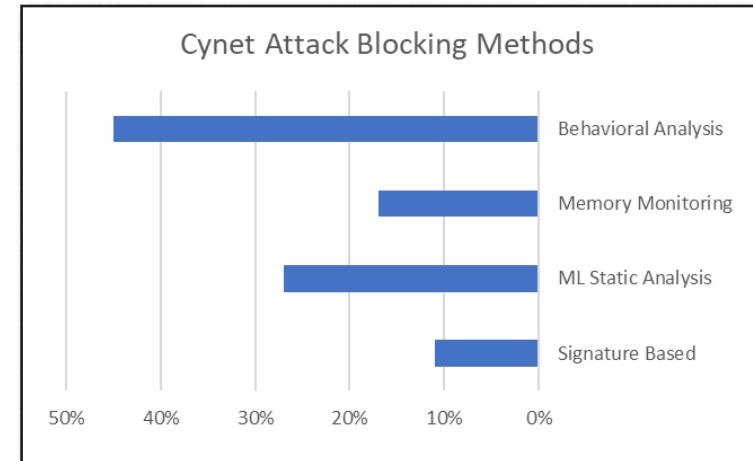
Organizations gain an unprecedented level of visibility into attempted attacks with ability to easily search for the forensics of the attack and have a fully managed detection and response team



### **EDR (Endpoint Detection and Response): Autonomous Breach Protection**

Gartner's 2017 Market Guide for Endpoint Detection and Response Solutions considers endpoint detection and response (EDR) as a basic security capability, part of what should be considered the foundation of any solution. Autonomous Breach Protection more accurately identifies suspicious and unauthorized activities, preventing the behaviors outright and enabling more proactive response and remediation to advanced malicious threats than ever before.

To help NGAV solutions identify threats that slip past traditional AV, EDR/MDR provides a holistic approach to data collection, which in turn powers machine learning, predictive analytics, and behavior monitoring, showing a complete picture of the environment. Together, these technologies help companies to monitor events and identify patterns that may be suspicious, turning them



plain sight. With that insight EDR helps responders contain the identified threats and block emerging, never-seen-before attacks that will often otherwise slip through most NGAV solutions.

So what exactly are some differences that you gain with NGAV?

- » **No signatures**
- » **No weekly updates**
- » **No recurring scans**
- » **No performance overhead**

NGAV solutions that are most effective will use innovative technologies to prevent the rapidly changing

backing them. This provides the details and context necessary to offer Autonomous Breach Protection, see what's happening on the endpoint, and know how to remediate.

Is now a good time to replace your traditional AV? Call or email FIPCO's **Ken Shaurette** at 800-722-3498, ext. 251 or [itserices@fipco.com](mailto:itserices@fipco.com) today to take advantage of these services and ensure the safety and soundness of your business.

*Shaurette* is FIPCO director – information security and audit.

# Marketing's Critical Role in Times of Crisis

## *Observations learned from the Coronavirus Pandemic*

By Lauren Ruff

By the time you read this, most of us will have spent upwards of four months dealing with the coronavirus pandemic and all its repercussions. As a marketing professional, I have taken this opportunity to reflect on some of the things that have worked well and some that need improvement.

### » Recognizing the Crisis.

Once a developing situation has been recognized, it is important, as expert **Janet Balis** stated in a recent *Harvard Business Review* article, for “marketers...to [continue] building deeper connections with their C-suite colleagues to provide insights to executives who, increasingly, will be involved with marketing choices.



### Strategic Connections

Lauren Ruff

» During times of upheaval it usually is not the time to try to market or sell, but rather an opportunity to reinforce the values that define your organization.

The marketing team should work closely with finance and operations to forecast different scenarios and potential outcomes, depending on how long the crisis lasts.” Marketers will need to be directly involved in leadership’s plans for addressing the impending crisis.

### » Pivot Quickly.

As observed throughout this current national crisis, the marketing team must be nimble in transitioning away from long-planned

campaigns and projects and adjust in real time. Make sure product information is up-to-date across all channels and communications to ensure you’re striking the right tone. Additionally, social listening will help develop effective response strategies, strengthen community connections, and build trust. Being agile in a pending crisis environment is important. Once you have understood something needs

### Further Reading:

- » Janet Balis, *Brand Marketing Through the Coronavirus Crisis*, Harvard Business Review
- » Warren Marenco Chase, *Creativity Amid Crisis: How Marketers Can Navigate Outbreaks and Uncertainties*, American Marketing Association
- » Jennifer Davis, *7 Habits Of Successful Crisis Management: Aligning Sales And Marketing In The Storm*, Forbes

to be done, do it quickly. If a problem or action is new, and hasn’t been encountered before, waiting for the experts might be too late.

(continued on p. 27)

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## *Association Update*

# New Digital Portal for HR Insurance Workflows

*EBC partners with Iowa Bankers Association to provide added value*

By Darryl J. Lund

Later this year, EBC/WBA Trust bank customers will get to enjoy a brand-new, online system for streamlined insurance and human resources tasks. The online portal, accessible for WBA EBC members through a partnership with the Iowa Bankers Insurance and Services, will provide member banks with enhanced service, better transparency on costs and expenses, member driven control of enrollment/changes as well as the ability to better control administrative costs in the future.



### Association Update

Darryl J. Lund



Wisconsin Bankers Association

EMPLOYEE BENEFITS CORPORATION, INC

[www.wisbankins.com](http://www.wisbankins.com)

The **WBA EBC Benefits Trust HR Portal**, which will be found at [www.wisbankins.com](http://www.wisbankins.com), is a gateway to online enrollment, invoice tools, an employee management system (for onboarding, editing, and terminating), document management (renewal paperwork, SPDs, SBCs), payments via ACH, employee

self-service, group system billing, and more!

This transition to an online system will benefit WBA EBC's customers by facilitating fast, smooth, and consistent workflows to save you time and money. Bank human resources professionals will now have more time to devote to the strategic

initiatives that drive your institution's bottom line (ex: internal training programs, robust recruitment strategies, etc.), rather than to filing and documenting.

To learn more about the new platform, please contact:

**Brian Siegenthaler:**  
[bsiegenthaler@wisbank.com](mailto:bsiegenthaler@wisbank.com),  
 608-441-1211

**Kathy Gallagher:**  
[kgallagher@wisbank.com](mailto:kgallagher@wisbank.com),  
 608-441-1247

**Racheale Ward:** [rward@wisbank.com](mailto:rward@wisbank.com), 608-441-1247

*Lund is WBA executive vice president – chief of staff and president of EBC and MBIS.*

## Assembly Hearing

(continued from p. 1)

Wisconsin Manufacturers and Commerce (WMC), walked the committee members through the details of the Back to Business plan and why the WMC and many of its business members feel reopening prior to May 26 is imperative. Manley said that Wisconsin has successfully “flattened the curve,” so now is the time to begin reopening. In fact, according to WMC, four of the seven regions of the state (divided by healthcare readiness) have more hospitals than infected patients.

The Back to Business plan would require all businesses to use a formula to determine their risk level, which would prescribe the mitigation requirements (such as social distancing, frequent cleaning/disinfection, PPE requirements for workers, etc.) that specific business would need to observe in order to open. Manley concluded by requesting legislative support for the plan from the committee. “We think the Back to Business plan represents the best

model for safely reopening our economy and giving people a chance to rescue their livelihoods and their businesses,” he said. “It’s tactical and provides businesses with very specific steps they can take to protect their employees and their customers.”

In response to a question about why the plan does not contain information about testing and contact tracing, Manley said those are the “blocking and tackling” of a good response to a pandemic, and that WMC sees the Back to Business plan “working in conjunction with the efforts that the Governor Evers Administration is putting in place.”

The committee then heard from several business owners, including **Tim Metcalfe** of Metcalfe’s Market, **Troy Berg** of Dane Manufacturing, and **Mike Nikolai** of Waupaca Foundry. Each of them told the committee how the virus and closures have impacted their operations and explained what steps they’ve taken to protect their employees and customers.

Next, Secretary-Designee of the Wisconsin Economic

Development Corporation **Missy Hughes** opened her remarks by emphasizing the points of agreement about reopening Wisconsin: that public health is important, this will be a phased approach, and data is essential. She also emphasized the speed at which this virus has upended life and business. In her remarks and in answering questions from the committee, Hughes complimented Wisconsin’s banks and credit unions on their dedication. “Wisconsin has punched above its class” with regard to PPP loans, she said, “a testament to community banks and credit unions working tirelessly to process applications on behalf of their borrowers.” Hughes answered several questions from the committee, particularly related to the decision-making process and criteria for designating businesses as “essential” or “non-essential.”

Over the next few hours, committee members heard stories and perspectives from restaurant and tavern owners, farmers and dairy operators,

hotels, a salon sole-proprietor, a doctor, and a UW economist. Each business sector explained the impact the coronavirus shutdown has had on their industry, discussed their specific needs during a phased reopening, and urged lawmakers to act quickly to provide certainty for employers.

Representatives from the Wisconsin Restaurant Association: **Joanne Palzkill** (Draganetti’s Ristorante in Altoona), **Bob Prosser** (Ishnala in Wisconsin Dells), and **Kristine Hillmer**, association president and CEO all emphasized the thin margins restaurants run under and the pressure owners and operators feel to take care of their employees, both with regard to their health and their financial wellness. They also told the committee that the PPP is designed for businesses that can operate at full capacity, leaving restaurants to fend for themselves. Hillmer called COVID-19 an “extinction-level event” and requested the legislature consider

(continued on p. 26)

## Assembly Hearing

(continued from p. 25)

treating different parts of the state differently. The WRA estimates if closures go on long-term (past May 26), 50% of the restaurants in the state could close forever.

From the Tavern League of Wisconsin, president **Chris Marsicano** and director of government affairs **Scott Stenger** urged the committee to take action to address their members' dire need. "The real tell [of the impact due to extended closures] will be in November and December, when the businesses who didn't make enough money over a slow summer will close in droves," said Marsicano. "We'll lose a third to half of our members."

From the Wisconsin Dairy Alliance, **Grant Grinstead** (Vir-Clar Farms in Fond du Lac), told the committee that after several years of tough challenges, *this year* was the year the industry was going to get ahead. COVID-19 changed that. He explained that approximately 90% of milk from Wisconsin goes to make cheese, and over half of that cheese is sold to restaurants and other food service. So, that ecosystem being closed is devastating to the dairy operations of the state. "A fair price that comes from a healthy economy is what is needed here in Wisconsin," he said. "We need to get our state moving again, in the right direction, to save us all. We need your support more than ever." **Jim Ostrom** (Milk Source, LLC, Kaukauna) and **Kim Kroll** (Gaedtke Rolling Hills Dairy Farm, Luxemburg) also provided perspective from the ag sector.

From the Wisconsin Hotel and Lodging Association, Interim CEO **Trisha Pugal** and **Greg Stillman** (association chair and president of Foremost Management

Services in Fish Creek) informed the committee of the devastating impact on the lodging industry, a sector that has felt the impact of the pandemic longer than most, they said.

Next, **Donna Fowler** (New Creations Salon, Lodi) gave the perspective of a sole proprietor. As of the hearing, she had not received any of the aid money she had applied for (or even whether she qualifies for some of it). Then, former representative **Dr. Erik Severson** (Osceola) gave his perspective as a physician in a more rural portion of the state. He said his hospital's revenue and patient capacity has been down to as low as 40% and informed the committee that one of the largest hurdles for healthcare providers is the lack of materials to do more testing.

Finally, after over six hours of testimony, Oswald Poels was recognized by Swearingen and took the floor. In her remarks about PPP, she emphasized the dedication of Wisconsin's banks to their communities, even amid uncertainty. "I am so proud of how quickly Wisconsin financial institutions jumped into this program to help customers despite the rules not being fully written and continually evolving even to this day," she said. "And because the volume of lenders across the country participating in this program was so high, our bankers worked late nights and over weekends to ensure that small businesses in Wisconsin could participate in this program because the systems were open virtually 24/7." Oswald Poels informed the committee that over 43,000 Wisconsin businesses received PPP loans in the first round.

Discussing current and future challenges related to PPP, Oswald Poels explained that loan forgiveness is a primary concern. "At this

point, many of the outstanding issues are focused on the forgiveness phase of the program," she said. In addition, Oswald Poels provided the committee with the [PPP Loan Forgiveness Guide and Forgiveness Calculation Tool](#) from FIPCO.

Oswald Poels then fielded several questions from committee members. She provided detailed responses to multiple technical questions regarding the forgiveness requirements for PPP loans. When asked what one of the biggest issues with PPP is, she explained: "Once Congress tied the 8-week period to the 10-day disbursement, that placed non-essential businesses at a disadvantage in any state with a stay at home order."

Another question was whether the banking industry has seen a spike in foreclosures and bankruptcies. Oswald Poels explained that those proceedings have been stayed for the time being. "As we open things up more, we'll see the economic impact of this is very long-term, just like the health impact," she said. "That will be a great question six or nine months from now."

"Banks are the cornerstones of their communities, driving Wisconsin's economy," Oswald Poels told the committee as she concluded her testimony. "The trusted advisor role our bankers serve for their customers has never been more important than it is now to help ensure their financial wellbeing through this health crisis."

**Noah Williams**, an economist with UW-Madison, was the last to testify. As the author of a [special report on the impact of COVID-19](#), he provided the committee with an economic perspective on the impact of the state-at-home order. "We need to weigh both the economic consequences and the health consequences," he said, emphasizing that the

### Serving on the Assembly Committee on State Affairs for the 2019-2020 Legislative Session:

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- » Vice-Chair: Rep. **Gary Tauchen** (R-Bonduel)
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- » Rep. **David Crowley** (D-Milwaukee)
- » Rep. **Shelia Stubbs** (D-Madison)
- » Rep. **Marisabel Cabrera** (D-Milwaukee)

impact of the pandemic varies in different regions of the state. The UW Center for Research on the Wisconsin Economy (CROWE) estimates the COVID-19 pandemic is costing the state roughly \$1.7 billion in economic activity per week. "This is unprecedented both in scale and in the speed of the decline," Williams said.

Read this article online and view the hearing at [www.wisbank.com/articles/2020/05/wba-offers-perspective-expertise-to-assembly-committee-informational-hearing-about-reopening-wi](http://www.wisbank.com/articles/2020/05/wba-offers-perspective-expertise-to-assembly-committee-informational-hearing-about-reopening-wi).

*Seitz* is WBA operations manager and senior writer.





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