

Issues & Answers



July 2022

Financial Literacy – A Critical Skill in Challenging Times

In This Issue

- Page 1** President's Message
- Page 3** WBA Upcoming Programs
- Page 4** 2022 Legislative Roundtable Schedule
Events Calendar
Industry News
- Page 5** WBA Member News
- Page 7** Washington Court of Appeals Clarifies the Statute of Limitations Under the SCRA
- Page 8** Cultivating Financial Institution Loyalty with Gen Z
- Page 9** Prevention is the Key to Stopping Elder Financial Exploitation & Fraud



By Glen Simecek, President and CEO, Washington Bankers Association

"There's a big difference between being able to pay for something and being able to afford it."

That simple sentence contains some of the best financial advice I

have ever received. It's a message I've tried to deliver to elected officials – with mixed results – over the years.

But on a more personal level, it's a maxim I've shared with family, friends, and colleagues who were considering buying a house or car they clearly couldn't afford to maintain or were tempted to purchase some luxury item by spreading its costs over several credit cards.

That's the way financial literacy works. Understanding some straightforward but vitally essential concepts and then applying them to

take advantage of economic opportunities and avoid potentially costly pitfalls.

It's knowledge that's never been more critical than it is right now.

The public can be forgiven if they appear unsure about what they should be doing to preserve and protect their financial security. They're hearing that stocks, seemingly on an inevitable upward trend over the past decade, are suddenly in free-fall. To many, this bear market feels fundamentally different than the relatively short-term drop the market experienced in the early days of the pandemic.

Similarly, after years of low inflation rates, prices have risen faster than in more than four decades, as the cost of groceries, fuel, and other necessities continue to climb. In June, the Fed announced its most significant interest rate hike in nearly 30 years, making housing, cars, and other durable goods even more

Continued on page 2



Issues & Answers – July 2022

The official publication of the Washington Bankers Association is sponsored by Vericast and WBA Professional Services.

WBA Staff

Glen Simecek, President & CEO
(206) 447-1700,
glen@wabankers.com

Duncan Taylor, SVP, Programs & Member Services
(206) 344-3492,
duncan@wabankers.com

Kyle Hayden, Controller
(206) 344-3476,
kyle@wabankers.com

Katherine Nyerick, Director of Education
(206) 344-3484,
katherine@wabankers.com

Sherry Krainick, Operations & Education Manager
(206) 447-1700,
sherry@wabankers.com

Megan Managan, Director of Communications & Government Relations
(206) 344-3472,
megan@wabankers.com

2021-2022 Board of Directors

Chair: Joe Kiley, President & CEO, First Financial Northwest Bank

ABA GR Committee Representative: Mark Mason, Chairman, President & CEO, HomeStreet Bank

Immediate Past Chair: Jon Jones, CEO, Washington Business Bank

Secretary/Treasurer: Brent Beardall, President & CEO, WaFd Bank

Education Committee Chair: Matt Deines, President & CEO, First Federal

WBA PROS Chair: Ken Johnson, EVP/Operations, Banner Bank

ABA Community Bank Council Rep: Eric Pearson, President & CEO, Community First Bank

Directors

Jay Coleman, SVP & Regional Credit Officer, KeyBank

Jack Heath, President & COO, Washington Trust Bank

Susan Horton, Chairman, President & CEO, Wheatland Bank

Bryan McDonald, President & COO, Heritage Bank

Brian Mulvaney, Market President, Union Bank

Greg Oakes, President & CEO, Cashmere Valley Bank

Gail Rasmussen, Commercial Banking Cross Segment Leader, Wells Fargo

Kerri Schroeder, President - Seattle, Bank of America

Laurie Stewart, President & CEO, Sound Community Bank

Clint Stein, President & CEO, Columbia Bank

Dave Swartley, SVP/Managing Director State Government Relations, U.S. Bank

Contact Us

Contact the Washington Bankers Association at 601 Union Street, Suite 1720, Seattle, WA 98101

Call us at (206) 447-1700 and visit us on the web at www.wabankers.com.

Connect With Us

Connect with the WBA online by following us on our social media accounts.

On the Cover

Spring wheat is ready for harvest in front of the Welcome to Walla Walla sign.

Photo courtesy of Flickr by Jason Lacey.

Continued from page 1

expensive. Given the current rate environment, those who chased the lowest possible rates via adjustable mortgages will soon be rethinking their decisions. In contrast, those who locked in slightly higher but still have great rates are more likely to sigh relief.

Meanwhile, economists debate whether we are – or soon will be – in the throes of a recession. As these experts argue, consumers experience unpredictable empty spaces on store shelves and erratic operating hours at short-staffed local businesses. News reports of low unemployment rates and the plethora of signs advertising job openings would seem to indicate a growing, rather than contracting, economy.

So, who does someone looking to sort out all these mixed signals turn to for advice? To their local banker.

WBA member bankers are on the front lines in helping customers, whether individual families or small businesses, understand their financial position and make the best decision for their future. Whether it's assisting in processing a PPP loan to help preserve local jobs or determining the best way for parents to pay for their children's education, bankers are a trusted source of financial education and advice. It's our job.

That job is made exponentially easier when customers have a basic understanding of some fundamental financial terminology and concepts – the relationship between risk and return and how compound interest works, for instance – and can apply them to practical matters like budgeting.

That's why WBA has been a consistent and vocal supporter of financial literacy programs in Washington schools. We have been active participants in the Financial Education Public Private Partnership (FEPPP). And why we continue to work with Financial Beginnings, a respected national non-profit organization that provides free financial education classes to students of all ages, from K-12 through senior citizens. Their offerings cover various money management topics, from budgeting to credit to investments.

Not everyone is a fan of financial literacy education. Some critics say schools have too many other priorities, whether teaching core subjects like math and language arts or providing counseling and meals to an increasingly diverse student population. Others argue that financial literacy lessons learned in the classroom do not directly lead to more responsible behavior years later when those students become adults. (Never mind that some studies do show a causal link.)

The bottom line is that I don't agree with these criticisms and don't think our members agree. For success in today's world, financial literacy is a basic skill such as the ability to do math, write a clear sentence, or operate a computer.

So we as bankers must continue delivering financial education wherever and however we can because we can't afford not to.

Follow Us!



Facebook.com/
WaBankers



@WaBankers
@BankersCare



LinkedIn.com/
Washington-Bankers-
Association

Hear from Drew Bledsoe During Emerging Leaders & Executive Series This October

This fall, WBA invites you to join us for an evening of conversation with former NFL quarterback and award-winning wine-maker Drew Bledsoe.

In October, the WBA's Emerging Leaders Committee is hosting its first **Emerging Leaders & Executive Series**, featuring a conversation with Bledsoe about his career, leadership, and what you can learn from his journey, blazing a trail into a new career and industry.

Join us on October 25 in Spokane at the Historic Davenport Hotel or on October 27 at Cedarbrook Lodge in Seattle from 4-7 p.m. for networking, wine, and a chance to learn from Bledsoe.

Before October, WBA offers a line-up of events guaranteed to provide new learning and networking opportunities.

On August 23, WBA will host the **FDIC's Community Banker Workshop**, a one-day event focused on helping executives and their teams stay on top of the latest issues in the industry.

The event will be held at the Washington Athletic Club in Seattle, focusing on cybersecurity, technology innovations, and lessons learned from the pandemic. It will also include a local economic update by the FDIC's Division of Insurance and Research.

Registration is also open for this fall's **Virtual Credit Analyst Development Program** beginning in September and the **Retail Branch Manager Development Program** in October.

Also, in September, WBA is co-sponsoring the On-

Course Learning and Center for Financial Training **Bank Trainers Conference** and Expo in Dallas, Texas.

The event, held September 26-28, focuses on everything bank trainers need to know about the current environment. The event brings together trainers from financial institutions across the country.

On October 6, WBA is launching its newest program, a virtual cybersecurity tabletop exercise run by NUARI, a nationally recognized leader in cybersecurity. The event is open to any financial institution doing business

in Washington state and includes unlimited virtual registration.

Attendees will be given a scenario and guided through the exercise while testing their procedure and protocols in real-time. The training is designed to help institutions gain valuable insight into their processes and test planned responses.

The **2022 Women in Banking Conference** is back in person on October 28 at the Seattle Renaissance Hotel in downtown Seattle. Lisa Fain, CEO of the Center for Mentoring Excellence, will keynote the event with an interactive session on ways to build inclusive mentoring programs. The agenda includes a closing session with Sherry Winn, a two-time Olympian, basketball coach, and author, on how to unleash your inner winner.

Please visit the WBA website at www.wabankers.com for more information about registration for our upcoming programs.



WOMEN IN BANKING

Conference

OCTOBER 28, 2022 RENAISSANCE SEATTLE HOTEL

Register online at www.wabankers.com/wib



Registration Now Open for 2022 Legislative Roundtables



In September, the WBA will again be hosting our Legislative Roundtables in person at locations around the state.

During each event, WBA's Advocacy team, including lobbyists Trent House and Carrie Tellefson, will review the 2022 legislative session, look ahead to what's in store for 2023, the election, and spotlight local issues of interest.

Following the legislative briefing, local lawmakers will join the group for a luncheon, where bankers are encouraged to share what they are working on and trends in the community and learn more about getting involved with WBA's advocacy work.

Each event begins at 10:45 a.m. with lunch at noon and will adjourn by 1:30 p.m.

This year, to help with rising costs, each lunch is \$35 per banker.

2022 Legislative Roundtable Schedule

September 7 – Tacoma, *Heritage Bank Ops Center*

September 8 – Bellevue, *Westin Bellevue*

September 12 – Spokane, *Washington Trust Bank*

September 13 – Kennewick, *SpringHill Suites*

September 20 – Vancouver, *Vancouver Hilton*

September 21 – Mt. Vernon, *Skagit Valley Convention Center*

September 22 – Seattle, *Washington Athletic Club*

To learn more or to register for a Roundtable, please contact Megan Mangan at megan@wabankers.com.

Events Calendar

August 23 – FDIC Community Bankers Workshop

September 15 – Virtual Credit Analyst Development Program

September 26 – Bank Trainers Conference; Dallas

October 6 – NUARI Virtual Cyber Tabletop Exercise

October 12 – Retail Branch Manager Development Program

October 25 – Emerging Leaders & Executive Series, Historic Davenport Hotel, Spokane

October 27 – Emerging Leaders & Executive Series, Cedarbrook Lodge, Seattle

October 28 – Women in Banking Conference, Seattle Renaissance Hotel

To register or to learn more about any of the listed events, please visit www.wabankers.com/calendar.

Industry News

New Hires

Curt Queyrouze
President, Coastal Community Bank

Anthony Galvan
Commercial Relationship Manager at 1st Security Bank of Washington

Susan Dumontet
Director of Finance at 1st Security Bank of Washington

Jeff Ketelhut
Executive Vice President and Bank Secrecy Act Officer at Coastal Community Bank

CaSandra Sargent
Assistant Vice President and Retail Relationship Manager at First Financial Northwest Bank

Stephanie Streitler
Vice President and District Branch Manager at Peoples Bank

Deborah Quinton
Vice President and Branch Manager at 1st Security Bank of Washington

Promotions

Shelia Dennison
Assistant Branch Manager at Liberty Bank

Danielle Hampton
Loan Coordinator Lead at Liberty Bank

Galina Georgieva
Vice President and Relationship Manager at Liberty Bank

Matt Ravagni
Loan Servicing Specialist II at Liberty Bank

Ken Jackson
Vice President and Branch Manager at 1st Security Bank of Washington

Christopher Riffle
Chief Digital Officer at First Fed Bank

Board of Directors

Merritt Long
Olympia Federal Savings

Rachelle Nelson
United Bankers' Bank

Retirements

Lori Drummond
Olympia Federal Savings

Ken Johnson
Banner Bank

Linda Underwood
U.S. Bank

Have Industry News to share with WBA? Email megan@wabankers.com or call (206) 344-3472.

First Interstate Bank Sponsors Nordstrom Beat the Bridge to Beat Diabetes Event

Earlier this spring, the First Interstate Branch in Seattle sponsored the 40th annual Nordstrom Beat the Bridge to Beat Diabetes.

The branch was a silver-level sponsor and helped raise \$950 toward preventing Type 1 diabetes.

The First Interstate team members who participated were Jenn Gladish, Sara Patteson, and Thomas Bell.



unteers throughout the city and participating in 125 events.

The Chase team packaged almost 5,000 pounds of oats to be distributed to other local food banks and organizations.

1st Security Bank of Washington Donates to Pennies for Quarters



1st Security Bank of Washington announced a \$2,500 donation to Pennies for Quarters, which will help build a community of tiny homes for homeless veterans.

The funding will provide transitional shelter, resources, and social services.

U.S. Bank Participates in One Love Foundation Walk



In May, U.S. Bank Seattle team members participated in the One Love Foundation #MoveForLove 5k walk and run at Lumen Field.

One Love Foundation is a national non-profit to end relationship abuse.

Kitsap Bank Volunteers with Habitat For Humanity



This spring, members of the Kitsap Bank volunteered with Habitat for Humanity, working on a local house project in the community.

Chase Seattle Team Volunteers at Food Lifeline

Member of the JPMorgan Chase & Co. Seattle team volunteered for Food Lifeline as part of the One Seattle Day of Service.

Kelli Miller and the team of branch managers from throughout the area participated, joining over 4,000 vol-



KeyBank Issues ESG Report

Earlier this year, KeyCorp, the parent company of KeyBank, issued its 2021 Environmental, Social, and Governance Report, featuring new climate stewardship and DEI commitments.

Since 2017, the bank has invested more than \$2.6 billion in the greater Seattle area, including over \$1.4 billion in affordable housing and community development projects, over \$349 million in small business loans to businesses in low-to-moderate income communities, and more than \$809 million in mortgage lending and more than \$4.9 million in transformational philanthropic investments in neighborhoods.

“At Key, being a responsible corporate citizen is central to who we are and how we do business. We are committed to delivering value for all stakeholders by focusing on our purpose – to help our clients, colleagues, and communities thrive,” said Chris Gorman, KeyCorp’s Chairman, and CEO.



Columbia Bank Supports Relay for Life at Tacoma Event

Columbia Bank participated in the local Relay for a Life event in May by sponsoring a team.

The group participated in the Tacoma event, which supported the American Cancer Society's Road to Recovery program.

BankWork\$ Celebrates Two Graduations in May



In May, both BankWork\$ programs in Washington state celebrated with graduations.

The Career Path Services program hosted a celebration of their students on May 26, featuring the 13 students who were a part of the 13 cohorts for the program.

The YWCA Seattle | King | Snohomish program hosted graduation on May 27, featuring 16 graduates.

The program includes 8-weeks of training to prepare people for careers in the banking industry.

First Fed Community Foundation Announces Spring 2022 Grants

This spring, the First Fed Community Foundation announced the recipients of its spring grants, providing \$400,000 in funding to local non-profits.

The grants were given to 17 non-profits in Clallam, Jefferson, Kitsap, and Whatcom counties.

"Having received 44 applications totaling more than \$1.6 million in funding requests, and with great need in our communities, the awards process was challenging," said Norman J. Tonina, president of the foundation's board. "As our communities are still recovering from the toll of COVID, the foundation focused its giving on supporting youth, veterans, families, and the uninsured in the face of devastating health and financial impacts of the pandemic."

Grants ranged from \$50,000 to \$5,000, and since the foundation began making grants in 2015, it has given over \$5.7 million to benefit low-to-moderate income, disadvantaged, and marginalized persons or families.

Commencement Bank Supports Empowering Youth Tacoma Event

Commencement Bank recently participated in the 10th annual Empowering Youth Tacoma event.

Nigel English, the bank's president and chief operating office, and Rebecca Williamson, human resources manager, celebrated the graduating class of 2022.

The organization's mission is to get students on the road to college access, completion, and forge brighter futures.



1st Security Bank of Washington Supports Lincoln High School Golf Team

1st Security Bank of Washington supported the Lincoln High School Lynx golf team, helping the team raise over \$11,000.

The funds will help students get gear, uniforms, tournament fees, lessons, and more.

The team members, alumni, and golf supporters participated in the 1st Annual Lynx on the Links tournament.

First Financial Northwest Bank Supports Local Charities During Dress Down for Charity



First Financial Northwest Bank's Dress Down for Charity allows bank employees to donate to a local organization or non-profit for the option of "dressing down."

This spring, the bank supported In Concert for Cancer with a \$2,500 donation, thanks to donations from across the bank's branches.

The bank also supported Cougar Mountain Zoo with a donation of \$1,156 as part of the dress-down event.



Chase Supports Personal Finance Reality Fair at Stanwood High School

Josh Kampa, community manager at JPMorgan Chase, recently volunteered at Stanwood High School's Personal Finance Reality Fair.

Students were given a budget and had to make choices

Washington Court of Appeals Clarifies the Statute of Limitations Under the SCRA

By Joseph T. McCormick, Associate, Wright, Finlay & Zak

On January 18, 2022, the Washington Division I Court of Appeals rendered a published opinion on the ever-changing matter of Washington's statute of limitations regarding foreclosures of deeds of trust. *Copper Creek (Marysville) Homeowners Ass'n v. Kurtz*, 2022 Wash. App. LEXIS 58, 2022 WL 152492 (Ct. App. Jan. 18, 2022). The Court reversed a decree quieting title on the basis of a putatively time-barred debt secured by a Deed of Trust, finding that because the entire loan balance had not been accelerated, the lender was permitted to foreclose on any unpaid installments that were not yet time-barred. As part of its ruling, the Court considered the impact of the Servicemembers Civil Relief Act ("SCRA") on tolling the statute of limitations on the DOT within the context of Washington law.

As foreclosures resume following the end of COVID-19-related holds, it is important for creditors to know both the extent to which their rights and remedies have been protected during these holds, as well as the limits of those protections.

The SCRA Overall as Applied to Foreclosure

The SCRA at 50 USC § 3911 et seq provides protection for servicemembers in multiple key ways:

1. 50 USC § 3911 prevents the entry of a default or a default judgment against an active-duty servicemember and/or their dependents where that person has not made an appearance in a given case.
2. 50 USC § 3932 stays all proceedings where a service member has notice of the case, in any civil action in which a plaintiff or a defendant is in the military or is within 90 days of termination or release from military service and has notice of the proceedings.
3. If the servicemember so requests, the court is required to stay the proceedings for a minimum of 90 days if the servicemember shows their duty requirements would materially affect their ability to appear and participate in the case. Additionally, the service member may apply for a longer stay based on the material effect of military duty on the servicemember's ability to appear.
4. 50 USC § 3934 further provides for a stay of execution of judgments, attachments, and garnishments concerning interests held by the servicemember.
5. Finally, 50 USC § 3936 provides that the statutes of limitations for bringing any action or proceeding (except for proceedings under the US internal revenue code) are tolled during the time of a servicemember's active duty military service, meaning that the period of the member's active duty service cannot be included in computing the period by which an action or proceeding must be brought.

The Court in *Copper Creek* found that, because the borrower had been on active duty military service, the statute of limitations within which to foreclose on his property was

tolled during the entire period of his military service until the time when his interest in the property being foreclosed was terminated. Accordingly, it was not correct to have included the period of his military service in calculating the statute of limitations to enforce the debt. *Copper Creek (Marysville) Homeowners Ass'n v. Kurtz*, 2022 Wash. App. LEXIS 58, at *10 (Ct. App. Jan. 18, 2022).



WRIGHT FINLAY & ZAK^{LLP}
ATTORNEYS AT LAW

Washington on the SCRA and Statute of Limitations to foreclose

In addition to the federal provisions, many states have additional measures and protections in place concerning active duty servicemembers, which lenders should keep in mind to avoid liability for taking unauthorized action against active duty servicemembers.

Washington's statute of limitations for actions on a contract is six years. RCW 4.16.040. The statute of limitations on an installment contract runs from the date that each installment comes due, until the loan is fully matured, or the maturity date is advanced through acceleration. *Edmundson v. Bank of Am., NA*, 194 Wn. App. 920, 931 (2016); *4518 S. 256th, LLC v. Karen L. Gibbon, PS*, 195 Wn. App. 423, 435 (Wash. 2016).

Certain events can toll the statute of limitations. Washington statute RCW 4.16.230 provides:

When the commencement of an action is stayed by injunction or a statutory prohibition, the time of the continuance of the injunction or prohibition shall not be a part of the time limited for the commencement of the action.

The SCRA provides for tolling of the statute of limitations on actions against active duty servicemembers. In *Copper Creek*, the trial court had ruled that the SCRA tolling provision did not apply to the foreclosure action itself. The Court of Appeals reversed on the basis that 50 USC

§ 3936(a) specifically provided otherwise. Moreover, in a footnote, the Court noted that Washington's equivalent statute RCW 38.42.090(1) stated,

RCW 38.42.090(1). The period of a service member's military service may not be included in computing any period limited by law, rule, or order, for the bringing of any action or proceeding in a court ... by or against the service member or the service member's dependents, heirs, executors, administrators, or assigns.

Because the SCRA applied, it tolled the statute of limitations for the entire period that the borrower was on active duty military service until he no longer had personal liability on the note through a bankruptcy discharge. *Copper Creek (Marysville) Homeowners Ass'n v. Kurtz*, 2022 Wash. App. LEXIS 58, at *23 (Ct. App. Jan. 18, 2022).

The SCRA, as well as Washington's equivalent statute, protect active duty servicemembers by staying actions against those servicemembers. Those protections are backed

Continued on page 11

Cultivating Financial Institution Loyalty With Gen Z



By Lisa Nicholas, Vice President, Strategy, Financial Services, Harland Clarke

Gen Z drives 14 times greater dollar opportunity than other generations. So reaching and solidifying a relationship with this generation represents a critical investment for financial institutions.

The 18–24 sub-group of Gen Z is particularly important. These young consumers are more independent and many are no longer on their parents’ “payroll” for the first time. They are being launched into the real world of working, budgeting and responsible spending. It’s a stage of life that is critical for establishing good financial habits so this generation will benefit from help on topics like managing college expenses, selecting an apartment and starting a new job.

Gen Z Demands a Real Financial Education

Older Gen Z consumers have reported seeking help in understanding financial products and best practices but they find most of the available financial literacy education to be lacking.

- According to The Financial Brand (citing an Experian study), only 19% of recent graduates feel they have a good understanding of credit, and about two-thirds say they did not receive any education on personal finance in school.
- Gen Z is prioritizing their finances. Almost half (47%) of Gen Z respondents want to enhance their credit ratings, while 46% want to create and stick to a budget.
- A Laurel Road survey found that 53% of Gen Z respondents acknowledge their financial literacy has room for improvement, but don’t know where to start.

Banks and credit unions can assist these emerging consumers but it must be done with Gen Z specifically in mind — they’re not simply “millennials 2.0.” For example, Gen Z is more debt-averse and has fewer credit cards (avg. 2.2 vs. 2.9) according to a survey from The Ascent.

Meet Them Where They Are

To reach Gen Z, it’s important to be helpful and supportive, meeting them on their terms, wherever they are, delivering an authentic experience across multiple communication channels. Nurturing a long-term, loyal relationship with Gen Z cannot be limited to a “one-and-done” campaign.

Social Media: Gen Z values informative and authentic communication. That includes social media, as Instagram (57%), TikTok (52%) and Snapchat (41%), are the top three social platforms Gen Z turns to for financial information, found a Credit

Karma study. When it comes to personal finance information and guidance, younger generations don’t trust just anyone, but they do pay attention to social media influencers. According to the Credit Karma report, 75 percent of Gen Z and millennial respondents who seek financial guidance online or through social media follow social media influencers who publish content around personal finances. Furthermore, percent of people who sought this information received financial advice from someone they didn’t know online, and 69% felt the advice had a positive influence on their life. Separately, 37 percent of all Gen Z and millennial respondents, both those who have and have not sought financial advice from someone they don’t know online, said they would take such advice at face value without needing to fact-check the material.

What’s more, nearly half of all respondents said they are likely to share financial information or advice obtained online with a friend or family member.

Direct Mail: While social media is favored by Gen Z, heavy cross-platform consumption means there is also an opportunity to reach them with other media. In a recent study, more than half of Gen Z are aware of direct mail and 22 percent of them will make purchases based on an offer they receive via direct mail. Prosper Insights & Analytics also reports that 33 percent of the media influence for Gen Z in the financial services category comes from online media, followed by 22 percent for print and 18% for mobile.

Connected TV (CTV): CTV represents an opportunity for financial institutions to deliver important messages and incentives to Gen Z. The 2021 Consumer Intel Report notes that 74% of Gen Z watch more streaming video/TV since 2020. Our February 2021 CTV survey found 55 percent of 18-to 24-year-olds are more inclined to research or purchase a product/service they see on streaming TV than on traditional cable TV.

To engage Gen Z, be sure to give quality messaging and experiences that extend across their favorite channels. Financial institutions who connect with Gen Z via CTV can also collect a goldmine of data to inform and improve future campaigns.

Banks and Credit Unions Should Invest in Developing Digital Banking Experiences

According to the MX study published by The Financial Brand, when it comes to picking a financial service provider, more than half of Gen Z respondents view the digital banking experience “very important.”

Here are the top financial concerns of Gen Z:

- Having cash on hand for an emergency (26%)
- Living within a budget (26%)

Continued on page 10



Thank You to
 **HARLAND CLARKE**
A VERICAST BUSINESS
FOR SPONSORING ISSUES & ANSWERS

Prevention is the Key to Stopping Elder Financial Exploitation & Fraud



By Terri Luttrell, Compliance & Engagement Director, Abrigo

Elder financial exploitation and elder fraud are serious crimes in the United States. With rates of these crimes rising across the country, financial institutions should anticipate such incidents happening in their customer bases.

While each state defines elder financial exploitation differently, it is generally defined as the act of illegally or improperly using or stealing a vulnerable senior's or disabled person's money or property. These crimes can result in significant loss of financial resources for the victims and often greatly impact their quality of life.

An increase in financial crime and fraud against the elderly is expected to continue as the baby boom population (those born before 1965) ages. According to the National Council on Aging (NCOA), this heartless crime is most likely under-reported due to victims' embarrassment. The NCOA estimates the cost of elder financial abuse to older Americans to be up to \$36.5 billion annually.

A recent American Bankers Association Foundation (ABA) research study found that older Americans hold 65% of the deposited wealth in the United States. According to Federal Reserve data, Americans aged 70 and above have accumulated nearly \$35 trillion in assets. In what's now being referred to as the "Age Wave," ten thousand baby boomers will turn 65 every day until 2030, creating a larger pool of potential victims for fraudsters and scammers. Elder financial abuse leaves many seniors in a financial nightmare during the sunset of their lives; some are even left destitute. These crimes take an emotional toll on the victims, with victims often becoming depressed with intense feelings of shame and fear.

Common Types of Elder Financial Exploitation

The more common types of financial exploitation or fraud are:

- Misappropriation of income or assets – Perpetrator obtains access to social security checks, pension payments, checking or savings account, credit card, or ATM card, or withholds portions of checks cashed for a senior citizen.
- Obtaining money or property by undue influence, misrepresentation, or fraud – Perpetrator coerces the victim into signing over investments, real estate, or other assets using manipulation, intimidation, or threats.
- Improper or fraudulent use of power of attorney or fiduciary authority – Perpetrator improperly or fraudulently uses the power of attorney or other fiduciary authority to alter a will, to borrow money using the victim's name, or to dispose of assets or income.

The good news is that financial institutions are uniquely positioned to deter and report elder financial exploitation. Older customers often enjoy coming to the branch to do

business, thus building relationships with bank staff. Many seniors are uncomfortable with online banking and other more modern tools, including drive-through banking, which gives frontline financial institution staff an opportunity to detect a decline in a client's financial situation or change to their personal demeanor.

The ABA study found four key findings on banks' proactive measures toward preventing elder fraud:

- More than half of the banks surveyed offer products with terms that are favorable for older customers (60% in 2021 compared to 53% in 2019). Banks with less than \$1 billion in assets are most likely to offer such products (67%).
- Of banks surveyed, 86% provide training to customer service representatives on how to detect and report elder financial exploitation. The percentage of banks providing and often requiring this type of training for frontline employees and other staff has remained high throughout the three surveys the ABA has conducted.
- Banks are assertive in protecting older customers. Nearly all the banks surveyed (93%) report that they file a suspicious activity report (SAR), flag accounts, close accounts, or report to Adult Protective Services (APS) when banks suspect elder financial exploitation. More banks are reporting to APS, rising from 62% in 2017 to 81% in 2019 and 78% in 2021.
- The latest survey indicates that COVID-19 has impacted bank community engagement. However, banks continue their outreach to older customers, with 47% of respondents hosting community events.

FinCEN Guidance on Recognizing Elder Fraud

In addition to training efforts to make an enterprise-wide effort to detect and report elder financial exploitation, financial institutions should remember to use FinCEN guidance when reporting suspicious activity. The red flag guidance recommends noting the following:

Erratic or unusual banking transactions:

- Frequent, large withdrawals, including maximum daily withdrawals from ATM
- Sudden NSF Activity
- Uncharacteristic nonpayment for services, which may indicate a loss of funds or access to funds
- Debit transactions that are inconsistent for the elder
- Uncharacteristic attempts to wire large sums of money
- Closing of CDs or accounts without regard to penalties

A caregiver or other individual:

- Shows excessive interest in the elder's finances or assets
- Does not allow the elder to speak for himself
- Reluctant to leave the elder's side during conversations

Continued on page 10

Continued from page 8

- Ability to pay everyday living expenses (23%)
- Paying down debt (19%)

What's more, 20 percent of Gen Z and millennial respondents anticipate banking will be 100 percent online in the future. And more than any other age group Gen Z is interested in more forms of digital experiences, including automated financial assistance (39%) and virtual assistants for money management (31%).

Finally, when it comes to customer support preferences Gen Z has yet again turned to digital channels. While all age groups expressed a strong desire for live person chat, call center services, and branch visits, 53 percent of Gen Z respondents preferred to be able to get a solution online.

Financial Institutions Win When They Invest in the Influential Generation

Cultivating loyalty with Gen Z means delivering convenience, responsiveness and authenticity because, as the first digital natives, that's what they expect.

Additionally, shore up relationships with parents since Gen

Z may look to them for advice on banking as they begin to establish credit. The first place parents might go for advice is to their existing bank and so the legacy of a good relationship with a financial institution is handed down in perpetuity.

Consumer Packaged Goods companies have made an art out of brand loyalty being passed down through the generations. Brands such as Dove and Colgate exist in homes when kids are very young, and they are oftentimes the first brand choices as these new adults build their own households. The legacy of a good banking relationship can continue as well. It just takes a willingness to adapt to generational preferences. The investment banks make in understanding the Gen Z consumer will pay dividends in the future.

Lisa Nicholas specializes in marketing and digital transformation for the financial services industry. Nicholas has more than 30 years of experience in the banking and tech industries. She has worked with companies to transform their marketing, sales, lending, branches, and operations, focusing on leveraging technology and data for an omnichannel strategy.

Continued from page 9

The elder shows:

- An unusual degree of fear or submissiveness toward a caregiver
- A fear of eviction or nursing home placement if money is not given to a caretaker
- The financial institution is unable to speak directly with the elder, despite repeated attempts to contact them
- A new caretaker, relative, or friend suddenly begins conducting financial transactions on behalf of the elder without proper documentation
- The customer moves away from existing relationships and toward new associations with other "friends" or strangers
- The elderly individual's financial management changes suddenly, such as through a change of power of attorney to a different family member or a new individual
- The elderly customer lacks knowledge about their financial status or shows a sudden reluctance to discuss financial matters

FinCEN further clarifies that when filing a SAR on elder financial exploitation, check the applicable box in the Suspicious Activity Information section of the SAR form and include the term "elder financial exploitation" in the narrative. In addition, victims of elder financial exploitation should not be added to the SAR as a subject; instead, all available information should be added to the narrative.

A Safe Harbor for Reporting Suspected Cases

Many states are mandatory reporters to APS for any elder abuse. To determine the definition and reporting requirements for your state, Eversafe.com has an interactive map showing the laws of the United States. Many have wondered if calling APS about a client will put your institution at risk of legal action or worse due to privacy laws. However, The Senior Safe Act of 2018 was signed into law in May 2018 (section 303 of the Economic Growth, Regulatory Relief, and Consumer Protection Act) and provides immu-

nity for covered institutions, including banks and credit unions, from lawsuits or prosecution for reporting elder abuse. Your safe harbor does exist, so be sure to follow all reporting requirements for FinCEN and your state.

The Senior Safe Act encourages reporting and staff training for covered institutions to increase awareness and deter elder abuse. Reporting must be encouraged to stop the growth of financial elder exploitation from paralleling the growth of our senior population. Remember, protecting vulnerable adults from financial exploitation is everyone's business; these victims are our community members, friends, and family. Implement education and training on this topic at your financial institution, and create systematic prevention procedures where possible. Our seniors are worth the effort, so keep up the good fight.

Terri Luttrell is the compliance and engagement director at Abrigo and is a seasoned AML professional and former director and AML/OFAC officer with over 20 years in the banking industry.



2022 WBA LEGISLATIVE LUNCHES

We're back in person! Join us for one of our lunches held throughout the state this September.

Email megan@wabankers.com to learn more.



Continued from page 7

by civil remedies, including money damages awards. RCW 38.42.130. Reciprocally, creditors' rights to recovery are protected, for the duration of the term of service, but creditors must remain vigilant and not allow debts to age without taking action after a borrower's period of service ends.

Oregon Stay and Tolling Provisions

Like Washington, Oregon's statute of limitations for enforcement of contracts is six years. ORS

12.080. Also like Washington, Oregon has a statute that provides for tolling of the statute of limitations where commencement of an action is stayed by either an injunction or a statutory provision. ORS 12.210 provides that when commencement of an action is stayed by either of those events, the time of the injunction or the effective period of the statutory prohibition shall not be considered in determining when the action is time-barred.

Oregon does not specifically have an equivalent statute to Washington's RCW 38.42.090; however, it provides civil remedies for violations of SCRA. ORS 646.608(1)(LLL) provides that it is an unlawful practice if a person/business violates the consumer protection provisions of SCRA, which may subject the violator to a civil penalty of up to \$25,000 per violation. ORS 646.642. Accordingly, Oregon courts would likely follow a similar approach to the decision in Copper Creek in determining whether the SCRA tolls the statute of limitations during a servicemember's time of service.

Oregon has an additional statute, ORS 408.440, which specifically bars foreclosure of a mortgage encumbering property that is owned, in whole or in part, by an active duty servicemember. The statute specifically provides that "all statutes of limitation in effect in this state shall be suspended during the period described in this section, as to such mortgages." Notably, however, the statute specifies that this section applies during a period of a declared war.

Further, with the exception of a 2012 case discussing the tolling effect of different statutes (Hubbard v. Progressive Universal Ins., 2012 U.S. Dist. LEXIS 127360 (D. Or. Aug. 6, 2012), adopted by Hubbard v. Progressive Universal Ins., No. 3: 11-cv-1120 -ST, 2012 U.S. Dist. LEXIS 127360 (D. Or. Aug. 6, 2012)), the

statute does not appear to have been cited by any state or federal Oregon court since 1920. Also of note: ORS 646.608(1)(LLL) imposes liability for violation of SCRA, but not ORS 408.440. This statute is of little practical applicability today unless a war should be formally declared pursuant to Article I of the US Constitution, and how it would work with or compliment the current SCRA is unknown in the event that Congress ever again formally declares a war.

Loan Servicer Takeaways

SCRA and similar state laws can be a double-edged sword for lenders: violations of protections afforded to servicemembers can result in liability, in addition to the costs of restarting the entire collection process over from the beginning. On the other hand, failure to diligently monitor for the end of a hold relating to military service can result in the lender sitting on its remedies and ultimately losing its ability to enforce the debt altogether due to the statute of limitations. In both cases, the key to avoiding civil exposure and/or loss of the asset is to ensure that SCRA searches are performed diligently before commencing an action, and at regular intervals after a consumer is found to be covered by servicemember protections.

If you have any questions regarding the content of this article, please feel free to contact Joseph McCormick at jmccormick@wrightlegal.net.

Disclaimer: The above information is intended for information purposes alone and is not intended as legal advice. Please consult with counsel before taking any steps in reliance on any of the information contained herein.

Need assistance with virtual events?

Introducing WBA's new virtual conference platform:

BANKERSCONFERENCE.COM

Fully customizable
event platform available
for your events

WBA support for as
much or as little as you
need!

For more information, contact Duncan Taylor at duncan@wabankers.com.



BANKERS CONFERENCE
A DIVISION OF WBA PROS

Continued from page 8

about every essential item in their lives and see what remained for discretionary funds at the end.

"It was great to see some 'a-ha!' moments to go with the sticker shock of reality," he said.

Commencement Bank Donates to Evergreen Christian Visions Auction

In early June, the Commencement Bank Olympia team supported the Evergreen Christian School Visions Auction.

The auction aimed to raise \$100,000 through donations, a dessert dash, sponsorships, and a silent and live auction. The funds will help purchase new equipment for the technology lab and fully fund the school's scholarship program.

First Financial Northwest Bank Sponsors Washington Mortgage Bankers Home Is Where the Heart Is Auction



First Financial Northwest Bank was a sponsor at the recent Washington Mortgage Bankers Association's 2022 Home is Where the Heart Is Auction, which benefited Habitat for Humanity. The event raised over \$87,000 to help the local organization continue its work.

Baker Boyer Bank Announces Scholarship Winners



This spring, Baker Boyer Bank announced the three winners of its scholarship program. Scholarships are provided to students who complete the Baker Boyer Bank Finance Academy Program, a personal financial literacy program offered in local participating high schools in Eastern Washington.

Dilraj Kaur, a senior at McLoughlin High School; Aiden Carvey and Talia Billingsley, both students at Walla Walla High School, earned the awards.



U.S. Bank Seattle Team Volunteers at Cal Anderson Park



Earlier this spring, U.S. Bank Seattle team members volunteered by picking up litter around Cal Anderson Park during the Taking Pride in Capitol Hill clean-up event.

Bank of America Honored at Habitat for Humanity Seattle-King County Luncheon

In June, Bank of America was honored and earned the Community Leadership Award from Habitat for Humanity Seattle-King County's annual luncheon.

The award was given to the bank in honor of its commitment to affordable housing while also honoring local bank volunteers for their work in helping to build new homes.

Commencement Bank Supports Graduate Tacoma



Commencement Bank announced in late May that it was donating Graduate Tacoma.

Graduate Tacoma facilitates a sense of belonging and shared ownership by engaging Tacoma parents, youth, and community, as well as policymakers and elected officials, to help address equity gaps facing youth.

KeyBank Hosts Neighbors Make the Difference Day



In June, KeyBank hosted a Neighbors Make the Difference Day, encouraging employees from across the country to spend the day volunteering.

In Seattle, team members volunteered at Vine Maple Place

Continued from page 12

and Food Lifeline, where the Seattle Eastside and Metro teams sorted 12,000 pounds of food to be distributed throughout the community.



Banner Bank, Washington Trust Bank Participate in Spokane Blitz Build Event

Banner Bank and Washington Trust Bank recently participated in the annual Habitat for Humanity Spokane Blitz Build Event.

Both banks provided volunteers to help, as over 1,000 volunteers worked together to build side-by-side homes in the community.

Four WBA Member Names Named to Puget Sound Business Journal's Best Workplaces List

Four WBA member banks earned spots on the Puget Sound Business Journal's 2022 Best Workplaces in Washington list in early June.

1st Security Bank of Washington, First Fed Bank, Kitsap Bank, and Pacific Crest Savings Bank each were named to the list of 100 local companies.

The list includes companies with at least 10 full-time employees in an office in Washington state, and companies must be at least four years old to apply.

Coastal Community Bank Volunteers for Child Strive



Coastal Community Bank's team volunteered for Child Strive in June.

The bank hosted a volunteer day where they worked to clean up a strip of land between the sidewalk and parking lot of the organization's Casino Road campus. They also trimmed trees

and bushes in preparation for Child Strive's Clever Sprouts preschool class to plant celebration plants to mark the end of the school year.

Chase Teams Volunteer in Downtown Seattle



JPMorgan Chase & Co.'s Pacific Northwest leadership team and colleagues recently volunteered as part of a collaboration with the Alliance for Pioneer Square and Chinatown International District Business Improvement Area.

The group supported neighborhood beautification by picking up litter, weeding tree beds, washing signs, and other tasks to make the neighborhoods clean and safe.

WaFd Bank Supports RAVE Foundation



WaFd Bank recently partnered with the RAVE Foundation to host 50 members and parents of the Seattle Kung Fu Club at a Seattle Sounders FC match.

Students and the public were invited to participate in an hour-long soccer and kung fu clinic held outside the stadium before the game.

RAVE Foundation and the Sounders, along with WaFd Bank also recently broke ground on two turf playfields in the NewHolly Neighborhood in Seattle. The fields will give families and the community a space to gather and play.

Mountain Pacific Bank Supports Girls on the Run Snohomish County Celebration



In June, the Mountain Pacific Bank Lynnwood branch supported the Girls on the Run of Snohomish County Celebration 5k.

The event featured the largest turnout since 2019 and celebrated young girls and their community who came together to run a 5k and celebrate the end of the program.



CYBER TABLETOP EXERCISE

OCTOBER 6, 2022 • 9 AM TO 3 PM • VIRTUAL EVENT

Join us for a unique cybersecurity event brought to you by NUARI and the Washington Bankers Association.

This tabletop exercise will allow your organization to see procedures in action and provide valuable feedback to your employees.

Washington State Department of Financial Institutions will participate in this event. All participating institutions will be fully anonymized and no institution-specific data will be shared.

**Learn more and register online at
www.wabankers.com/nuari**