

Issues & Answers



November 2020

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Doing Well by Doing Good

By Glen Simecek, President and CEO,
Washington Bankers Association



of a broken-down wreck held together by duct tape.

They're clever enough to produce a rueful smile, but at the same time, they deliver a serious message. This year – with its global pandemic, resulting in economic disruptions, high-profile racial tensions, and a divisive national election – has been difficult for everyone.

But among those darks clouds, there also has been a small silver lining for America's banking

industry.

The industry's response to the pandemic has been the centerpiece for an important reputational rebound. Stressed borrowers have been given options to miss payments on home or car loans without risking a loss of those assets or having it sink their credit scores.

According to a recent nationwide poll conducted for the ABA, more than a third of adults (36%) were aware of their bank's programs to assist customers experiencing COVID-related financial hardship. One-third of those who were aware of these relief programs (or 12% of overall respondents) have utilized at least one of them.

Additionally, thousands upon thousands of small businesses and their employees were given a crucial lifeline through the Paycheck Protection Program. Banks also have upped their community engagement and philanthropic contributions.

These efforts are making meaningful differences in people's lives, and our industry, whose contributions so often fly under the radar, is getting

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The official publication of the Washington Bankers Association is sponsored by Harland Clarke and WBA Professional Services

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On the Cover

Pumpkins and mums fill an old truck in Snohomish at Bailey Farms, which offered u-pick pumpkins and vegetables in the fall.

Photo by Megan Managan

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recognized by the public for helping customers and communities weather the pandemic storm.

This has had a direct and significant impact on customers' opinions of their own bank. Of those aware of the relief programs, 46% said it gave them a "much more favorable" opinion of their bank, while another 37% said it gave them a "somewhat more favorable" opinion.

But this "halo effect" wasn't limited just to the customer's bank. With all banks being thrust into the news more often and more positively than usual, public opinion of our entire industry has benefited. In fact, 71% of those polled said that the banking industry has done a "good" or an "excellent" job in responding to the COVID-19 pandemic.

These ABA survey results align well with the findings of another recent study, this one sponsored by and published in American Banker. Researchers contacted 14,000 bank customers and non-customers nationwide to discuss the reputation of individual banks.

What was more interesting to me than the scores earned by individual banks were the perceptions of the broader industry, and the factors consumers say drive those perceptions.

As a whole, the industry's reputation score was 68.6 out of a possible 100 points. That's a statistically significant jump of 5.4 points over last year, and approaching the 70-point threshold researchers consider the mark of a "strong" reputation.

Although the survey didn't attribute this jump entirely to the industry's coronavirus relief efforts, at least one prominent banker made the connection. Bank of Oklahoma (BOK) is one of the highest-rated institutions in the survey and made the largest jump in reputation among non-customers in its market area. BOK's CEO chalks that increase up to the fact that the bank's employees have been especially visible in supporting local nonprofits during the pandemic.

Additionally, survey respondents said that, after observing what banks are doing to respond to the pandemic, they were becoming more willing to give a bank the benefit of the doubt, a sure sign of regaining trust.

Some factors that go into building that trust, according to survey respondents: having a purpose beyond just making a profit; being committed to changing the world for the better; doing things to benefit all stakeholders, not just shareholders; and helping people and communities. Specific examples cited include being environmentally responsible and avoiding any hint of discriminatory business practices.

These and similar factors will only grow in importance. They reflect the priorities of younger customers who will become increasingly important for banks as they age. It's also worth remembering that our credit union competitors continue to position themselves along these lines. We all know that they're prone to misrepresenting the way our banks operate, but making sure your bank remains on a strong footing in these areas gives them a lot less ammunition.

Survey results indicated another interesting trend: The public's perception of a bank's workplace is becoming increasingly important. Customers expect their banks to offer a positive and inclusive work environment for their employees, especially in providing equal pay and equal opportunities by race, gender, and other factors.

The bottom line is that doing the right thing – in the workplace and the marketplace – has never been more important than it is today. It's the way Washington banks have historically conducted business and it's one sure way to make that small silver lining in 2020's dark cloud just a bit shinier.

Plan Now for 2021 Educational Opportunities

Planning and preparing an education plan for 2021 is an exercise in hoping for the best, but planning for the worst. Rest assured WBA is here with a variety of training and educational opportunities to fit all of your needs.

WBA plans to offer virtual events through the first half of the year and hopes to provide in-person training during the second half of 2021. We are also exploring hybrid events to help bankers maximize their training options.

Registration is currently open for the 2021 Executive Development Program, however, we recommend securing a spot early as this program will fill quickly.

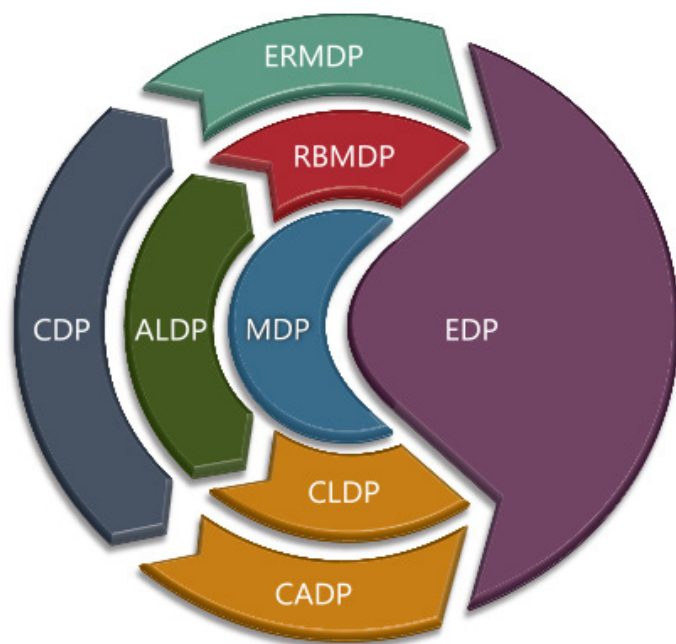
Beginning in late January, this 12-month program focuses on preparing a new generation of executive leaders within the bank. Returning in 2021 is our newest session, exploring fintechs and how they play into the banking landscape. Taught by Dave DeFazio, partner at StrategyCorps, and Joe Sullivan of Market Insights, students will learn about the wide-variety of fintechs and how they can think about partnerships with these innovators.

Next spring, WBA will be offering virtual sessions of the Management Development Program and Commercial Lending Development Program, both beginning in April.

On the conference front, on December 3-4, we've partnered with the Utah Bankers Association for the Virtual Bank Executive Conference.

Crafted for executives and directors at the bank, this conference will provide an economic update, information about industry trends and will provide networking opportunities. WBA will also celebrate the 2020 Executive Development Program graduates with a special graduation ceremony.

In 2021, members of the marketing and retail teams can join together for our first-ever joint Virtual Marketing & Retail Conference. This event will feature



Development Programs

A Training Solution to the Talent Gap

two half-days on March 17-18 with breakout sessions designed specifically for those in the marketing and retail departments.

Other conferences next spring will include the Senior Credit Conference, Emerging Leaders Conference, and the Education/Human Resources Conference on May 10-12 at the Historic Davenport in Spokane.

Next summer, the 2021 Annual Bankers Convention will be held with the Oregon Bankers Association on July 14-16 at Skamania Lodge in Stevenson, Wash.

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

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Industry News

New Hires

MaryDennise Balthazar
Vice President at Liberty Bank

Lisa Cleary
Chief Operating Office at 1st
Security Bank of Washington

Promotions

Melanie Miller
Senior Vice President,
Commercial Lending Team
Leader at 1st Security Bank of
Washington

Callen Young
Fixed Income Portfolio Manager
at Washington Trust Bank

David Parr
Executive Vice President and
Director of Commercial Banking
at HomeStreet Bank

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Susan Preston
Board of Directors at Liberty Bank

Michelle Connor
Board of Directors at Liberty Bank

Lisa Hefter
Board of Directors at Peoples
Bank

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

Subject Matter Experts Highlight Compliance Updates During Annual Conference

Since the coronavirus pandemic, there has been a flurry of new changes for banking compliance departments to track and keep up with. During the 2020 Virtual Northwest Compliance Conference, co-hosted by the Oregon Bankers Associations on October 15-16, compliance professionals from throughout the Pacific Northwest learned from subject matter experts what they and their banks need to know.

Denyette DePierro, vice president and senior counsel for cybersecurity, discussed how the pandemic can help organizations update and rethink continuity plans, and looked at potential challenges and solutions to consider moving forward.

Throughout the event, DePierro's ABA colleagues joined to offer regulatory and legislative updates on a variety of issues relating to compliance.

In the first of several sessions, Leah Hamilton, vice president, and senior consultant at ProBank Austin, covered mortgage servicing best practices and collections, focusing on the dos and don'ts banks should think about at a time when mortgage banking is being tested from a variety of fronts. ABA's Rod Alba, SVP mortgage finance and regulatory counsel updated the audience on what agencies were working on and how recent events have impacted mortgages.

Sharon Stedman, principal of Stedman Consulting Group, discussed fair lending hot topics, including recent developments in fair lending cases and enforcement actions. She also shared how banks can mitigate risk. Kitty Ryan, VP and senior counsel for fair and responsible lending at ABA, also provided an update on this area.



Hamilton returned for a session on RESPA, including the key issues and challenges with this particular area of mortgage servicing requirements, while ABA's Diana Banks, vice president, provided a review of current happenings in Washington D.C. Hamilton also updated the audience on modifications and refinancing and what banks need to know as they handle these customer requests.

ABA's Krista Shonk, vice president and regulatory compliance policy for ABA, offered an update on CRA as several of the regulatory agencies have now provided modernization plans.

David Hatfield, senior compliance examiner with the FDIC in Seattle, covered the Top 10 Violations and Best Practices to Avoid Them, offering banks a look at the top violations in the last 18 months and things institutions can do to avoid these issues.

Nessa Feddis, senior vice president and counsel for the consumer regulations and compliance solutions



group at ABA, closed out the day with a general landscape update on where D.C. and the agencies are with compliance-related issues.

On Friday, which focused on operations compliance, Dave McCrea, founding principal of CompAssured, focused on hemp/CBD and how it relates to BSA. His session was followed by a conversation with Rob Rowe, vice president and counsel of regulatory compliance and policy at the ABA.

Rowe said this area has received more attention in the last few years, but still requires major policy updates before further changes can be made.

Hamilton covered digital marketing, advertising, and social media, looking at what banks need to consider to fall within the guidelines outlined by

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Events Calendar

November 5 – Virtual Fintech Conference
December 3-4 – Virtual Bank Executive Conference
January 26, 2021 – Virtual Executive Development Program
February – Virtual Senior Credit Conference
March – Virtual Emerging Leaders Conference

March 17-18, 2021 – Virtual Marketing & Retail Conference
April – Virtual Management Development Program
April – Virtual Commercial Lending Development Program
May 10-12, 2021 – Education/HR Conference, Spokane

**Classes and conferences will be virtual unless otherwise noted.
 To register or to learn more about any of the listed events, please visit www.wabankers.com.*

Bankers Join First-Ever Tri-State Agriculture Conference

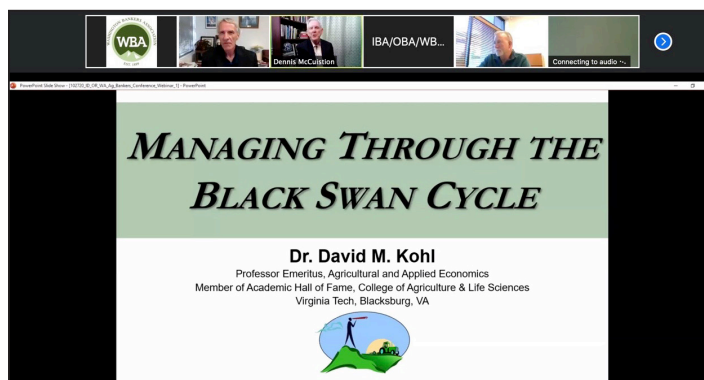
In late October, bankers from Idaho, Oregon and Washington gathered virtually for the first ever Tri-State Northwest Agriculture Conference. Co-hosted by the Idaho, Oregon and Washington Bankers Associations, bankers learned about the latest trends in the ag industry and outlooks for the coming year.

The conference started with a short address from the Directors of the Idaho, Oregon and Washington state Department of Agriculture, providing a quick update on how the pandemic had impacted each state and other factors facing farmers in the area.

Dr. David Kohl, professor emeritus in the Department of Agriculture and Applied Economics at Virginia Tech University, provided the keynote address, discussing how banks can manage through the black swan event that is the COVID-19 pandemic. He discussed how the pandemic impacted trade, consumer trends and how those in turn affect ag lending, as well as what banks can do to navigate the many changes they are facing.

Ben Eborn, economist with the Department of Agriculture Economics and Rural Society at the University of Idaho, offered a regional economic update, focusing on how each state has been impacted by the pandemic and what bright spots there may be ahead.

Ed Elfmann, SVP of agriculture and banking policy for the ABA, also provide an industry and ABA update, focusing



on how policies in Washington D.C. are impacting agriculture and what legislatively might be ahead for both the banking and ag industries following the election.

Bill Bryant, founder and chairman of Bryant Christie, Inc. held a session on imports and exports in the Pacific Northwest, discussing how the trade war and other agreements have played out for the ag industry in all three states and what to expect going forward.

Josh Callen, owner and market research analyst for The Hoyt Report, provided an update on the Western hay market, including what banks should know about this commodity, and how farmers are doing in this area.

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2020 Virtual Women in Banking Conference Celebrates Self-Leadership, Pivoting to New Normal

A record number of attendees tuned in at the end of October for the annual Women in Banking Conference, this year held virtually on October 29-30.

Over 400 bankers from Oregon and Washington attended the event, which kicked off with a session by FDIC Chairman Jelena McWilliams sharing how she became the head of the regulatory agency. A former banker, she shared with Laurie Stewart, president and CEO of Sound Community Bank and Conference co-chair, how lessons she learned early on helped her in her current role.

Virginia Heyburn, vice president at Fiserv, discussed how the younger generations have changed the way companies of all kinds, but particularly financial services, need to prepare to offer a very customer-friendly experience. She shared how especially during the pandemic, customers expect companies to offer what they want when they want it in the easiest way possible and what banks can do to deliver on

those expectations.

Kristen Hadeed, founder of Student Maid, offered her perspective on how to beat burnout and have grace in stressful situations and what she has learned running her own company. She covered ways to pick yourself up after failures and to approach those obstacles in a way that will make a difference.

The first morning closed out with a networking session led by Joan Reukauf, President and CEO, Willamette Community Bank.

On Friday, the conference started with an ABA update by Stewart, the outgoing ABA chair. She covered the various initiatives that ABA has been working on recently, as well as the political ramifications of the election for the industry.

Katie Holland discussed self-leader-



ship and how while life has changed a lot this year, there are ways to stay effective and engaged through self-leadership. She examined ways bankers can strive to have their greatest impact on the chaos that has been 2020.

Solomon returned for the closing session of the conference, focusing on the unwritten rules for success for women. She shared ways to develop leadership skills that will help bankers become

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WBA Member News



Baker Boyer Matches Employees during Miles for Charity Challenge

During the late summer, Baker Boyer Bank wanted to encourage employees to continue activities that take care of themselves, so they created a Miles for Charity challenge. The event raised money for Comprehensive Healthcare, which provides mental health treatments in Yakima, Walla Walla, and Benton-Franklin Counties.

Employees were encouraged to get outside or exercise for their mental health, and each week they counted how many miles they walked, ran, hiked, or other activities.

Throughout the month, employees raised \$4,283.



Sound Community Bank Hosts Annual Food Frenzy

Each fall, Sound Community Bank hosts its annual Food Frenzy, raising awareness and donations for Food Lifeline.

This September, the bank hosted various activities, with different branches hosting virtual events to help share the message about Food Lifeline.

The Belltown branch hosted an internal virtual fundraiser that generated 1,175 meals.

In total, the bank's campaign helped raise almost a quarter-million meals for the organization and families in need.

First Financial Northwest Bank Hosts Employee Appreciation Event

In early October, First Financial Northwest Bank

hosted a special employee appreciation event at the bank's headquarters.

Employees started their morning with a coffee and donut truck as a way to say thanks for all of their hard work.

Baker Boyer Bank Opens New Financial Center in Yakima

In late October, Baker Boyer Bank announced that it would be officially opening the new Financial Center in Yakima.

The 19,000 square foot facility was designed to help meet the needs of Yakima Valley. Kip Kontos will be the interim

regional manager and is a decedent of the bank's founder D.S. Baker and current member of the board.



U.S. Bank Good Truck Supports FareStart

This fall, the U.S. Bank Good Truck, which aims to bring together communities and thank

frontline workers during the pandemic, visited Seattle.

The truck, along with local U.S. Bank branch employees, delivered food and ingredients to FareStart students throughout the area who are participating in their adult culinary program, which shifted to virtual due to the pandemic.

The local nonprofit helps with food and job training for youth and adults to escape the cycle of poverty by getting and keeping a job.

Wells Fargo Open for Business Fund Helps Local Groups

Earlier this year, Wells Fargo launched the Open for Business Fund to help small business recovery efforts as entrepreneurs work to rebuild and reopen during the COVID-19 pandemic.

The Northwest Native Development Fund, a Nespelem based CDFI, received a \$500,000 grant to launch the Small Business Mercy Loan program, which will help support 20 small businesses and retain over 35 jobs in the local area.

"I cannot express how excited I am that Wells Fargo has selected Northwest Native Development Fund for this round of funding," said Ted Piccolo, NNDF executive director. "We are going to immediately begin



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pushing to get these funds into the hands of Native business owners to bridge these tough times and rebound into the future stronger than ever before.”



First Federal Employee Donates Over 100 Hours Volunteer Time

First Federal's Michele Deo hit a milestone in the early fall, volunteering over 100 hours of her time.

She said she loves being involved with community events, such as serving seniors at Thanksgiving, passing out candy at Halloween, and is a board member of the CTE Computer Science Advisory Group at Sequim High School.

"My passion is serving the active and inactive military," she said. "I come from six generations of serving members and currently my grandson is deployed in Afghanistan. I serve as a 'Soldier's Angel', which is a national organization of volunteers who put together care packages, write letters of hope, and send them to military personnel overseas."

She said in her 10 years of working with the group, they have supported injured and disabled veterans by making blankets, helping families at Christmas, and much more.



Columbia Bank Donates to Southwestern Washington Organizations

This fall, Columbia Bank employees in Southwestern Washington participated in the Community Foundation of Southwest Washington's Give More 24 initiative.

Columbia Bank's team raised \$8,496 in less than 24 hours

and the overall effort raised \$2.9 million which will help over 225 different nonprofit organizations throughout the region.

PCBS Celebrates 2020 Graduates

Pacific Coast Banking School announced in late summer that 21 students from Washington graduated from the program.

Graduates completed a three-year graduate-level program, designed specifically for leaders in the financial services industry. This year, for the first time, seniors in the program attended virtually.

John Weber, of Coastal Community Bank, received the Kermit O. Hanson Award for Excellence, awarded for highest academic achievement at PCBS.

Graduates from Washington include Andy Bemby, HomeStreet Bank; Bobby Black, North Cascades Bank; Tim Boyle, Commencement Bank; Heidi Collins, Banner Bank; Jonathan Fischer, Timberland Bank; Kevin Guo, Bank of America; Greg Hansch, Commencement Bank; Amy Hart, Columbia Bank; David Henry, First Federal; Catherine Kenney, Islander Bank; Josh King, Northrim Bank; Paul Nelson, Northwest Farm Credit; Tracy Sayre, Bank of the Pacific; Kristin Schatz, WaFd Bank; Keith Swatzell, Columbia Bank; Nelson Turla, HomeStreet Bank; Ross Upton, Washington State Department of Financial Institutions; Ryan Walrod, HomeStreet Bank, and John Weber, Coastal Community Bank.



Washington Trust Bank Hosts Drive-Through Shred Event

Throughout October, Washington Trust Bank hosted a special Shred Day, where customers could drive through at the bank and pick up special shred bags to deposit documents for shredding.

Residents could pick up a bag, fill it with sensitive documents and then drop off full bags at a local business for shredding.

Employees prepared for the event by rolling shred bags available for pickup.

Unleash Your Inner Marketing Genius With This Three-Step Multichannel Marketing Strategy

By Lindsee Theis, Executive Director Channel Solutions, Harland Clarke

How many financial institutions consider their brand to be a multi-sensory, personal experience, and not a service? Not many, perhaps. Considered too bougie for financial services? Maybe. But more institutions should. Apple does. Amazon and Netflix do, as well.

It's hard to argue with their ability to make consumers feel like they're part of a seamless, connected, multitouch brand experience that speaks more clearly to their wants and needs than anyone else.

It's not because they have more money to spend. Good strategy isn't expensive. It's because they've embraced a holistic multichannel marketing strategy that's only real price is the boss's buy-in.

It doesn't happen by accident, of course. Cohesive multichannel communications share a common look, feel and language. The look, feel and language of your brand.

The strength and simplicity of this strategy is so often, and surprisingly, overlooked.

The key is turning random, sporadic communications into continuous, consistent, seamless interactions that, over time, create a feeling of connection, acceptance, inclusion and loyalty that form the basis for new and ongoing consumer relationships.

Silos are the enemy of marketing budgets. Siloed marketing is isolated, disconnected or an incomplete integration of multiple marketing channels. The reason siloed marketing is a widespread problem among financial institutions is because it underperforms just enough to go unnoticed.

Silos fly under the radar, because they're comfortable. But, being a little uncomfortable is important. Particularly, in marketing. It creates change for the better.

Ever notice how words that begin with multi are usually good for you? Multigrain. Multimedia. Multivitamin. Multipurpose. Multichannel is no different. But in the area of marketing, somehow, somewhere along the way, multichannel got a bad rap for being complicated, hard to manage, disjointed. And it's totally not that at all.

Direct Mail

Going to the mailbox is now an event. With email fatigued and oversaturated, and an incredible 42 percent of the U.S. labor force now working from home full-time, direct mail has re-emerged as the channel consumers can

touch, feel and trust.

Direct mail is still a powerful marketing tool for financial institutions that want to connect with customers and prospects, providing a valuable phase one for campaigns seeking to gain the trust and confidence of today's tech-savvy consumer.

- 90% of direct mail gets opened 75% of households read or scan advertisements in their mail
- 1 in 7 new checking account customers were influenced by direct mail from their financial institution. Plus, direct mail is a hit with Millennials.
- 84% of Millennials take the time to look through their mail
- 75% say receiving personal mail makes them feel special
- 92% are influenced by direct mail to make purchase decision as opposed to 78% influenced by email

Digital Ads

Deliver a great message on any device. Online display advertising, or digital ads, utilize the ease, relevance and popularity of the digital channel. It reaches more consumers in more places with highly targeted promotions that not only drive response and brand awareness, but deliver the instant gratification that today's consumer craves.

In addition, digital ads are a proven, cost-effective way to compete with the big boys, or any size competitor, for capturing attention. The digital channel levels the playing field with the ability to target and time ads, as well as anticipate consumer needs, to deliver high-impact marketing. No customer acquisition, retention or product growth strategy is complete without the endless reach offered by a complementary digital component.

Digital ads, maybe more than any other channel, benefit most from the one-to-one follow-up dialogue of more personal channels.

Contact Center

Humans want to talk to humans. Nothing can replace the lasting impact of an excellent customer experience only a knowledgeable, experienced and empathetic contact center representative can deliver. Engaging customers with the personal touch are where lifelong relationships are made and cultivated.

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CAN-SPAM, and much more.

Emily Maass, an attorney at Immix Law, offered a briefing on privacy laws and how recent changes in California, Washington, and Oregon have impacted the industry. She included what banks should be watching for, and how changes will impact customers in the future.

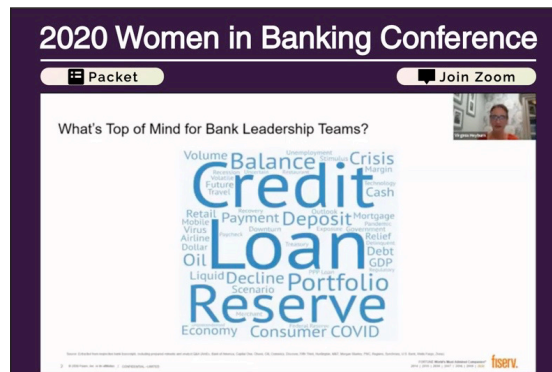
In the final session of the day, Hamilton offered a COVID-19 Sanity Check, covering items that bankers might have missed in all of the other news swirling throughout 2020.

Thanks to Columbia Bank, First Financial Northwest Bank, and Peoples Bank for generously sponsoring this year's conference.

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stronger leaders, team members, and employees.

Thank you to the following sponsors for helping to make this event successful: Federal Home Loan Bank of Des Moines, Pacific Coast Banking School, and Sound Community Bank.



Continued from page 5

After lunch, attendees chose one of several breakout sessions on various commodities, including wine and vineyards, tree fruit, potatoes, grains, dairy and more. These updates included what bankers should consider when working with these clients and how these industries have fared during the pandemic.

Dr. Kohl returned for two afternoon sessions, the first focusing on credit risk, and the top factors that should be on ag lending radars. Dr. Kohl then

hosted a Q&A session with the bankers, answering their questions on a wide range of issues.

Cameron Burford, co-founder of AQUAOSO Technologies, closed out the event with a session on macro water risk trends in the Northwest, looking at how water risk can

impact banking clients.



Thank you to the following sponsors for helping make this year's event possible: Farmer Mac, Halwey Troxell, Amalgamated Sugar, Agri-Access, Bankers Bank of the

West, Eagle Eye Produce and Equitable AgriFinance.

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Now more than ever, contact centers are expected to serve as revenue centers that drive sales, gather customer insight and deliver leads. A high-performance contact center provides the human touch point that is a crucial to any successful omnichannel marketing strategy.

Proactive outbound calling of customers and prospects ensure that your omnichannel campaign is delivering quality, on-brand, emotional engagement that consumers expect and demand.

Skilled inbound contact center professionals with the ability to close interested buyers ensure that you maximize campaign ROI and get the most from your marketing dollars. Scripts and sales training of reps is highly recommended to provide effective customer service.

Supporting your multichannel action plan with da-

ta-backed insight and decision-making is critical to unlocking its full potential.

Now more than ever, financial institutions are forced to shift their focus from simply providing "service" to using vast amounts of existing customer data to deliver "experiences" in order to stand out and compete.

To be a customer-centric institution, you need to be in touch with your customers' experiences. Gathering actionable insight from every engagement touchpoint is necessary to deliver world-class service and build a consistent customer experience.

Lindsee Theis is the Executive Director of Channel Solutions for Harland Clarke. Lindsee has more than 13 years of experience in Digital Product Management, Digital Marketing and Strategic Planning in the financial service, software and CPG industries.

PANDEMIC RESOURCES

WWW.WABANKERS.COM/RESPONSE

Questionable Incoming Wires and What to Do About Them

By Bankers Alliance

One topic we continue to hear about is the prevalence of questionable wires coming into customers' accounts at the bank. Whether it's part of the classic "Nigerian Prince" scam—where a fraudulent wire temporarily hits the customer's account in exchange for a smaller payout from the customer's own funds—or a con artist is wooing an unsuspecting elder from afar, these suspect transactions seem to be showing up more and more. A common question we receive is, "How can I stop these kinds of shady wires, or put a freeze on them, before they cause the customer (and by extension the bank) a whole lot of pain?" While the answer to that question is not straightforward, a solution may be simpler than one realizes.

Article 4-A of the UCC generally only requires domestic (not international) wires to be considered final once they are "accepted" by the receiving bank; beyond that, there is not any prohibition we're aware of on a receiving bank freezing or sending back wired funds, even if they are not recalled by the sending bank first. Nevertheless, a receiving bank should be aware that there may be some risk with freezing and/or sending back wire funds without some sort of investigation into the circumstances beforehand. First of all, for incoming domestic wires, there's Regulation CC—wired funds are generally required to be made available to checking account customers "not later than the business day after" the wire is received (not necessarily "accepted" under the UCC!) by the incoming bank. Granted, it's always possible to place an exception hold on the wired funds with proper notice to the customer, but the bank should make sure to do at least a rudimentary investigation before placing such a hold in order to substantiate that it is reasonable. Secondly, beyond the outer time limits stated in Regulation CC, an institution's own funds availability policy may provide for an even quicker turnaround time for incoming wired funds to be made available, such as the same day the funds are received. An institution would want to check with their availability policy to make sure there is nothing in there that would legally obligate them to provide wired funds more promptly. Thirdly, even if neither Regulation CC nor the bank's funds availability policy come into play (like for international wires), there are reputation risk and fairness issues to consider. Especially in service areas with a large international population, it may be seen as an unfair banking practice to, say, place a 'writ large' freeze or hold on all incoming international wires no matter what.

Ultimately, though, beyond the Regulation CC, funds availability policy, and reputation risk/fairness issues noted above, we know of no restriction on a bank placing a hold/freeze or returning incoming wired funds before "accepting" them. In fact, in light of things like Office of Foreign Assets Control (OFAC) monitoring requirements under the Bank Secrecy Act (BSA), it may be desirable for an institution to hold or return an incoming wire it's not sure about, especially if that institution isn't used to receiving incoming wires as a regular part of their business. In the end, it will come down to an overall risk determination in light of the bank's practices. But having checks in place on incoming wires—especially international wires coming in from other countries—generally is not prohibited and may even be recommended, as internet-related wire scams continue to increase in popularity.

Bankers Alliance Enhances Offerings with New Services

WBA PROS Endorsed Vendor Banker Alliance, the parent company of Compliance Alliance, announced earlier in 2020 it would be complimenting its current offerings with two new services.

WBA members who sign up for B/A can now also access Review Alliance and Virtual Compliance Officer, designed to enhance your compliance capabilities.

The Virtual Compliance Officer (VCO) program was crafted to help banks cost-effectively supplement their teams. Regulators have encouraged banks to use a shared service to help staff and VCO offers just that – a trusted source to augment your team's knowledge.

Review Alliance provides streamlined bank compliance audits with a team of seasoned professionals with a strong understanding of community banking. The team can assist in building a new program, reviewing internal audit program reports, and performing independent reviews of existing programs.






















B/A is now owned by 29 bankers association across the country, the only compliance company created for bankers, by bankers.

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How to Plan Your Marketing Budget in Today's Ecosystem

By Nicky Senyard, CEO, Fintel Connect

Planning your marketing budget can be complicated enough when your bank is already in a healthy position. But what about when your business hits unexpected turbulence, and the outlook of our local and global economy is different from what you've planned?

These are the conditions we're now facing in marketing. In a 2020 CMSWire survey, 44% of respondents reported cuts to their marketing budget. While this can be a challenge for bank marketers, it also creates an opportunity to demand more from their digital marketing in order to make leaner budgets work.

As a two-time entrepreneur, I self-funded and grew my first business during an economic recession. I'm all too familiar with the challenges of marketing on a narrow budget, and I hope these tips will help guide you in your planning.

Tip 1: Define Your Own Goals

Someone once told me you only win if you play your own game. If you play somebody else's game, you never win. Translated into marketing terms, this means you have to set your own goals and what makes sense for your bank – because somebody else's goals may not be your own.

It might be tempting to look at your competitors for guidance in your marketing decisions. However, what you don't see in their marketing is the strategies and resources they've allocated to sustain their campaigns. By modeling your marketing solely by your competitors' movements, you might only be playing catch-up without knowing where their road is taking you and what – if anything – you'll achieve along the way.

When you base your marketing budget on your own goals, your priorities, efforts, and timing become clear. Budgeting becomes less painful, too. Instead of approaching it like Tetris – a game that's reactive and frantic – you can approach it like Lego, thoughtfully selecting the size, shapes, and quantity of your components.

Tip 2: Get on Board with Digital Marketing

According to AdAge, digital media will account for more than half of both U.S. and worldwide ad spend this year. It's easy to see why. Digital marketing is dynamic and can respond to a potential customer's behavior. Moreover, it's flexible to various budgets and is trackable from start to finish in ways that traditional media can't compete.

In a recent webinar, we discussed the future of digital marketing for banks and financial institutions. Our panel of executives from various parts of the banking industry shared advice on how to make the best of digital. Here are a few especially helpful highlights:

Convert non-digital tactics into digital if you can reduce costs while yielding the same result. This may include converting new customer sign-up forms to digital, in-house publications, and customer service touchpoints.

Reduce the risk of trying new things in the digital space. When working with vendors, be open about your needs. Your vendors may be willing to find a happy medium before signing on the dotted line.

Use performance-based marketing for customer acquisition. With this type of marketing, your bank partners work with external marketers to reach niche audiences via blogs and other website content. Performance (or influencer) marketing is budget-friendly as well as it is results-based, so marketers only get paid once they successfully

refer your bank a customer.

Tip 3: Do Both Brand and Acquisition Marketing

Not all digital marketing channels are alike. For instance, interacting with members of a B2B Facebook group can build some brand authority, but it's unlikely to deliver a large number of qualified leads.

Email marketing may work for nurturing, but it might be less effective in securing new customers at the same rate or volume as performance marketing.

It's critical to match the right digital marketing channels to your goals. For example, one of our bank partners experienced a 10x growth in new mortgage customers via performance or influencer marketing. Using our technology, we targeted influencer partners best positioned to meet our client's targets. The results: a 10x increase in leads from Year 1 to Year 2, plus a reduction in their

cost of customer sign-ups by 70%.

Had our client selected other partners or digital marketing channels instead of affiliate marketing, they might not have yielded the same ROI. This is why it's essential to select marketing channels that directly meet your goals.

Tip 4: Track and Measure

Analytics reports illustrate what is working in your marketing mix, and what's not. For budgeting, it also factors into where you put your dollars.

A dedicated marketing analyst can track, measure, and transform analytics into actionable insights. If you don't have a dedicated analyst on your team, ensure that the responsibility of tracking is given to a skilled team member so that intel is available when needed.

Tip: Go beyond tracking customer acquisition and invest in monitoring your entire customer journey. Understanding their response to onboarding and retention is vital to creating long-term positive customer experiences.

If you have any questions about these marketing strategies, or if you're interested in learning more about performance marketing, please don't hesitate to reach out at nicky@fintelconnect.com. Fintech Connect is a WBA special member.



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Fintel Connect Digital Marketing Webinar on November 12

Fintel Connect is offering a special member-only webinar on Thursday, November 12 at 1 p.m. to highlight ways bank marketers can use digital channels to their highest benefit.

Fintel Connect will share ways digital marketing tactics have changed in recent months and the right channels for banks to acquire new customers online. The webinar will cover how consumer behavior has changed in our new normal, ways to maximize new business, the most effective channels to create an effective acquisition strategy, and easy takeaways to add to your current marketing plan.

This webinar will be held via Zoom and attendees will receive meeting information upon registration. To register, email Duncan Taylor at duncan@wabankers.com.

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