

THE BOTTOM LINE

Independent and Proud of It.

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2025 WEBINAR SCHEDULE



All webinars will be held at 10:00 a.m. Central.

AUDITING & ACCOUNTING

- 1/14/2025** **CALL REPORT SERIES:**
2025 Call Report Update & Avoiding Costly Mistakes
Michael Gordon, Mauldin & Jenkins, LLC
- 3/6/2025** **TRID: Auditing the LE & CD for Compliance**
Molly Stull, Brode Consulting Services, Inc.

COLLECTIONS

- 2/27/2025** **Beginning Collector: What to Know on Day 1 & Beyond**
David A. Reed, Reed & Jolly, PLLC
- 3/10/2025** **Commercial Loans: Foreclosing on Your Security Interest in Collateral**
Monday
Shelli Clarkston, Spencer Fane LLP
- 3/18/2025** **Intermediate Collector: Refining Skills Beyond the Basics**
David A. Reed, Reed & Jolly, PLLC

COMPLIANCE

- 1/7/2025** **BSA Officer Part 1: BSA Update for BSA Officers**
Dawn Kincaid, Brode Consulting Services, Inc.
- 1/13/2025** **2024 HMDA Submission Due March 1, 2025: Updates, Challenges & Real-Life Examples**
Monday
60 Minutes
Susan Costonis, Compliance Consulting & Training for Financial Institutions
- 1/16/2025** **2025 Compliance Outlook: Regulator Expectations**
David A. Reed, Reed & Jolly, PLLC
- 2/4/2025** **Simplifying the Compliance Function: Tools & Checklists to Stay on Track**
Molly Stull, Brode Consulting Services, Inc.
- 2/5/2025** **BSA Exam Manual Series:**
History, Risk Assessments, Training, Audits, Internal Controls & BSA Officers
Deborah L. Crawford, Gettechnical Inc.
- 2/12/2025** **New Interagency Guidance on Reconsiderations of Value**
Molly Stull, Brode Consulting Services, Inc.
- 3/4/2025** **BSA Exam Manual Series:**
CIP, CDD & High-Risk Customers
Deborah L. Crawford, Gettechnical Inc.
- 3/13/2025** **BSA Officer Part 2: BSA Reporting to the Board**
Dawn Kincaid, Brode Consulting Services, Inc.
- 3/24/2025** **Open Banking, Banking as a Service & Lessons from Recent Enforcement Actions**
Monday
Shelli Clarkston, Spencer Fane LLP

FRONTLINE & NEW ACCOUNTS

- 1/15/2025** **Frontline Series:**
Comprehensive Teller Training: Checks, Compliance, Security & BSA
Deborah L. Crawford, Gettechnical Inc.
- 2/6/2025** **Frontline Series:**
Opening Deposit Accounts for Nonprofit Organizations
Deborah L. Crawford, Gettechnical Inc.
- 2/19/2025** **10 Ways to Prevent New Account Fraud**
Deborah L. Crawford, Gettechnical Inc.
- 2/26/2025** **Business Accounts Beyond Basics: Multi-Tiered, Beneficial Ownership, CIP & CDD**
Deborah L. Crawford, Gettechnical Inc.
- 3/5/2025** **Writing a Teller Training Program**
Deborah L. Crawford, Gettechnical Inc.
- 3/12/2025** **Frontline Series:**
Opening & Maintaining Consumer Accounts
Deborah L. Crawford, Gettechnical Inc.
- 3/17/2025** **New Funds Availability Limit Update: Preparing for Reg CC Changes Effective July 1, 2025**
Monday
Dawn Kincaid, Brode Consulting Services, Inc.

HUMAN RESOURCES

- 1/6/2025** **Wisdom Gained from the EEOC's Biggest Rulings of 2024**
Monday
Diane Reed, HR Doc
- 2/20/2025** **Dealing with Employee Discipline, Complaints, Performance Issues & More**
Diane Reed, HR Doc
- 3/19/2025** **Comprehensive Employee Onboarding Using Innovative Techniques**
Diane Reed, HR Doc

IRA

- 1/21/2025** **IRA Series:**
Final IRA RMD Regulations, Deadlines, Calculations, Reporting & More
Loni Porta, Convergent Retirement Plan Solutions, LLC
- 1/27/2025** **IRA Series:**
IRA & HSA Update: The Latest Changes & Issues
Monday
Loni Porta, Convergent Retirement Plan Solutions, LLC
- 3/11/2025** **IRA Series:**
IRA Beneficiary Designations & Distributions: Options, Best Practices & Compliance
Loni Porta, Convergent Retirement Plan Solutions, LLC

IT

- 1/29/2025** **Simplifying the FFIEC's Architecture, Infrastructure & Operations (AIO)**
IT Booklet
60 Minutes
John Moeller, CLA

LENDING

- 1/8/2025** **Consumer Lending Regulatory Compliance**
Mary-Lou Heighes, Compliance Plus, Inc.
- 1/9/2025** **Regulatory Update for the Credit Analyst**
Robert L. Viering, RiverPointUSA LLC
- 1/28/2025** **Consumer Loan Documentation: Developing a Comprehensive Checklist**
Dawn Kincaid, Brode Consulting Services, Inc.
- 1/30/2025** **1071 Rule FAQs: Are You IN or OUT in 2025?**
60 Minutes
Susan Costonis, Compliance Consulting & Training for Financial Institutions
- 2/3/2025** **UCC Financing Statements: Completing, Filing, Amending & Renewing**
Monday
Shelli Clarkston, Spencer Fane LLP
- 2/11/2025** **Deciphering Tax Returns Part 1: Form 1040, Schedules B & C**
Timothy P. Harrington, TEAM Resources
- 2/18/2025** **Agricultural Lending Update**
Robert L. Viering, RiverPointUSA LLC
- 2/25/2025** **Deciphering Tax Returns Part 2: Form 1040, Schedules D, E & F**
Timothy P. Harrington, TEAM Resources
- 3/25/2025** **Job-Specific BSA Training for Lenders**
60 Minutes
Mary-Lou Heighes, Compliance Plus, Inc.

MARKETING

- 2/13/2025** **Website Compliance: ADA Requirements, Common Issues & Best Practices**
Dawn Kincaid, Brode Consulting Services, Inc.

OPERATIONS

- 1/22/2025** **Marijuana Update: Implications of Schedule III Change, On-Boarding, Payments & Monitoring**
Deborah L. Crawford, Gettechnical Inc.
- 2/24/2025** **Treasury Management: A Powerful Tool to Increase Deposits & Fee Income**
Monday
Marcia Malzahn, Malzahn Strategic
- 3/20/2025** **2025 ACH Rules Update**
Shelly Sipple, EPCOR
- 3/27/2025** **FedNow Beyond Basics: Getting the Most Out of Instant Payments**
60 Minutes
Sharon Hallmark, EPCOR

SECURITY & FRAUD

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Monday
Barry Thompson, Thompson Consulting Group, LLC

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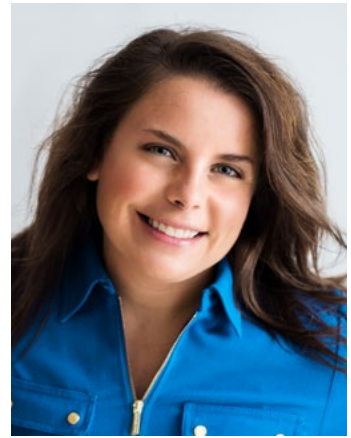
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GRATEFUL HEARTS THIS HOLIDAY SEASON

— **Megan Olson**, President & CEO, ICBSD



As the year comes to a close, the holiday season offers a wonderful opportunity to reflect and give thanks. At ICBSD, we are grateful for you—our dedicated members—who work tirelessly to strengthen South Dakota's communities through independent community banking.

Your hard work and commitment make a real difference every day. You're the ones ensuring family farms thrive, small businesses succeed, and families find a safe place to save for their dreams. Community bankers are the heartbeat of our state's economy, and it's an honor to support the work you do.

This year brought its share of challenges and opportunities. Thanks to your steadfast dedication, community banking remains a pillar of strength in South Dakota. ICBSD has been proud to stand alongside you, advocating for the issues that matter, providing resources to empower your banks, and fostering connections to help you succeed.

As we look ahead to 2024, our mission remains unchanged: to champion independent community banking and support the vital role you play in the lives of your customers and communities. Whether it's through advocacy, education, or networking, we're here to ensure you have the tools and resources you need to thrive.

On a personal note, I am especially thankful for the stories you've shared with me over the past year. Hearing about your successes and the meaningful impact you have in your communities is a constant reminder of why this work is so important

As you celebrate the holidays, I hope you take time to reflect on all you've accomplished and enjoy a well-deserved break with family and friends. Your efforts don't go unnoticed, and ICBSD is proud to be your partner.

Here's to a joyful holiday season filled with happiness, gratitude, and maybe even a little rest! Thank you for all you do to make South Dakota such a vibrant place to live and work.

"This year brought its share of challenges and opportunities. Thanks to your steadfast dedication, community banking remains a pillar of strength in South Dakota."

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SUPPORT THE ICBSD PAC

PAC 100 CLUB

THE PAC 100 CLUB RECOGNIZES THE INDIVIDUALS WHO HAVE CONTRIBUTED \$100 TO THE ICBSD PAC.

David Johnson, Reliabank Dakota
 Jan Johnson, Reliabank Dakota
 Hugh Bartels, Reliabank Dakota
 Josh Hogue, Reliabank Dakota
 Jane Swenson, Reliabank Dakota
 Reid Johnson, Reliabank Dakota
 David Ebberts, Reliabank Dakota
 Jermey Keizer, Reliabank Dakota
 Bob Smithback, Reliabank Dakota
 Mark Lee, Reliabank Dakota
 Pam Homan, Reliabank Dakota
 Bruce Anderson, Farmers State Bank, Canton
 John Ripley, Farmers State Bank, Canton
 Valerie Anderson- Boudaka, Farmers State Bank, Canton
 Bryan Launderville, Farmers State Bank, Canton
 Kirk Rikansrud, Farmers State Bank, Canton
 Robert Kaul, First State Bank of Roscoe
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 Chad Lang, First State Bank of Roscoe
 Patty Beyers, First State Bank of Roscoe
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 Clay Spielman, First State Bank of Roscoe
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 Monte Troske, Farmers State Bank, Turton
 Aaron Olson, Farmers State Bank, Turton

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 Kevin Teigen, Farmers State Bank, Turton
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 Boyd Hopkins, CorTrust Bank
 Troy Olson, CorTrust Bank
 Nathan Smith, CorTrust Bank
 Roger Weber, CorTrust Bank
 James Grotenhuis, CorTrust Bank
 Jeff Smith, CorTrust Bank
 Mark Hahler, CorTrust Bank
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 Jodi Eich, Rivers Edge Bank
 Cameron Becker, Rivers Edge Bank
 Jim Viet, Rivers Edge Bank
 Paul Richards, Rivers Edge Bank
 Pete Melhaff, Great Plains Bank
 Brian Gilbert, National Bank of Sioux Falls
 Dillon Kjerstad, First National Bank in Philip
 Robert Baker, First National Bank of Sioux Falls
 Chris Ekstrum, First National Bank of Sioux Falls
 Julie Puetz, BankStar Finacial

THANK YOU TO THE FOLLOWING INDIVIDUALS AND BANKS FOR YOUR SUPPORT!

ABOUT PAC

The ICBSD Political Action Committee helps provide South Dakota community banks with a strong, united voice in Pierre. Your participation in the PAC helps ensure we have a seat at the table when issues affecting community banking are being discussed in the state capitol.

GET INVOLVED

Thank you in advance for your support of the ICBSD PAC. To make a contribution or to learn more, email Megan at Megan@ICBSD.com. Checks can be mailed to:

ICBSD PAC
 PO Box 615
 Watertown, SD 57201

CENTURY CLUB

THE CENTURY CLUB RECOGNIZES COMMUNITY BANKS WHOSE ENTIRE BOARD OF DIRECTORS HAVE DONATED \$100 TO THE ICBSD PAC.

Reliabank Dakota
 Farmers State Bank, Canton
 First State Bank of Roscoe
 CortTrust Bank

Farmers State Bank, Turton
 Merchants State Bank, Freeman
 Rivers Edge Bank

GUARDIAN CLUB

THE GUARDIAN CLUB RECOGNIZES COMMUNITY BANKS WHOSE ENTIRE BANK STAFF HAS DONATED \$100 TO THE ICBSD PAC.

First State Bank of Roscoe
 Elkhorn Valley Bank- Yankton

A YEAR IN REVIEW:

Celebrating the Progress of South Dakota's Community Banks

— **Jodi Eich**, Chairwoman of ICBSD,
Vice Chair and Chief Operating Officer, Rivers Edge Bank



As 2024 comes to a close, it's the perfect time to reflect on the achievements of South Dakota's community banks and the strides we've made together as an industry. This past year has shown just how resilient and adaptable our institutions are, particularly in the face of evolving challenges in both the economic and regulatory landscapes.

LEGISLATIVE WINS FOR COMMUNITY BANKS

One of the biggest highlights of 2024 was the progress made on the legislative front. Thanks to the tireless advocacy efforts of ICBSD and our members, we saw significant victories at the state level. A key achievement was the successful passage of regulatory relief measures aimed at easing the burden on smaller banks. These reforms will help streamline compliance processes, allowing community banks to focus more on serving their customers and less on regulatory red tape.

In addition, improvements to small business lending laws were another win for community banks. This legislative update will make it easier for our institutions to continue providing vital loans to local businesses, helping drive economic growth in the towns and cities we serve. These wins were a direct result of the collective voices of South Dakota's bankers coming together to advocate for our industry's future.


ASSOCIATION HIGHLIGHTS

This year has also been a busy one for ICBSD. We've continued to expand our professional development programs, including opening applications for the 2025 Level Up class. This program is designed to shape the next generation of community banking leaders by providing them with the skills and mentorship they need to succeed.

Our annual Black Hills Retreat was a huge success, bringing together bankers from across the state to share ideas, connect, and celebrate the industry we love. It's events like this that strengthen the bonds between our members and remind us all of the importance of working together.

As we look ahead to 2025, I am confident that South Dakota's community banks will continue to thrive. Together, we've proven that by staying united and focused on our mission, we can achieve great things for our communities and our industry.

Let's carry this momentum into the new year and continue building a bright future for community banking in South Dakota!



"A key achievement was the successful passage of regulatory relief measures aimed at easing the burden on smaller banks."



Flourish

NURTURING THE COMMUNITY BANK ECOSYSTEM

— **Rebeca Romero Rainey**, President & CEO, ICBA

As I reflect on the impact community banks have had this year, I revel in this notion that we have created something special, a dynamic ecosystem that centers on people. We have taken the time necessary to invest in relationships and their development, growth and long-term sustainability, and that is what sets us apart from others in financial services.

EMBRACING A LARGER COMMUNITY

I have attended numerous events across the country this year, and at each, I come together with a community bankers, their board members, vendor partners, associate members, state executives and more. These are the people who make up our dynamic ecosystem. While there are some differences in their makeup and the challenges and opportunities they face, they share a common denominator: these strong connections, the relationships and people and the why behind what we do. I am always struck by the similarities despite the differences and how community bankers are committed to making sure our communities thrive.

Yet, those communities aren't insular. While our customers are our priorities, the people-first mentality we live by extends to all of our relationships. Community bankers invest the time in partnerships with vendor providers, regulators and others who offer unique insights into how to enhance this ecosystem. These organizations have worked in hundreds of different environments, and they provide a lens from which to see where our strengths lie and where we can enhance our efforts.

Our teams also make up an internal ecosystem. Community banks work to create an environment where everyone can succeed and thrive, and

we witness both tangible and intangible results, impacts on people and the community. We hire those who share our vision and values, and, by extension, we become great places to work.

IN IT FOR THE LONG HAUL

Yet, building this kind of interconnected, thriving ecosystem does not happen overnight. It takes care and feeding and a commitment to success. Fortunately, community bankers are focused on the long term. We cultivate an environment that grows and gets stronger each year, as it's nurtured along the way. We focus on building connections that will stand the test of time.

So, as we approach 2025, I look forward to what the future holds. I hope end-of-year reflections remind you of the profound effect you've had on your customers' and communities' lives, and you take time to honor that. From all of ICBA, I thank you for all you do for this ecosystem and wish you a wonderful holiday season!

WHERE I'LL BE THIS MONTH

I'll be supporting our ecosystem, first by hosting groups in Washington D.C. for meetings, including our ICBA and Community Bank State Association's leadership, and then heading to The Fountain Trust Company in Covington, Ind., to visit with ICBA chairman Lucas White. I'll also be visiting our offices in Sauk Centre, Minn., and TCM Bank in Tampa, Fla.



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WHY ATTENDING ICBA LIVE IS ESSENTIAL FOR COMMUNITY BANKERS



— **Josh Hogue**, Immediate Past Chairman of ICBSD & ICBA Federal Delegate, President, Reliabank Dakota

As the ICBA federal delegate, I strongly encourage every South Dakota community banker to consider attending the ICBA LIVE 2025 event. Set for March 11-14, 2025, in Nashville, this event offers an invaluable opportunity for community bankers to come together, share knowledge, and shape the future of our industry.

ICBA LIVE is more than just a conference—it's where the power of grassroots advocacy meets the practical tools needed to strengthen our banks. As independent community bankers, we have a unique role in supporting the financial health of our local economies, but we must also work collectively to protect our industry at the federal level. This event is a direct opportunity to connect those dots.

ICBA LIVE offers valuable insights into regulatory changes affecting community banks, along with tailored educational sessions. The event features general sessions with inspiring speakers, a large vendor fair for discovering solutions, and numerous networking opportunities like roundtables and learning labs. A standout is the Bank Director Current Issues seminar, which is highly recommended for board members, as it equips them with the tools to ensure long-term bank

success. The blend of advocacy, education, and peer learning makes this a must-attend event for community banks.

If you're looking to be a part of the conversation that shapes the future of community banking, attending ICBA LIVE 2025 is a must. For more information visit icba.org/events/icba-live

“ICBA LIVE is more than just a conference—it's where the power of grassroots advocacy meets the practical tools needed to strengthen our banks.”



March 11–14, 2025

Gaylord Opryland Resort & Convention Center

NASHVILLE

RHYTHM. AMPLIFIED.

Together, community bankers amplify the power and successes of our industry at the largest annual gathering of community bankers—ICBA LIVE 2025.

Plug into a wide range of educational offerings to boost your knowledge and bring it back to your bank.

Synchronize with fellow community bankers and industry experts on the latest industry trends and innovations.

Celebrate the unique rhythm of our industry through energizing and inspiring general sessions and unparalleled networking events.

Register today at icba.org/live



From the Top

THE HEART OF THE COMMUNITY BANK

— **Lucas White**, ICBA Chairman,
President, The Fountain Trust Company, Covington, IN



This year's list of Best Community Banks to Work For made me think about what it takes to be a great employer. No two community banks are exactly alike, but we share a common sense of purpose, a focus on relationship banking and a dedication to our roles—and those three elements boil down to caring about people.

As employers, community banks thrive because we put people first. Sure, we have to meet budget and achieve revenue goals, but at the end of the day, we care about people more. We focus on building relationships with our teams, customers and communities more than on maximizing profits.

A CULTURE OF CARING

This innate sense of connection drives community bank cultures. I look at my bank and see an environment that celebrates family, offers a collegial, playful atmosphere and encourages people to work hard and have fun while they do it. That lighthearted spirit is palpable in everything we do.

Of course, it's not all play, but when you value your team as individuals, not cogs in the banking wheel, they enjoy it that much more. Many businesses had to force their teams back to the office after COVID remote work, but members of our team asked to come back because they missed their colleagues. I imagine that many of you can say the same.

EVOLVING TO MEET NEEDS

That's all because we care about balancing the work of community banking with the people behind it. We don't want to be stagnant; we want to provide a

flourishing environment that sparks enthusiasm from our employees and drives business engagement. From the board and leadership to every individual employee, it takes dedication and passion to enable our banks to grow, adapt and transform, and an enthusiastic, engaged team equals success in today's environment.

Reflecting on all of this, I'm realizing that every community bank is a best place to work. We put people first and challenge ourselves to grow for the betterment of our teams, customers and communities, and we stand apart from all other employers. I'm proud to be a community banker, not just for the work that we do but for the lives we touch. It's a true honor.

On a personal note, this holiday season, I hope you'll make the time to wind down, connect with loved ones and be truly present for those in your life. Because work will always be here, and after all, isn't it the people who make the difference?

MY TOP THREE

The holidays bring with them family traditions, including these personal favorites:

1. Seeing our Christmas tree lit up at night
2. Opening presents early in the morning with spiced tea
3. Making eggs benedict while having a mimosa

Innovation Station

BANKING AND STAFFING GEN Z INTO THE FUTURE

— **Charles E. Potts**, ICBA Executive Vice President & Chief Innovation Officer



As Gen Z (born between 1997 and 2012) graduates into the full-time workforce, they are looking to community banks as financial partners as well as potential employers. The characteristics this demographic seeks in both kinds of relationship are consistent: They want personal connection and digital solutions. Fortunately, that technology-forward, relationship banking model is community banks' sweet spot.

When it comes to identifying a financial partner, research shows Gen Z values a personalized banking relationship. In fact, according to a Capco study, 75% rated personalization as "highly important," making it a significant differentiator and opportunity for community banks. In addition, Gen Zers are digitally influenced. They place much more emphasis on mobile banking than other generations; Fiserv notes that 56% of them cite it as their top priority when selecting a primary financial institution.

These numbers tell a story and give community banks clear direction: Digital solutions and a personalized experience matter. That's one reason ICBA brought Rego Payments, a white-labeled family digital wallet for financial institutions and their customers, into the latest ThinkTECH Accelerator cohort. Rego gives community banks a platform to create a continuum of services that progress experiences from teenagers to senior citizens with a curated journey.

But this journey also needs to apply to Gen Z as employees. Community banks need to consider how this generation will support them from a staffing perspective. Thankfully, the customer of the future and the employee of the future are not dissimilar. Both are digital natives, tech-forward and tech-enabled, and with a high-tech, high-touch model,

community banks are well positioned to establish themselves in a desirable place to lead the financial needs of this generation.

As the competitive job market continues, offering a work environment that speaks to Gen Z's core needs will draw them in as employees. Community banks already share values with this generation by offering a community-centric, local-based approach to banking. A recent study from American Student Assistance reported that one-third of Gen Z would define a successful career by the ability to help their community—which bodes well for community banks as employers.

So, as we move into the new year, do so with optimism about what your future holds. Your digitally supported, personal relationship banking model resonates more than ever, solidifying you in the minds and hearts of current and future generations. And as 2024 winds down, I hope you take the time to reflect on your successes and look forward to what's to come, because community banks are poised to lead financial services in the new year. In the meantime, have a very happy holiday season!

"When it comes to identifying a financial partner, research shows Gen Z values a personalized banking relationship."

Checks & Balances

IS A FAVORABLE NEW FARM BILL ON THE HORIZON?

— **Mark Scanlan**, SVP of Agriculture and Rural Policy, ICBA
Scott Marks, Assistant VP of Congressional Relations, ICBA

A comprehensive piece of legislation, the farm bill is currently being redrafted after its 2023 expiration and extension through Sept. 30, 2024. Signed into law in 2018, the farm bill covers a range of programs that support American farmers, ranchers, consumers and the environment as a whole. Commodity programs like margin protection for dairy farmers and initiatives like the Conservation Reserve Program (CRP); local and regional food aid procurement; and the Supplemental Nutrition Assistance Program (SNAP)—to name just a few—all fall under the farm bill umbrella.

With the redraft in mind, the House and Senate Agriculture Committees have held multiple hearings this year and conducted research and solicited input from stakeholders. Timing is crucial, given the outcome of the presidential election could play a role in the updated bill's final draft.

The redrafted farm bill could include changes to the commodity and conservation program reforms; low-income food assistance programs; new agricultural trade policies (for example, market access and tariffs); and other programs focused on the nation's agricultural industries.

WHAT THE FARM BILL COULD HAVE IN STORE FOR COMMUNITY BANKS

In May, the House Agriculture Committee passed its new version of the farm bill with a 33-21 vote. However, the bill may require another extension, with consideration for current issues like the multiple hurricanes that affected the Southeast as well as low commodity prices. For example, Congress might consider an emergency aid package meant to help producers deal with the hurricane fallout and the falling commodity prices.

Here at ICBA, we're concerned about a Farm Credit System (FCS) agenda that may push community banks to the sideline on multiple fronts, including housing, regulation disproportion and essential community facility loans. While most stakeholders have outlined two or three priorities, FCS has released six or seven anti-community bank proposals. That some of these could be included in the final farm bill package could be of concern to our membership.

That said, ICBA supports several key farm bill principles:

Provide ample funding. Ensure the new farm bill maintains a robust commodity price safety net, boosts rural broadband capabilities and provides USDA upgraded technology to meet stakeholder needs more efficiently, particularly for farm loan programs.

Maintain a strong crop insurance program. Provide funding and flexibility to ensure all producers have access to sound risk management tools that can help them withstand severe weather events.

Enhance USDA guaranteed loan programs. Increase loan limits on USDA guaranteed farm loans (\$3.5 million for ag real estate and \$3 million for annual production loans), while streamlining paperwork and application processes for USDA farm and rural development loans.

No expansion of powers for the FCS. ICBA opposes broad approval authorities for FCS non-farm lending, which is inconsistent with its charter as a government sponsored enterprise (GSE) established to serve agriculture and would shrink community banks' loan portfolios.



Ensure community bank access to general credit programs. Allow community banks to serve rural America without enhancing the competitive advantages of privileged nonbank competitors. Reduce regulatory burden and ensure fairness. Require federal agencies to implement regulations fairly and equitably for all programs while reducing regulatory burdens on rural America.

HOW ICBA IS TAKING ACTION

ICBA signed a letter with 300 farm organizations urging that the new farm bill be drafted and completed this year. We'll also be supporting legislation for an emergency farm aid package. As Congress writes a new farm bill, there's a clear opportunity to address the challenges that rural America and our farmers and ranchers face. A strong farm bill allows producers and their community bank lenders to work together for long-term business planning purposes to ensure producers remain viable regardless of the financial challenges they may face. Incorporating the above principles will ensure a successful farm bill that meets the challenges facing rural America.

HOW YOU CAN HELP

We're urging ICBA members to send letters through our grassroots website icba.org/grassroots. There, you can also find materials highlighting the key areas of concern and where community bankers stand on this issue. Talk about ICBA's goal of taking a piece of legislation that's "lopsided" and making it better for community banks. For more guidance or insight, visit the Lobbying 101 module on our grassroots homepage.

Also, over the next few months, we'll be gearing up an amendment process, so any existing relationships that you have with members of Congress will be valuable during that phase.

A FRESH PERSPECTIVE: FOMC's 2025 Roster Has Some New Voters

— James Reber, CEO, ICBA Securities



While we in the financial services sector start thinking about monetary policy in the coming year, there's a new wrinkle to consider. Many Fed-watchers, rate prognosticators, economists and even investors had been betting on substantially lower rates in 2025 for many months. It looked like the corner had been turned with the 50 basis-point (0.50%) cut to fed funds on September 18. Almost immediately thereafter, persistently strong economic data caused members of the Federal Reserve Board to at least orally tamp down market expectations for aggressive cutting in the near future.

The “wrinkle” is the makeup of the Federal Open Market Committee (FOMC) next year. The people who actually cast a vote for our central bank's monetary policy is a subset of the entire Federal Reserve Board. The FOMC consists of 12 members from two separate groups. The seven governors—who are nominated by the U. S. President and confirmed by the Senate and include Chairman Jay Powell—vote at each of the meetings. The remaining five members are, most of the time, an annually rotating set of regional Federal Reserve district presidents elected by their constituents.

NEW FOR 2025

Next year, the five regional bank presidents on the committee are:

- **John Williams**, New York
- **Austan Goolsbee**, Chicago
- **Susan Collins**, Boston
- **Alberto Musalem**, St. Louis
- **Jeff Schmid**, Kansas City

The New York Fed president is the only permanently-voting member in the group. The Fed's open market operations, which is where

rubber meets the road on interest rates, are conducted through the New York bank, and hence the permanent spot on the FOMC.

The other four are perhaps wild cards, at least as Fed-watchers are concerned. Susan Collins has voted for only one year since her election in 2022; the same goes for Austan Goolsbee in 2023. The other two have not yet voted, given their elections since 2022. So, these voters will have their words and actions very closely parsed for “dovish” or “hawkish” leanings relative to interest rates.

But let's not oversell the impact: The votes at the conclusion of the FOMC's meetings are usually unanimous. I can't think of the last time there was more than one dissenting vote. It's also true that the other seven regional bank presidents who are not voters in a given year participate in the discussions and deliberations. Still, it's unusual for the FOMC to have this number of voters with little or no track record.

TOOLS IN THE SHED

Now that we've had a refresher course, let's talk about what the Fed can do regarding interest rates, which certainly have direct impact on community bank profitability. The most visible (and talked about) rate is fed funds, which is what financial institutions charge one another for overnight borrowings. The Fed controls that rate through the setting of reserve requirements; if it wants Fed Funds to drop, it decreases the level of reserves required in the system, thereby freeing up more money to be lent and invested.

It also runs the discount window as part of its mission of being the “lender of last resort.” Fed members, including community banks, have access to these short-term borrowing which can

help manage liquidity risk, especially during times of market disruptions. The discount rate is set by the Fed and highly correlated to fed funds.

Not least among its kit is the open market operations mentioned previously. If the Fed decides it needs to impact interest rates that have longer terms than money markets, it has capacity to invest vast sums in securities to bring down costs of borrowing. In doing so, the Fed effectively subsidizes all manner of debtors: consumers, homeowners, corporations, municipalities and even the largest borrower on earth: the federal government. Never was this more visible than the early stages of the COVID pandemic, when the Fed purchased over \$4 trillion in treasuries and mortgage-backed securities—most of which it still owns—in 2020 alone.

CURRENT FORECAST

As we get ready to close out another year, what do the financial markets expect in 2025? This time last year, around 175 basis points in rate cuts were in the 2024 futures numbers. Perhaps because of that (i. e., grossly overestimating the decrease in fed funds), the U. S. economy's impressive resilience, and

inflation's refusal to get back into its 2% box, we're still singing from the "higher for longer" hymnal.

But that should bode well for community banks. It appears that cost of funds has finally started to level off as the effects of the first rate cut take hold. Overall, borrower financial health appears to be holding up, so loan demand should be at least average. And maybe, if the interest rate curve ever returns to a normal slope, community bankers can get back to pricing relative risk into their balance sheets. Perhaps the first lap for several new FOMC voters will be steady as she goes.

RESEARCH RESOURCE

Most of the data used in this column is from the Federal Reserve's website. It contains a wealth of information on the history and structure of the central bank, as well as archival facts on FOMC meetings and the execution of monetary policy. Visit [federalreserve.gov/monetarypolicy](https://www.federalreserve.gov/monetarypolicy).



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FROM BANKING TO THE STATE CAPITOL:

Hugh Bartels' Journey from Community Banker to Speaker of the House

From managing a community bank to shaping state legislation, Hugh Bartels has demonstrated that the skills and relationships built in community banking are valuable assets in public service. His journey—from community banker in South Dakota to the Speaker of the House—has been defined by his ability to foster connections, understand regulations, and make decisions that drive both financial institutions and state progress forward. Building a Foundation in Community Banking

Originally from Pierre, Bartels jokes that he has known his way around the capitol since he was in junior high. However, that is not where he realized his passion for public service. This came while he was attending college at Dakota State University in Madison. There he helped his close friend David Bockorny successfully campaign for president of the student legislature.

“My goal was never to be the leader. I liked being behind the scenes and getting things done. That’s where it started,” explained Hugh.

Hugh went on to begin his career in public service in the late 1970s, working for the state government. His trajectory shifted when he was asked to join the banking industry as the Deputy Director of Banking for South Dakota. With an MBA from the University of South Dakota, Bartels embraced this new challenge, diving deep into regulations and examinations. He honed his expertise by working with examiners, attending examiner school, and learning how to navigate the complexities of banking compliance. His early exposure to government processes and regulatory frameworks set the stage for the influential roles he would play in both banking and politics.



“My goal was never to be the leader. I liked being behind the scenes and getting things done. That’s where it started.”

His background in finance and love for working with people helped him thrive in banking, leading to his eventual role as President at Farmers and Merchants Bank in Watertown, now Reliabank Dakota.

A NATURAL TRANSITION TO PUBLIC SERVICE

While working at the bank, Bartels became increasingly involved in his community, serving on the local school board. “At the time, the temperature within the school district wasn’t great. Some individuals were upset with how the school operated. I decided to run to see if I could help turn things around,” said Hugh.

Elected as president just two minutes into his first board meeting, Bartels immediately began making changes that were well-received. He spearheaded efforts to improve Watertown’s schools, including leading a successful initiative to provide laptops for students—making Watertown the first district in the state to do so. This focus on forward-thinking governance resonated with his community and kept him on the school board for a total of nine years. After his service on the school board ended, Bartels was encouraged to run for the South Dakota Legislature. Though initially hesitant, he eventually



ran for office after retiring from the banking industry. His banking background gave him a unique perspective on leadership and policy. Bartels was elected to represent District 5 in the South Dakota House of Representatives in the 2016 general election, and soon became known for his ability to bring clarity to complex legislative issues.

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The transition from banking to the Legislature came naturally. “Customers come to the bank for help. Because of this, bankers are generalists. We get the opportunity to listen and learn a lot about different industries. This knowledge transferred well. Having a positive attitude helped, too!” said Bartels.

Working within the Appropriations Committee, Hugh quickly proved himself to be a good listener and an effective communicator, and his peers took notice.

LEADING WITH INTEGRITY AS SPEAKER OF THE HOUSE

As the 2022 legislative session ended and preparations for the next began, Bartels was approached about running for Speaker of the House.

“I was reluctant at first, but then realized I had a great shot at winning. I mentally committed, then gave it everything I had to win. I put 3,000 miles on my truck while campaigning. I met with as many legislators as I could to talk about leadership and how I was going to run things,” explained Hugh.

In 2023, the South Dakota House of Representatives elected Bartels as Speaker over Speaker pro tempore Jon Hansen. This was the first time the Speaker pro tempore from the previous term ran for the position but did not win.

As the new Speaker, Hugh understood that, like banking, politics required trust, strong relationships, and a steady commitment to serving the community. He soon built a reputation for fairness, ensuring that every voice was heard and every decision was made with the best interest of South Dakota in mind. As

part of this, he appointed those who voted against him to serve as committee leaders. “I knew this would allow me to see the other side, they were the best fit for the job,” explained Hugh.

Hugh wasted no time getting down to business in his new role. Wanting to do the best he could, he made sure to read every bill that came across his desk.

“As Speaker I had a reserved parking spot outside my office. I never needed it though. Nobody else was there at 6:30AM! I had to get there early to read through all of the bills that were introduced the day before so I could assign them to the correct committee,” he stated.

Reading all of the bills was just the beginning! Hugh became notorious for carrying around his rule book, complete with yellow sticky note bookmarks poking out of the sides. He saw to it that the rules and processes were followed. If two bills were similar, Bartels would encourage the authors to collaborate and come up with one solution that both were happy with.

Bartels’ ability to work across the aisle with the Senate, and bring people together made him an effective leader. Whether addressing complex financial regulations or discussing state infrastructure needs, he brought a practical, solutions-oriented mindset to every issue.

A LEGACY OF LEADERSHIP

After serving four terms in the South Dakota House of Representatives, Bartels has left a lasting impact on both the banking education and political landscapes. His tenure as Speaker of the House showcased his commitment to making South Dakota a better place for all its citizens.



If you're thinking about running for the legislature, and you're interested in learning about a lot of things, do it! You'll vote on everything from real estate tax, to registered illegal drugs to what a barber can or cannot do. It's a great way to get involved and keep our state moving forward!



THE END OF OPEN BORDERS

— **Senator John Thune** (R-S.D.)

It's been clear for a while now that an enduring legacy of the Biden-Harris administration will be the historic immigration crisis at our southern border. The last four years have been the four highest years of illegal immigration ever recorded. This record-breaking illegal immigration crisis didn't just happen on its own, the Biden-Harris administration created it. For those of us who have been sounding the alarm about the dangers of an open border for years, it comes as no surprise that the American people are ready to turn the page on this administration's failed policies.

On the day he took office, the president began dismantling President Trump's border security policies, and illegal immigration soon began surging in response. Between official U.S. Customs and Border Protection encounters and known gotaways, there have been somewhere around 10 million migrant encounters at our southern border on President Biden's watch. To put that number in perspective, that's larger than the population of the vast majority of U.S. states – and that's just the individuals we know about. There are undoubtedly individuals who have made their way into our country over the past four years who have been neither seen nor apprehended.

It's essential to remember that the situation at the border doesn't just affect border states. South Dakota is about as far from our southern border as you can get, but law enforcement officials consistently tell me that deadly drugs in our state can be traced back to the southern border. Then there are the bad actors who are able to enter the country because of the chaos at the border.

“Next year, under the Trump administration and with Republican majorities in Congress, the American people can expect that border security will be a top priority.”

Individuals with terrorist ties and gang members have been caught after crossing the border illegally. And we've seen tragic cases of Americans killed by illegal immigrants who should never have been in this country in the first place.

Next year, under the Trump administration and with Republican majorities in Congress, the American people can expect that border security will be a top priority. That starts with restoring the border security policies of the first Trump administration, letting Border Patrol do its job, and beginning to deport those who are in the country illegally.

If recent reports are accurate, immigration officials are preparing for a possible final surge before President Trump takes office – a clear sign, if one were needed, that migrants regard President Biden as the open-border president. Final surge or no final surge, the days of this border crisis are numbered. For the sake of our security and the rule of law, President Trump and the Republican Congress will take decisive action to fix the mess created by the Biden-Harris administration.

ROUNDS INTRODUCES LEGISLATION TO ELIMINATE U.S. DEPARTMENT OF EDUCATION

Legislation would return education to local control, redistribute critical programs to existing federal Departments



— **Senator Mike Rounds** (R-S.D.)

WASHINGTON – U.S. Senator Mike Rounds (R-S.D.) today introduced the “Returning Education to Our States Act” which would eliminate the U.S. Department of Education and redistribute all critical federal programs under other departments.

The Department was created in 1979 with the goal of collecting data and advising schools across the U.S. on best practices. In the 45 years since then, it has grown into an oversized bureaucracy with a budget that’s 449% larger than it was at its founding. Despite the Department spending \$16,000 per student per year, standardized test scores have been dropping over the past ten years, further displaying the Department’s ineffectiveness on the quality of education for American students. Any grants or funding from the Department are only given to states and educational institutions in exchange for adopting the one-size-fits-all standards put forth by the Department.

“The federal Department of Education has never educated a single student, and it’s long past time to end this bureaucratic Department that causes more harm than good,” said Rounds.

“We all know local control is best when it comes to education. Everyone raised in South Dakota can think of a teacher who played a big part in their educational journey. Local school boards and state Departments of Education know best what their students need, not unelected bureaucrats in Washington, D.C.

“For years, I’ve worked toward removing the federal Department of Education. I’m pleased that President-elect Trump shares this vision, and I’m excited to work with him and Republican majorities in the Senate and House to make this a reality.”

— *Senator Mike Rounds*

“For years, I’ve worked toward removing the federal Department of Education. I’m pleased that President-elect Trump shares this vision, and I’m excited to work with him and Republican majorities in the Senate and House to make this a reality. This legislation is a roadmap to eliminating the federal Department of Education by practically rehoming these federal programs in the departments where they belong, which will be critical as we move into next year.”

Despite its inefficiencies, there are several important programs housed within the Department. Rounds’ legislation would redirect these to Departments of Interior, Treasury, Health and Human Services, Labor and State:



DEPARTMENT OF THE INTERIOR

- Native American-Serving Institutions Programs
- Alaska Native Education Equity Program
- American Indian Vocational Rehabilitation Services Program
- Indian Education Formula Grants and National Activities
- Native American and Alaska Native Children in School Program
- Native Hawaiian Education
- Special Programs for Indian Children
- Tribally Controlled Postsecondary Career and Technical Education Program
- Impact Aid Programs

DEPARTMENT OF THE TREASURY

- William D. Ford Federal Direct Loan Program
- Federal Family Education Loan Program
- Federal Perkins Loan Program
- Federal Pell Grant Program
- Health Education Assistance Loan Program
- Education Sciences Reform Act

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- Individuals with Disabilities Education Act
- American Printing House for the Blind
- Helen Keller Center for Deaf/Blind Youth and Adults
- Federal Real Property Assistance Program
- Special Education Grants

DEPARTMENT OF LABOR

- All Office of Career, Technical and Adult Education programs
- National Technical Institute for the Deaf
- Randolph Sheppard Vending Facility Program
- Vocational Rehabilitation State Grants

DEPARTMENT OF STATE

- Fulbright-Hays Program

LESSONS IN FAMILY BUSINESS LEARNED FROM SPIDERMAN, GROWING UP WITH A COMMUNITY BANK

— Maggie Groteluschen, Fiduciary Services Manager at The First National Bank in Sioux Falls

Much has been written about family businesses in America.

They produce the majority of the U.S. GDP, employ more than half of U.S. workers, and are the lifeblood of building our great nation.

At The First National Bank in Sioux Falls, we love working with and supporting family businesses **because we are one.**

I'm proud to work at the Bank, myself, as a fifth-generation family shareholder. In my 11 years with FNB, as well as my lifetime growing up here, I have learned many valued lessons about hard work, the importance of community, and what it means to be a family-first business.

DEFINE AND SHARE YOUR CULTURE

The values of our original family shareholders, dating back five generations, were interwoven deeply within our organization more than 100 years ago.

They guided business decisions, served as the foundation for relationships, and informed hard choices.

Nearly 15 years ago, we set out to codify these values — our FIRST Values — and define our culture in a way that was more tangible than just a feeling.

We called out each of them — Family, Independence & Innovation, Relationships, Stewardship, and Teamwork — and wrote examples of what these values look like in action.

“At The First National Bank in Sioux Falls, we love working with and supporting family businesses because we are one.”

By then putting this information into a handbook known as The First National Bank Way, we have been able to consistently teach and perpetuate our culture within the business since.

The handbook is given to each new teammate from the moment they start, and The First National Bank Way is utilized in annual performance reviews, carried into difficult conversations, and referenced often in both good and challenging times.

The right answer is always there for us, in black and white, and we continue to find success by using our FIRST Values as our north star.

INTRODUCE THE NEXT GENERATION TO YOUR VALUES AND CULTURE EARLY AND OFTEN

My childhood is replete with memories of coming to downtown Sioux Falls to visit Grandpa and Dad at the Bank.

My siblings and I were always welcomed with smiles and tootsie rolls from the teller line, then back to their offices we would roam. We colored, photo-copied funny faces, and even learned to ride our bikes in the Bank's basement parking.

We visited Santa in the Bank lobby every year, and when he walked up the stairs to depart with



his reindeer and sleigh, we would sneak up to the fifth-floor roof and undoubtedly spot Rudolph's nose blinking somewhere over the city as Santa made his way back to the North Pole.

As I grew, I got to attend "bring your daughter to work day," ride along to Pierre to witness lobbying for the banking industry, and participate in the Bank's stewardship efforts.

From a young age, I served supper at The Banquet with teammates and joined the Bank's Corporate Cup team as it competed to benefit the YMCA. I even skipped school to attend the United Way campaign that launched Dolly Parton's Imagination Library in South Dakota.

Looking back now, I recognize that my parents did a great job of weaving lessons about the family business — including hard work, values, and fun — into the fabric of my upbringing.

For me, this served as a great pathway to wanting to work in the business one day.

For my siblings, this instilled in them the deep meaning of and commitment to loyal ownership of the business, even though they did not choose to turn it into their careers.

INSTILL IN YOUR CHILDREN BOTH PRIDE AND UNDERSTANDING

It is often hard to gauge how much and how soon to share about your family business with your children.

But the community is aware of your business, your family, and your success. Like it or not, your children will also be made aware at some point — in both constructive and destructive ways.

I was raised to (and try to) emulate the Spiderman approach.

In just about every rendition of the classic superhero's story, Peter Parker's father figure, Uncle Ben, tells him, "With great power comes great responsibility."

In my family, that sentiment sounded a bit more like, "To whom much is given, much is required."

To be clear: the message is not about the success you achieve, but about what you do with it.

Recognize that your family business influences and shapes the lives of its owners, teammates, customers, and communities.

Understanding the responsibility and work required to use this influence for good is something my husband and I frequently talk about with our three children.

Although they are young, they already recognize where the bank can be seen in the community — whether it's spotting the logo on one of our branch locations or on a t-shirt at a youth sporting event — and we celebrate and instill this pride in ownership often.

LEAN INTO GREAT PLANNING OPPORTUNITIES

There is always a business doing similar work to yours on a larger scale.

At the Bank, we have built relationships with larger banks, affinity groups, consultants, and our board members, all of whom we rely on often.

We have recognized that we need outside partners in order to keep family first and at the core of our business.

We consciously work to build deep and meaningful relationships with these outside advisors to our mutual benefit.

I have repeatedly been amazed by the loyalty these actions garner and the resulting insights, direction, and lessons these valuable partners bestow.

There are always opportunities for planning and coaching; utilizing these resources has helped us navigate generational transitions, acquisitions, industry changes, and difficult conversations.

A FAMILY'S LEGACY IS MORE THAN ITS UNDERLYING BUSINESS

To quote Maya Angelou, "I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel."

At First National Bank, we sometimes work with family business leaders who no longer have family members ready or willing to take the reins.

The process of navigating this reality is full of emotion, and it is important to be reminded that despite a change in leadership or ownership, your family's legacy will still live on.

I had the incredible honor of working with my dad for seven years at the Bank.

We transitioned to a non-family member president & CEO in 2020, but my dad is still there to take my calls, offer his insights and wisdom, and, most importantly, cheerlead his daughter as she finds her own path to success and fulfillment in the family business.

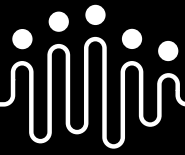
My dad has taught me that your legacy is about so much more than the business; it is about the people who come to work every day, the customers whose needs you meet, and the lives you enrich throughout your community because of the good you've done.

Despite business sales or changes, that legacy remains in countless hearts and memories.

Our family and our business are far from perfect, but we are doing a lot of things right.

I am passionate about perpetuating my family's legacy, and I would love to help you in perpetuating yours.

If you have questions or found any of these lessons to be relatable to your organization, give me a call at (605) 335-5158 and I'd be happy to have a conversation.



Independent Banker

A COMMUNITY BANKING PODCAST FROM ICBA



Your host, ICBA Chief Innovation Officer Charles Potts, speaks candidly with community banking leaders to glean actionable insights and inspiration on everything from managing talent and advocacy to the demands of the ever-shifting financial technology landscape.

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7 QUESTIONS BANKS SHOULD ASK A POTENTIAL FINTECH PARTNER

– BHG Financial Institution Network

Collaborations between financial services technology firms (fintechs) and financial institutions are occurring more frequently than ever. Many financial companies see fintechs as an affordable, nimble solution to their technology gaps. Others partner with fintechs for assistance with compliance and regulatory governance. The fastest-growing fintech segment enables financial institutions to diversify their customer bases, expand revenue, and even increase deposits via banking-as-a-service agreements.

It is easy to recognize the contribution a fintech can make to your organization. However, it is more challenging to find the *right* fintech partner for your business. Ideas for how to do that is the goal of this article. We will discuss what steps you should take before entering a fintech relationship, efficient ways to conduct due diligence, and ensuring the compatibility of your fintech partnership before and during the relationship.

WHAT TO KNOW BEFORE COMMITTING

Can the fintech you are considering produce consistent value over time? Can you demonstrate that the relationship is being appropriately managed amid increased regulatory scrutiny of third-party risk management? These are just a few of the things you will need to know before a partnership can begin.

Ultimately, choosing the right fintech will come down to the quality of your institution's due diligence. Done well, due diligence can save your business time, money, and resources. It can also help focus your analysis by ensuring a potential partner can meet such criteria as:

- Financially and operationally capable of providing the desired services

- Adds organizational value while maintaining proper controls
- Enhances your organization's brand and reputation

THE DUE DILIGENCE JOURNEY

The discovery process starts with internal decision-makers and how they respond to the foundational questions, which are designed to help shed light on the pros and cons of a potential partnership:

1. What benefit(s) will we achieve by partnering with the third-party fintech?
2. What are the estimated savings and/or revenues we can expect over 1-5 years?
3. How much will it cost to establish and maintain the partnership over 1-5 years?
4. What kind of risk management program does the fintech partner possess?
5. Can our infrastructure and staffing handle the activity generated by the partnership?
6. Is the fintech's risk culture and business approach compatible with ours?
7. Does the fintech have a good business reputation, based on online research and discussions with current business partners?

A company can deepen the effectiveness of due diligence by tapping into or creating additional resources. For example, your company's existing third-party risk management team should help evaluate a potential fintech partner. A cross-disciplinary team could be assigned to other essential tasks, such as identifying critical risks and creating a partnership implementation plan.

Even federal banking agencies can be a due diligence resource. In 2021, *Conducting Due Diligence of Financial Technology Companies: A Guide for Community Banks* was published.

Despite being targeted at smaller banks, the content generally applies to any business considering a strategic fintech partnership. The content put forward these six key topics to consider during a due diligence evaluation

<h3>1. BUSINESS EXPERIENCE & QUALIFICATIONS</h3> <ul style="list-style-type: none">• Company overview• List of client references• Ownership information
<h3>2. FINANCIAL CONDITION</h3> <ul style="list-style-type: none">• Financial statements & auditor's opinion• Annual reports• Market information on competitors
<h3>3. LEGAL AND REGULATORY COMPLIANCE</h3> <ul style="list-style-type: none">• Organizational documents & business licenses• Outgoing legal & regulatory issues
<h3>4. RISK MANAGEMENT & CONTROLS</h3> <ul style="list-style-type: none">• Policies, procedures, other documentation• Self-assessments• Key risk indicator reports
<h3>5. INFORMATION SECURITY</h3> <ul style="list-style-type: none">• Information security control assessments• Incident management & response policies• Incident reports
<h3>6. OPERATIONAL RESILIENCE</h3> <ul style="list-style-type: none">• Business continuity, disaster recovery, incident response plans• Service-level agreements• Outsourcing policies

Conducting Due Diligence of Financial Technology Companies: A Guide for Community Banks, available at [federalreserve.gov/publications/files/conducting-due-diligence-on-financial-technology-firms-202108.pdf](https://www.federalreserve.gov/publications/files/conducting-due-diligence-on-financial-technology-firms-202108.pdf)

TRUST BUT VERIFY

Although a fintech partner may perform duties or provide services on an institution's behalf, it is the institution's responsibility to properly oversee that relationship. That is a fundamental tenet of third-party risk management. Partnering with a fintech could raise or lower your company's existing risk profile due to changes in credit, market, liquidity, reputational, operational, regulatory, and compliance risks. Proper due diligence of a fintech partner considers how the relationship could alter your risk profile. Your organization should trust but verify the information provided to you. Critical areas to analyze and confirm: established business relationships, financial performance, compliance program performance, reputation and litigation research, risk controls, and technologies used.

One crucial aspect of due diligence that should not be overlooked is the need for ongoing analysis once a fintech is integrated into your organization. No matter what service the fintech provides, your institution is responsible for confirming that the fintech meets its contractual and service-level responsibilities throughout the life of the relationship. Failure to identify and address inherent and developing third-party vendor risks could reduce a company's revenue stream, cost the organization valuable time and resources, jeopardize the safety of customers' personal identifiable information (PII), damage the organization's public reputation, and increase regulatory scrutiny.

CONCLUDING THOUGHTS

The recent failure of several high-profile fintech partnerships suggests a lack of effective due diligence at some juncture in their relationships. The guidelines and information presented here are designed to help your institution avoid the same fate. Common sense dictates that any type of new business relationship, fintech or otherwise, should be fully vetted and understood before it begins. The due diligence journey is endless, but you do not have to go it alone. Turn to those who are ready to help you along the way.



2025 ICBA Educational Events

MARCH

11-14 ICBA LIVE (In-person, Nashville, TN)

APRIL

- 1 Identifying and Addressing Distressed Loans Seminar (Livestream)
- 2 Commercial Loan Processor Seminar (Livestream)
- 3 Bank Director Forum 1 (Livestream)
- 8-10 Fraud Seminar (Livestream)
- 15-17 BSA/AML Institute (Livestream)
- 22-24 Bank Security Institute (Livestream)
- 22-23 Loan Review Seminar (Livestream)
- 24-25 Advanced Loan Review Seminar (Livestream)
- 29-30 FDICIA Seminar (Livestream)
- 30 Agricultural Credit Analysis Seminar (Livestream)

MAY

- 4-9 Audit Institute (In-person, Bloomington, MN)
- 6 Financial Statement Analysis Seminar (Livestream)
- 7 Cash Flow Analysis Seminar (Livestream)
- 12-16 ICBA Capital Summit (In-person, National Harbor, MD)
- 13 Call Report Seminar (Livestream)
- 14 Advanced Call Report Seminar (Livestream)
- 19-22 Credit Analyst Institute (In-person, Bloomington, MN)
- 20-22 Consumer Lending Institute (Livestream)

JUNE

- 1-6 Commercial Lending Institute (In-person, TBD)
- 3-5 & 10-12 Compliance Institute (Livestream)
- 5 Bank Director Forum 2 (Livestream)
- 10-12 NEW Data & Analytics Institute (In-person, Bloomington, MN)
- 17 Commercial Real Estate Lending Seminar (Livestream)
- 18 Analyzing Your Bank's Financial Statement Seminar (Livestream)
- 23-25 Community Bank Human Resources Seminar (Livestream)

JULY

- 29-30 Vendor Management Seminar (Livestream)
- 31 Agricultural Credit Analysis Seminar (Livestream)

AUGUST

- 5 Identifying and Addressing Distressed Loans Seminar (Livestream)
- 5-7 BSA/AML Institute (In-person, Dallas, TX)
- 12-14 Credit Analyst Institute (Livestream)
- 12-14 Bank Security Institute (In-person, Bloomington, MN)
- 25-26 CFO Forum (Livestream)

SEPTEMBER

- 9-11 Fraud Seminar (Livestream)
- 11 Bank Director Forum 3 (Livestream)
- 9-11 & 16-18 Audit Institute (Livestream)
- 14-19 Compliance Institute (In-person, Bloomington, MN)
- 22-25 Annual Current Issues Certification Conference (In-person, TBD)
- Sept 29-Oct 1 Enterprise Risk Management Institute (In-person, Bloomington, MN)

OCTOBER

- 2-3 Auditing IT General Controls Seminar (Livestream)
- 6-9 IT Institute (In-person, Atlanta, GA)
- 19 Community Bank Treasury Management Seminar (Livestream)
- 20-23 Annual Current Issues Certification Conference (Livestream)

NOVEMBER

- 4-6 BSA/AML Institute (Livestream)

DECEMBER

- 4 Bank Director Forum 4 (Livestream)

Dates and locations for the following events TBD:

- TBD NEW Marketing Institute
- TBD Enhancing Organizational Value Conference

Dates and locations are subject to change. Registration for the 2025 events will be open soon, watch the icba.org website for more!

Is your community bank skilled up?

Meet Cindy.

Cindy is the voice on the other end of the phone when bankers call about ICBA Education's bank director program, webinars, and other educational offerings. She takes the time to talk through bankers' professional goals, next steps, and ICBA's available options (all at a discount to members).

In the evenings and on the weekends, she can be found on her 150-acre farm in Central Minnesota or spending time with family and friends visiting and supporting our community.

Are your bankers educated because they have Cindy as a resource?

Learn more at
icba.org/education



ICBA
Education



COMMUNITY BANKERS

In Action

We applaud these community bankers in action for your efforts volunteering within your communities. You go above and beyond, investing your time and resources to make a tangible difference in your neighborhoods. From organizing local events to supporting charitable causes, your commitment to fostering growth and well-being is constant. The impact of your dedication is evident in the vibrant, thriving communities you help nurture!

Bankwest's Brian Graves Moves to Business Development Role

MITCHELL – BankWest in Mitchell recently announced the transition of Brian Graves into the role of Business Development Officer. Prior to this move, Graves served as Vice President of BankWest's Insurance Division.

BankWest's Regional President Jackson Collins said Graves' personal relationship skills are a great asset to the BankWest team.

"Brian is a lifelong Mitchell resident who truly cares about his community and the people we serve," Collins said. "That is an important part of our BankWest culture, and we are excited to have him assist area businesses and ag producers in attaining their financial goals."

Graves is a 1989 graduate of Mitchell High School and a 1994 graduate of Dakota Wesleyan University in Mitchell. He and his wife, Amanda, have two children and enjoy most outdoor activities including golfing.

"I really wanted to get back to direct interaction with customers, which has always been the part of my career that I find most rewarding," he said. "I strive to help my customers achieve and maintain success, and BankWest's wide array of products and services can help get them there."

BankWest is a full-service, independent community bank with 19 branches in 16 South Dakota communities including: Armour, Colman, Delmont, Geddes, Gregory, Kadoka, Kennebec, Madison, Mitchell, Onida, Pierre, Rapid City, Selby, Spearfish, Tripp and Winner. It also has stand-alone insurance offices in Murdo, Philip, Presho, Rapid City, and Salem.



First Dakota National Bank Announces Incoming Board Member *Ballard Spahr Partner Amy Arndt to Join FDNB Board*

SOUTH DAKOTA: First Dakota National Bank today announced the addition of a member to its Board of Directors—Ballard Spahr Law Firm attorney Amy Arndt.

A Partner and a member of the Elected Board of Ballard Spahr, LLP, Arndt brings a wealth of knowledge and talent to First Dakota's Board.

"Amy is a highly strategic thinker with a dynamic personality," said Larry Ness, Chair of First Dakota's Board of Directors. "She is respected by both her colleagues and her clients, and her significant experience—particularly in the finance industry—will be a major benefit to First Dakota."

Arndt has spent her career as a zealous advocate for owner-managed and closely held businesses, private equity funds and their portfolio companies and family offices throughout the United States. Her law practice spans 28 years advising privately held companies and family offices/businesses on private offering/placement and finance, corporate governance, mergers and acquisition transactions and asset acquisitions and divestitures.

Arndt attended Augustana University and holds a Bachelor of Science degree with honors, and graduated with her Juris Doctorate Degree from University of Nebraska.

Her professional distinctions include a Chambers USA Tier 1 Rating, Best Lawyers in America for M&A, Corporate and Lawyer of the Year in 2024 and she has been named to the Legal 500 M&A Practice Powerlist.

Arndt joined the First Dakota Board of Directors in August of 2024.

"We're very proud to be adding Amy Arndt to our Board," Ness noted. "As First Dakota continues developing ways to serve the families and business of South Dakota, having hardworking, talented experts like Amy on our Board will help us achieve even higher standards of excellence."

About First Dakota National Bank: Since becoming the first fully chartered bank in the Dakota Territory in 1872, First Dakota National Bank has strived to anticipate, meet, and exceed customers' expectations while strengthening communities by providing time, talent, and resources. With a legacy of success spanning more than 150 years, First Dakota remains dedicated to serving South Dakotans through its 17 conveniently-located branches.



Forbes Magazine Names First Dakota National Bank Best-In-State Bank for 2024

First Dakota National Bank is proud to have earned the distinction of South Dakota's #1 Best-In-State Bank by Forbes business magazine for 2024. The results were based on a survey of approximately 26,000 U.S. residents.

"It's an honor to be recognized as the Best-In-State Bank by Forbes," said First Dakota National Bank President and CEO Rob Stephenson. "One of our highest priorities is serving our customers and our communities with excellence, and this award reflects our steadfast commitment to building successful futures for our customers."

According to its website, "Forbes partnered once again with market research firm Statista to survey approximately 26,000 U.S. residents. Participants were asked to name all the banks and credit unions where they currently have—and previously had—a checking or savings account, and to identify financial institutions they know through the experiences of friends and family. Respondents were asked to share their level of satisfaction with the bank or credit union, and their willingness to recommend it to others, and to rate the organization on such criteria as: customer service, the quality of financial advice offered by representatives, fee structures, ease of navigating digital services and accessing help at branch locations, and the degree of trust the financial institutions inspired. Survey responses from the last three years were taken into consideration.

"Lastly, for each bank and credit union, Statista collected online text reviews and ratings written between February 2021 and March 2024. This research accounted for 20% of the scoring while the surveys accounted for 80%. The financial institutions with the highest scores landed on our lists."

To learn more about First Dakota National Bank, visit firstdakota.com. For more information on the survey, visit firstdakota.com/forbes.

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THE NATION'S *FIRST* BANKERS' BANK



Contact your South Dakota Calling Officer:

Michael Hahn
 VP, Correspondent Banking Officer
michael.hahn@ubb.com | ubb.com

Member FDIC

Merchants State Bank had a visit from ICBA's Brandy Smallbrock. She delivered their 125 year plaque, a great milestone for Merchants State Bank.

Merchants State Bank had a visit from ICBA's Brandy Smallbrock. She delivered their 125 year plaque, a great milestone for Merchants State Bank. And it was such a beautiful day, they decided to take a drive to Scotland, SD, to make a surprise visit to the Behls at Farmers and Merchants State Bank.



BankWest - South Dakota

The BankWest Mitchell team went above and beyond, preparing and packing 480 bags of snacks for the Mitchell Weekend SnackPack Program! This incredible program ensures that local kids have easy-to-prepare snacks for the weekend when parents are working or if food is scarce in their home.

Pictured left to right: Tracy Hallem, Tiffany Sonne, Gwendolyn Parker, Brian Graves, Jace Connor, Jacob Hertz, Darcy Goudy, Addie S, Travis Salmonson and Tami Sonne. Not pictured: Tawny Jokumsen.



Welcome to Our Newest Associate Member

Welcome to our newest ICBSD Associate Member, Vantage Point Solutions!

2211 N Minnesota St, Mitchell, SD 57301 | vantagepnt.com

Vantage Point Solutions has industry experts and comprehensive services to help financial institutions face compliance, audit, technology, and security challenges. Our team stays up to date on recent regulatory changes, significant and emerging IT and security risks, and state-of-the-art technology solutions, to offer a holistic approach to protecting your organization.



EMPLOYEE OWNED

Dacotah Bank - Give Where We Live

Give Where We Live is an employee-directed giving program where Dacotah Bank contributes up to \$200 towards a recipient or organization in need of the employee's choice. An additional \$300 can be donated by the Company to the organization in which the employee is an active board member.

Chris Mardian, Dacotah Bank Business Account Specialist in Rapid City, SD, recently donated \$500 to Links to Empowerment, of which she is an active board member and treasurer! On Chris' behalf, Market President Tom Weaver (left) is pictured presenting the donation to Diane Dekker-Redlegs, Links to Empowerment President (right).

Links to Empowerment is a non-profit that works to serve South Dakota students. Through a connection with schools, they gather input from staff, teachers, students and families to pinpoint crucial needs that, once fulfilled, would significantly enhance students' well-being and allow more focus on educational goals!

GIVE WHERE WE LIVE!



As part of Give Where We Live, our employee-directed giving program, Tom Weaver recently presented a \$500 donation on Chris Mardian's behalf to **Links to Empowerment** in Rapid City, SD!

American Bank & Trust Ground Breaking

Congratulations to American Bank & Trust on their groundbreaking of their new Sioux Falls Westside Branch located at 8401 West 26th Street.



From the South Dakota Division of Banking

Brad Pesicka and Jordan Heckenlaible have assumed new supervisory roles with the South Dakota Division of Banking. Pesicka is transitioning from Trust Training Director to Chief Trust Examiner, and Heckenlaible has been promoted to Trust Training Director.

Both will continue to participate on examinations but will be assisting with administrative and supervisory functions. Pesicka joined the Division in 2014 working out of the Division's Sioux Falls office and was promoted to the Training Director role in 2021, while Heckenlaible joined the Division in 2018 working out of the Pierre office and was most recently a Senior Trust Examiner.

THANK YOU

to our 2024 Preferred Partners for your endless support of community banking in South Dakota.





INDEPENDENT COMMUNITY BANKERS
OF SOUTH DAKOTA

P.O. BOX 615
WATERTOWN, SD 57201
605.878.3040



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