

MEMORANDUM

To: Subscribers to *Bank CEO's Operating and Management Desk Reference*

From: Ed Pace, Senior Vice President, Sheshunoff Information Services, Inc.

Subject: Highlights

CONTACT THE AUTHOR

Your author invites a two-way dialogue with subscribers to these manuals. His email address is eepace@gmail.com. Please include a telephone number in your email. If you have subscription problems or would like information on another Sheshunoff product, please call our client services department at 1-800-456-2340. We also invite you to visit our website at www.sheshunoff.com.

THIS QUARTER'S SUPPORT PAPERS AND NEWSLETTERS

- **Managing the Bank's Liquidity.** Regulators are quite concerned about liquidity and have issued guidance papers requesting that banks take affirmative action to improve their liquidity positions. This white paper describes a practical liquidity management system that is in use at hundreds of community banks and is serving them quite well.
- **Federal Reserve Makes Major Amendments to Regulation Z to Address Mortgage Concerns.** This paper is by Lorraine Hyde, a compliance specialist consultant who writes for Sheshunoff Information Services. In this paper Hyde spells out in detail the changes the Fed recently made to Regulation Z. The changes are final and permanent; the mandatory compliance date is October 1, 2009.
- **Legal and Regulatory Issues Newsletter.** This is a recurring newsletter that reports on compliance and regulatory matters that cross our desks between updates.
- **Interesting Court Cases Newsletter.** This is also a recurring newsletter. It is based on bank court cases that have been reported.

THIS QUARTER'S CHANGES TO THE VOLUMES

- **Bank Organization.** We updated Chapter 1, adding new material on how directors should fit into your organizational thinking.
- **Bank Administrations.** Previously Chapter 2 was titled *The Board of Directors*. Material in this chapter was redundant to material in Chapters 33 through 36; therefore, we replaced old Chapter 2 with a new chapter devoted to bank administration.
- **Liquidity Management.** The regulators are making a big deal out of liquidity management. Chapter 21A contains a practical liquidity management system designed specifically for community banks. This quarter we updated this chapter in anticipation of a serious need for the material.

- **Interest Rate Futures.** In Chapter 27, we updated charts that can be used to predict interest rate futures. At the end of the chapter, we also updated our charts containing 15 years of historical interest rates.
- **Amendments to Regulation Z.** This quarter we added a temporary chapter (see new Chapter 46) that describes the new rules in Regulation Z that pertain specifically to home mortgage compliance. Later (when the new rules effect), we will integrate these amendments to Regulation Z into Chapter 40. For the next six months or so you need to have both sets of rules.

YOUR CD

We have expanded the material shared with you on the CD. Feel free to copy and then customize this material. The files are in Microsoft Word[®] and Excel[®] formats. Among the files on the CD are all manual chapters and files placed in the following CD folders:

- Lending Support Papers (This folder contains about 20 papers on community bank loan management topics.)
- White Papers (This folder contains copies of white papers sent to you as components of update packages during the previous 36 months.)
- Compliance Papers (This folder contains about 50 regulatory compliance papers; all written in lay language.)
- Excel Files (Spreadsheets in this folder work in conjunction with models that appear either in the manual or on the CD.)
- Newsletters (The CD has 24 months of back issues from three different newsletters: (1) Financial Industry Court Cases, (2) Legal and Regulatory Matters, and (3) Human Resources Management guidance and tips.)