

## MEMORANDUM

To: Subscribers to *Chairman's Desk Reference*

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

Subject: 09.1 Update

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### CONTACT THE AUTHOR

Your author invites a two-way dialogue with subscribers. His email address is [eepace@gmail.com](mailto: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 Web site at [www.sheshunoff.com](http://www.sheshunoff.com).

### THIS QUARTER'S SUPPORT PAPERS AND NEWSLETTERS

- **White Paper: Lending to Municipals.** The Obama spending stimulus bill contains a provision that greatly enhances a bank's ability to profitably lend to (or invest in) local governments. This white paper explains this golden opportunity; then it discusses how the bank might exploit this opportunity.
- **White Paper: FDIC, IndyMac, and Problem Mortgages.** Since the failure of IndyMac, the FDIC has been wrestling with the problem mortgages it inherited. Once the agency determined how these mortgages should be handled it put together a program that it is urging on others. This white paper describes how this program was developed.
- **White Paper: If a Layoff Is Necessary.** A recent email from a client bank woke us up to the fact that for the first time in memory many banks face economic conditions so bad that employee layoffs will be required. If your bank is considering a layoff, we wrote a white paper to help you.
- **White Paper: FMLA and ADA Regulations Extensively Rewritten.** We were quite surprised when two important HR compliance regulations were changed and reissued during the fourth quarter of 2008. This white paper addresses revisions made to the Family and Medical Leave Act and the Americans with Disabilities Act.
- **Human Resources Management Newsletter.** This semiannual newsletter keeps you informed about changes occurring in HR management and alerts you to potential HR legal and regulatory problems.
- **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 recently reported bank court cases.
- **Recommended Board Activities; Second Quarter 2009.** To help you comply with regulatory requirements, each quarter we send you recommended agenda topics; then we place supporting papers on the CD. For the second quarter of 2009 there are five support papers on the CD.

## THIS QUARTER'S CHANGES TO THE MANUAL

- **Model Bank Policy Statements.** This quarter we added model bank policy statements on ACH Risk Management and Tying Arrangements. (See Chapter 4.)
- **Lending to Municipals.** President Obama's 2009 stimulus package contains provisions that greatly enhance a bank's ability to improve its profits by booking local government debt instruments. A new chapter explains this and how your bank should go about exploiting this opportunity. (See Chapter 19B.)
- **Interest Rate Futures.** We updated information in the asset/liability management volume that predicts interest rate futures. We also updated our charts containing 15 years of historical interest rates. (See Chapter 23.)
- **Strategic Planning.** Changes this quarter to strategic planning material include the following:
  - We rewrote the model strategic plan so this it is more attuned to today's economic conditions. (See Chapter 27A.)
  - We updated our information on financial planning. (See Chapter 28.)
- **Regulatory Compliance.** We added five new chapters on regulatory compliance this quarter. These chapters are an integral part of your manual. Due to their length, however, they are CD-only chapters. Following are titles of the new chapters.
  - Chapter 35: General Compliance Requirements
  - Chapter 36: Commercial and Consumer Compliance (Current material discusses changes to the Servicemembers Civil Relief Act (SCRA).)
  - Chapter 37: Real Estate Lending Compliance (Current material addresses FEMA's replacement of the agency's flood determination form. The new form must be used after June 16, 2009.)
  - Chapter 38: Bank Operations Compliance (Current material addresses FinCEN's simplified procedures for granting Currency Transaction Reporting (CTR) exemptions to customers who routinely handle cash in amounts of \$10,000 or more.)
  - Chapter 39: Human Resource Compliance (Current material addresses ADA and Family Medical Leave Act compliance.)

## YOUR CD

Feel free to copy and customize the files on the CD. These files are in Microsoft Word<sup>®</sup> and Excel<sup>®</sup> formats. Among these files are chapters in the manual, previous issues of white papers and newsletters, and the following support folders:

- Bankruptcy Papers (These papers explain important techniques that can be used to minimize bankruptcy losses. Consult these papers regularly when bankruptcy situations arise.)
- Board Support Papers (These papers offer commentary and guidance for the board.)
- Compliance Papers (This folder contains about 50 regulatory compliance papers, all written in lay language.)
- Problem Loan Management Papers (These papers explain how you should manage problem loans as they progress through various stages of deterioration and/or recovery.)

- Strategic Planning Discussion Papers. (These papers discuss topics that potentially have strategic importance.)
- Excel Files (Spreadsheets in this folder work in conjunction with models that appear either in the manual or on the CD.)