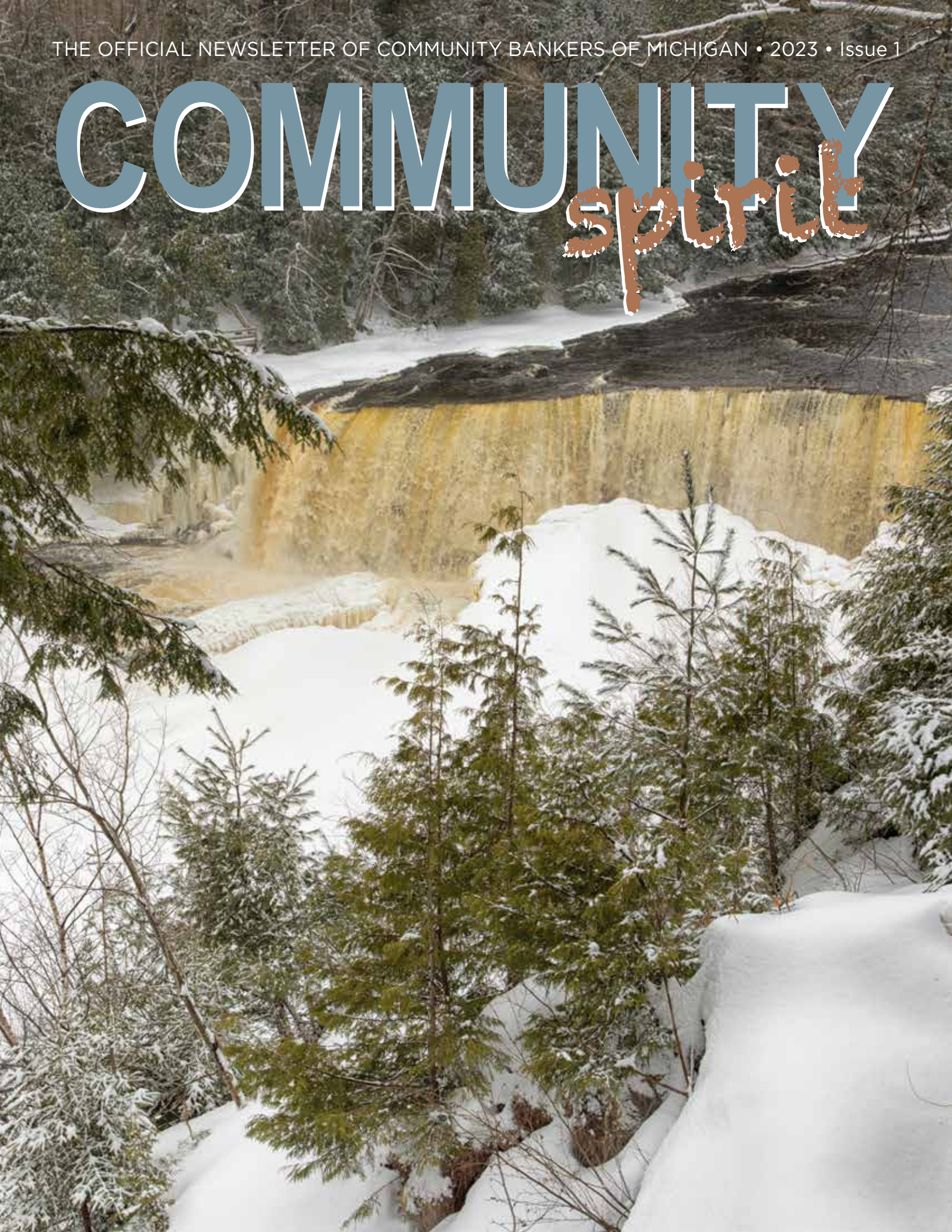


THE OFFICIAL NEWSLETTER OF COMMUNITY BANKERS OF MICHIGAN • 2023 • Issue 1

COMMUNITY spirit





STEPPING UP FOR OUR COMMUNITIES

FHLBank Indianapolis is stepping up our impact – by committing more dollars to affordable housing and engaging more with our members and the communities they serve.

In 2023, FHLBank Indianapolis is increasing its grant contributions by 25% to better support our member financial institutions and their partners to sustainably grow stronger and more resilient communities.



Learn more about how we are Stepping Up through our upcoming events and workshops planned for 2023:

fhlbi.com/resources/events/



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officers + directors 2022-2023

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president's corner

Well, I thought I was all done writing columns – turns out I have more to write. A great banker just sent me an email and he said, “You suck at retirement ☺.” Truer words were never spoken. I was looking at various options when my time at the CBM was coming to an end, and I concluded I wanted to keep doing something in banking. Once I came to that conclusion, and more importantly once my wife said she was onboard with me still working – well then it was an easy decision to stick with what I love, and that is representing Michigan banks and our associate members at the CBM. The CBM will be celebrating our 50th anniversary of serving Michigan banks in 2024 and I sure did not want to miss all the fun events we will be planning next year!!

Speaking of anniversaries – we have four banks who will be celebrating some very special anniversaries this year. Blissfield State Bank will be celebrating 150 years of service to their community. That is staying power. We also have ChoiceOne Bank, West Shore Bank and The State Bank celebrating 125 years of providing great banking service to their clients. We will cover each of the banks and their unique service to their communities in an upcoming issue of our magazine.

We are entering another uncertain year in 2023. I have seen several presentations from economists, and no one seems to be able to tell us with any certainty what to expect from the economy. They all say the signs point to recession, but none will go out on a limb and actually make a solid prediction. I looked back at my February columns over the last few years and one thing has been consistent – the outlook for the year was very uncertain at the beginning of the year. For now, it looks like a mild recession with the Fed beginning to ease interest rates sometime toward the end of the year if inflation continues to slow. The yield curve sure indicates this with its inversion and its low level of long-term rates. But does the bond market have this right?? What has been true for the last three years – they never turned out like we thought they would at the beginning of the year. No matter what happens, the banking industry is well

prepared as we have solid underwriting practices, better reserves, and more capital than we had going into the last economic downturn. The CUs on the other hand will really suffer if inflation takes longer to recede and the Fed must go farther with rate increases and keep the rates higher than the markets are expecting now. More Fed rate increases, which stick longer, will result in tremendous margin pressure for CUs and will likely cause their shoddy underwriting and risk management practices to be exposed. They could well be the modern-day equivalent of the S&L crisis the U.S. went through during the high-rate period in the early 80's. I was a young banker then and that period left me with great respect for solid interest rate management practices and sound credit underwriting.

Speaking of CUs – your bank does not have to sell to a CU even if they are the highest bidder. There are a number of sound legal principles that are totally justifiable for not always selling to the highest bidder. CUs can only do all cash deals so the selling shareholders have no chance to benefit from any synergies or earnings gains that usually come from banks merging, whereas if they took the acquiring bank stock they could benefit from future earnings streams of the combined entity. We will be sending you, your boards, and all investment bankers who operate in our state your legal justifications for not always going with the highest bidder. I do believe sustained high rates and a possible recession might take out a large number of CUs in Michigan, which is another consideration about who you sell to. If the CU fails, your community could be left with no banks or CUs in the area. I realize this is a protectionist view – and I make no apologies – my only role is to protect and defend the interests of community banks in our great state.



Michael J. Tierney
CBM President & CEO

Soon we will be headed into spring. The weather will get better, the days will get longer, and a sense of optimism comes with the new season. We have several great events planned for you. The Directors' College will be a hybrid event so you can attend in-person or virtually. It will be held March 28th, at the Henry Center in Lansing. You can register on our website or by calling the CBM. This is an event your senior officers and directors should attend. The ICBA Capital Summit will be held at the Renaissance Hotel in Washington, D.C. from May 14th to May 17th. We have new Congressional Reps to meet, and we want to say thank you to Senator Stabenow. This is the first year the Capitol is fully open to visitors and we hope a large number of you will join us this year. We were not able to travel to Washington, D.C. in large numbers over the past few years due to COVID, so it is really important the voice of our bankers is heard on the Hill!!!

Our "Once in a Lifetime Event" at American Dunes in Grand Haven is going to be held for a second time Monday, June 12th. We are fired up for this event. You still have the opportunity to register and to play "Your Most Heroic Round of Golf". Bankers and associate members of the CBM from around the state are uniting for a noble cause – to support the families of the men and women who gave all to protect our freedom. Our goal is to again provide 20 scholarships through Folds of Honor to families of Michigan military veterans who died, suffer from a permanent disability, or earned a Purple Heart defending our country. We hope you will consider being a sponsor for the event and help fund one of the scholarships. You may also want to look at promoting the work of Folds of Honor to your customers and to your community. We still have 70+ banks in Michigan, so if every bank helps to support the effort, even at just \$1,000, we will reach our goal. By the way, the window for applying for a Folds of Honor Scholarship is open right now. If you know a family member of a veteran who gave the ultimate sacrifice who is headed off to college, have them visit the Folds of Honor website and submit their application. We hope you can join us for the event

even if you are not a golfer. Non-golfers can attend the cocktail hour and dinner and still support the cause while getting a chance to visit this unique place.

Speaking of great golf – our annual event in the Upper Peninsula is July 18th and 19th. This event has grown every year and has become one of my personal favorite events of the year. I spent 14 summers in the U.P. as a kid, so it has long been a special place for me. We have more and more trolls – bankers and associate members from under the bridge – attending the event each year. I can tell you this – the reason the event has grown so much is that anyone who has ever attended never wants to miss it. We kick things off with golf and dinner at Greywalls on July 18th followed by great presentations at the Northern Center on the campus of NMU in Marquette on July 19th. Greywalls is a great test of golf and a beautiful course cut through solid rock with spectacular views of Lake Gitchee Gumi (Superior). Our dinners and evening receptions are some of the most fun events you will attend – but what happens in the U.P. stays in the U.P. Please join us this year – you will be glad you did.

The CBM is going to dedicate a great deal of effort in 2023 to help your bank fight fraud. The statistics from a recent American Banker article reflect exactly what we see in Michigan – a dramatic increase in fraud. The Independent Community Bankers of America said incidents of check fraud more than doubled last year, with 501,477 incidents reported in 2022 and 249,812 incidents reported in 2021. It will double again in 2023 unless we join together to fight it. We will be forming a task force to lead this effort and we will be working with DIFS and the Attorney General's Office to assist us in the fight against fraud. It is a nationwide problem and the pandemic and all of the remote work and new processes helped create an environment for the bad guys to take advantage of. We have also seen a dramatic increase in assaults on postal workers and theft of their keys to the mailboxes. These are universal keys which

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president's corner

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open up every blue mail drop box as well as the mailboxes at apartment buildings and condos. I will not mail a letter unless it is at my house, our office or directly into the inside slot at the post office. We can and we will work as an industry to curb these losses for our clients and for our banks.

We have welcomed several new partners as associate members of the CBM. Please take a look at what they have to offer and how they can benefit your bank. They offer the best solutions to the issues your bank faces.

Hope to see most of you at the Directors' College on March 28th and at American Dunes on Monday, June 12th. Whatever this new year brings our way – we will figure out with your help the best way forward for Michigan banks and our communities.



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Flourish

By Rebeca Romero Rainey, President and CEO of ICBA

‘Ohana is the Hawaiian word for family, and as we prepare to head to Honolulu for ICBA LIVE next month, I’m struck by how much that word describes this community. We are a family of community bankers, supporting one another and our communities through our shared mission, vision and values.

“When we assemble at LIVE, it’s about coming together to ignite the passion for community banking on behalf of our communities in a way that moves the industry forward.”

In many cases, we’re not only a chosen family; we’re related by blood as well. Many of us are fourth- or fifth-generation community bankers, embodying a long family tradition of caring for community. We’re passing that ethos down, too. In fact, we have more children attending LIVE this year than we have in the past, and I can’t help but think of the rising community bank leaders that may be right in front of us and all they will bring to the industry.

So, it’s fitting that this year’s theme for ICBA LIVE is “Light the Fire. Light the Way.” Not only are we looking at the next generation of leaders among us; we’re also focusing on what we can do today to preserve and grow community banks’ impact. It’s never been more important to keep that flame of community banking spreading throughout the country.

Our communities need our continued support through these complicated economic times. They need us to remain advocates for their needs. They need us to continue to serve them as people, not as transactions. So, when we assemble at LIVE, it’s about coming together to ignite the passion for community banking on behalf of our communities in a way that moves the industry forward.

As we look at the continued pace of change, we are met with our fair share of challenges but also great opportunities. When we come together, the

energy that arises helps us collectively identify the path forward. Then, we lift our heads up and address the technical and nuanced aspects of what we do with a focus on the long-term future of the industry. We create progress and momentum.



Rebeca Romero Rainey
President and CEO
of ICBA

But possibly the most rewarding part of LIVE is the opportunity to meet fellow community bankers from around the country. Those hallway conversations where we share anecdotes and make new connections exemplify who we are as community bankers. That sense of ‘ohana shines through, because in community banking we’re more than just business leaders. We are a family, and I hope to see you at LIVE to help us build the relationships that will shape the future of the industry.

Where I’ll be this month

I’ll be sharing the community bank perspective and speaking at the Federal Reserve Bank of Atlanta’s Back to the Future: 2023 Banking Outlook Conference.

Connect with Rebeca at [@romerorainey](https://twitter.com/romerorainey)





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517.336.4430

From the Top

By Brad M. Bolton, Chairman of ICBA

The passion I have for community banking was born at ICBA LIVE 2011, which was my first ICBA convention as an adult. I thought I already loved community banking, but I didn't realize how much until then. Thousands of community bankers convening in one room; motivating videos playing; leaders of the association delivering speeches of who we are and why it matters; keynote speakers inspiring with stories of beating the odds and thriving. It gets your blood pumping, and once you go to one, you'll never be the same.

“ICBA LIVE is an opportunity to continue training up the next generation, so I would encourage community bank leaders to join us and bring your rising community continuators with you.”

Because when community bankers assemble, remarkable things happen. We realize that we're all facing the same challenges and opportunities and recognize that we're all part of something bigger. We share firsthand experiences, advice and support to help each other succeed.

For example, when my bank was looking to replace our core, we spoke with potential partners in the expo hall, but we also talked to bankers who had used those solutions. In fact, a casual conversation between our bank's CFO and another banker led to us leaving LIVE with the name of a consultant we ended up using to assist us with the core search. We've also found social media monitoring and rewards checking products through recommendations from our peers at LIVE.

There also is no better educational event for community banks. It's an opportunity to continue training up the next generation, so I would encourage community bank leaders to join us and bring your rising community continuators with you.

From a business perspective, the experiences you have at LIVE ensure your bank grows and evolves. The ideas we pick up from the program, lessons-learned conversations and new knowledge of today's landscape

all stem from LIVE's educational sessions and networking events. There simply is nothing better than being together in person, and the convention is carefully crafted to set us up for success.

But above all, ICBA LIVE is like a homecoming. I think back on my own journey, walking into that first convention knowing no one except people from my home state, and now I have banker friends throughout the country. It's like a big family reunion that grows each year. It helps me remember that we are all connected, standing for a mission bigger than ourselves, serving as protectors of Main Street. It makes me proud to be a community banker.

So, when you attend LIVE in Hawaii this year, make sure you look me up. I'll be the guy exuding enthusiasm for this community, and I would love to meet you. I look forward to seeing you there!



Brad Bolton
ICBA Chairman

My Top Three

Ways to make the most of ICBA LIVE:

1. Attend all social and education events to meet your peers and learn.
2. Download the app and plan your schedule in advance.
3. Purchase your auction ticket and support ICBPAC.

Connect with Brad at [@BradMBolton](https://twitter.com/BradMBolton)

Brad M. Bolton is president and CEO of Community Spirit Bank in Red Bay, Ala.





Community banking is the American story.

We exist to arm your team with insights, strategies and tools, to make more objective, confident decisions, so you can remain the heartbeat of your community for generations to come.

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insurance + financial services

Does Your Bank Have an Operating Subsidiary Licensed for Insurance?

Over the years, most financial institutions in Michigan, as well as across the country, formed operating subsidiaries and licensed them to allow for the receipt of insurance commissions. Banks were able to do this without having to buy and manage a fully operational insurance agency. This allowed banks to outsource any insurance related functions to third parties and enter into commission sharing agreements.

While revenue generation was the primary reason for the insurance subsidiary formation, there are others benefits. Using related insurance products to enhance the customer experience in the transaction has been another opportunity many banks have taken advantage of with the subsidiary.

Given the number of Michigan banks that have insurance licensed agencies and given the transparency that now exists at DIFS to monitor compliance, we have been working to provide a service to assist in making certain that any DIFS related issues are monitored, and the established agencies remain in compliance.



James Harvin
Managing Director
and Principal
JLH Associates, LLC

Having an insurance licensed agency can provide an additional source of recurring revenue as well as improve customer service.

A few examples of how financial services partner have taken advantage to generate referral commissions:

Bank Purchased Insurance

Community banks spend material amounts on various insurance products – bond, D&O, P&C as well as employee benefits. Many have negotiated referral levels of commission share on these products between the licensed agency and the insurance broker. This is very common in the insurance industry.

Joint Ventures

We have assisted many banks with forming joint ventures with local insurance agencies. Referring bank customers to a highly trusted local agency for such products as commercial insurance coverages, forced placed coverage, crop insurance and estate based high end life insurance needs provide confidence for the customers.

Affinity Direct Marketing

Another easy, no-cost solution for community banks is utilizing customer affinity direct marketing programs. One of the most successful direct marketed products historically has been Checking Account “free” accidental death (AD). Newly reformatted products have recently been introduced providing additional customer benefits and significant commission levels for bank agencies. These products can also generate additional checking accounts.

Other examples of direct marketing products have included term life insurance, final expense, prescription discounts and home warranties.

If you have not revisited your insurance agency recently, perhaps now is a good time. If you don’t have a licensed insurance subsidiary, we can assist with the formation of one to ensure you can take advantage of the benefits. The agency is low cost, easy to maintain, and can provide the platform for significant levels of revenue.

We welcome the opportunity to have these discussions with you.

Contact Kate Angles at your CBM office today at 517.336.4430 or kateangles@cbofm.org or Jim Harvin at 517.351.4158 or jharvin@jlhassociatesllc.com.



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House Subcommittees Announced

There is a new Housing Subcommittee within the Economic Development and Small Business Committee and will include the following members: Rep. Kevin Coleman (D-Westland) (Chair), Rep. Emily Dievendorf (D-Lansing) (Vice Chair), Rep. Joey Andrews (D-St. Joseph), Rep. Lori Stone (D-Warren), Rep. Penelope Tsernoglou (D-East Lansing), Rep. Helena Scott (D-Detroit), Rep. Kristian C. Grant (D-Grand Rapids), Rep. Joseph Aragona (R-Clinton Twp.) (Minority Vice Chair), Rep. Matt Maddock (R-Milford), Rep. Angela Rigas (R-Caledonia), and Rep. Andrew Fink (R-Adams Township).

A new Behavioral Health Subcommittee within the Health Policy Committee has also been created and will consist of: Rep. Felicia Brabec (D-Pittsfield) (Chair), Rep. Noah Arbit (D-West Bloomfield) (Vice Chair), Rep. Carrie Rheingans (D-Ann Arbor), Rep. Sharon MacDonell (D-Troy), Rep. Kimberly Edwards (D-Eastpointe), Rep. Laurie Pohutsky (D-Livonia), Rep. Carol Glanville (D-Walker), Rep. Kathy Schmaltz (R-Jackson) (Minority Vice Chair), Rep. Mike Hoadley (R-Au Gres), Rep. Alicia St. Germaine (R-St. Clair Shores), and Rep. Jaime Thompson (R-Brownstown).

Here are the final appropriations subcommittees list with the full membership:

Agriculture - Rep. Julie Brixie (D-Meridian Township) (Chair), Rep. Jasper Martus (D-Flushing) (Vice Chair), Rep. Donovan McKinney (D-Detroit), Rep. Denise Mentzer (D-Mount Clemens), Rep. Ranjeev Puri (D-Canton), Rep. Ken Borton (R-Gaylord) (Minority Vice Chair), Rep. Gregory Alexander (R-Carsonville).

Corrections - Rep. Amos O'Neal (D-Saginaw) (Chair), Rep. Donovan McKinney (D-Detroit) (Vice Chair), Rep. Will Snyder (D-Muskegon), Rep. Christine Morse (D-Texas Twp.), Rep. Bradley Slagh (R-Zeeland) (Minority Vice Chair), Rep. Sarah Lightner (R-Springport), Rep. Ann Bollin (R-Brighton Township).

Environment and Great Lakes - Rep. Rachel Hood (D-Grand Rapids) (Chair), Rep. Donovan McKinney (D-Detroit) (Vice Chair), Rep. Felicia Brabec (D-Pittsfield), Rep. Jasper Martus (D-Flushing), Rep. Regina Weiss (D-Oak Park), Rep. Timothy Beson (R-Kawkawlin) (Minority Vice Chair), Rep. Bill Schuette (R-Midland), Rep. Cam Cavitt (R-Cheboygan).

General Government - Rep. Felicia Brabec (D-Pittsfield) (Chair), Rep. Rachel Hood (D-Grand Rapids) (Vice Chair), Rep. Ranjeev Puri (D-Canton), Rep. Amos O'Neal (D-Saginaw), Rep. Denise Mentzer (D-Mount Clemens), Rep. Samantha Steckloff (D-Farmington Hills), Rep. Ann Bollin (R-Brighton Township) (Minority Vice Chair), Rep. Sarah Lightner (R-Springport), Rep. Tom Kuhn (R-Troy).

Health and Human Services - Rep. Christine Morse (D-Texas Twp.) (Chair), Rep. Jasper Martus (D-Flushing) (Vice Chair), Rep. Felicia Brabec (D-Pittsfield), Rep. Rachel Hood (D-Grand Rapids), Rep. Phil Skaggs (D-Grand Rapids), Rep. Alabas Farhat (D-Dearborn), Rep. Amos O'Neal (D-Saginaw), Rep. Natalie Price (D-Berkley), Rep. Will Snyder (D-Muskegon), Rep. Ranjeev Puri (D-Canton), Rep. Phil Green (R-Millington) (Minority Vice Chair), Rep. Ann Bollin (R-Brighton Township), Rep. Tom Kuhn (R-Troy), Rep. Luke Meerman (R-Polkton Twp.), Rep. Donni Steele (R-Orion Township).

Higher Education and Community Colleges - Rep. Samantha Steckloff (D-Farmington Hills) (Chair), Rep. Jason Morgan (D-Ann Arbor) (Vice Chair), Rep. Phil Skaggs (D-Grand Rapids), Rep. Regina Weiss (D-Oak Park), Rep. Natalie Price (D-Berkley), Rep. Tom Kuhn (R-Troy) (Minority Vice Chair), Rep. Nancy DeBoer (R-Holland).

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legislative spotlight

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Joint Capital Outlay - Rep. Natalie Price (D-Berkley) (Chair), Rep. Samantha Steckloff (D-Farmington Hills) (Vice Chair), Rep. Ranjeev Puri (D-Canton), Rep. Julie Brixie (D-Meridian Township), Rep. Amos O'Neal (D-Saginaw), Rep. Jimmie Wilson Jr. (D-Ypsilanti), Rep. Gregory Alexander (R-Carsonville) (Minority Vice Chair), Rep. Andrew Fink (R-Adams Township), Rep. Bradley Slagh (R-Zeeland).

Judiciary - Rep. Jimmie Wilson Jr. (D-Ypsilanti) (Chair), Rep. Regina Weiss (D-Oak Park) (Vice Chair), Rep. Julie Brixie (D-Meridian Township), Rep. Jason Morgan (D-Ann Arbor), Rep. Denise Mentzer (D-Mount Clemens), Rep. Sarah Lightner (R-Springport) (Minority Vice Chair), Rep. Cam Cavitt (R-Cheboygan), Rep. Bill Schuette (R-Midland).

Labor and Economic Opportunity - Rep. Will Snyder (D-Muskegon) (Chair), Rep. Jasper Martus (D-Flushing) (Vice Chair), Rep. Donovan McKinney (D-Detroit), Rep. Ranjeev Puri (D-Canton), Rep. Alabas Farhat (D-Dearborn), Rep. Greg VanWoerkom (R-Norton Shores) (Minority Vice Chair), Rep. Luke Meerman (R-Polkton Twp.), Rep. Timothy Beson (R-Kawkawlin), Rep. Gregory Alexander (R-Carsonville).

Licensing and Regulatory Affairs/Insurance and Financial Services - Rep. Phil Skaggs (D-Grand Rapids) (Chair), Rep. Julie Brixie (D-Meridian Township) (Vice Chair), Rep. Donovan McKinney (D-Detroit), Rep. Jasper Martus (D-Flushing), Rep. Christine Morse (D-Texas Twp.), Rep. Bill Schuette (R-Midland) (Minority Vice Chair), Rep. Nancy DeBoer (R-Holland), Rep. Ken Borton

Military and Veterans Affairs and State Police - Rep. Jason Morgan (D-Ann Arbor) (Chair), Rep. Jimmie Wilson Jr. (D-Ypsilanti) (Vice Chair), Rep. Christine Morse (D-Texas Twp.), Rep. Felicia Brabec (D-Pittsfield), Rep. Cam Cavitt (R-Cheboygan) (Minority Vice Chair), Rep. Phil Green (R-Millington), Rep. Bradley Slagh (R-Zeeland)

School Aid and Michigan Department of Education - Rep. Regina Weiss (D-Oak Park) (Chair), Rep. Jason Morgan (D-Ann Arbor) (Vice Chair), Rep. Natalie Price (D-Berkley), Rep. Matt Koleszar (D-Plymouth Township), Rep. Phil Skaggs (D-Grand Rapids), Rep. Jimmie Wilson Jr. (D-Ypsilanti), Rep. Samantha Steckloff (D-Farmington Hills), Rep. Nancy DeBoer (R-Holland) (Minority Vice Chair), Rep. Cam Cavitt (R-Cheboygan), Rep. Phil Green (R-Millington), Rep. Luke Meerman (R-Polkton Twp.).

Transportation - Rep. Ranjeev Puri (D-Canton) (Chair), Rep. Jason Morgan (D-Ann Arbor) (Vice Chair), Rep. Rachel Hood (D-Grand Rapids), Rep. Phil Skaggs (D-Grand Rapids), Rep. Samantha Steckloff (D-Farmington Hills), Rep. Donni Steele (R-Orion Township) (Minority Vice Chair), Rep. Ken Borton (R-Gaylord).

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Community Bankers of Michigan CEO Search Completed

David C. Williams, President and CEO of Upper Peninsula State Bank and Chairman of the Community Bankers of Michigan (CBM) announced that the CBM has completed its search for a new leader. David commented “We are very pleased the road our Board took to find our next leader led us right back to where we started. Mike Tierney has done an outstanding job representing our industry as our CEO for the past six and a half years. His passion for community banking, his extensive industry knowledge, and his advocacy for Michigan economic growth, has greatly benefited our banks and our associate members. It was this passion that resulted in his recent, and very welcomed, decision to continue supporting our initiatives. He has forged strong relationships with regulators and legislators at both the state and national level. We have just completed the two best years in the history of our association, which spans nearly 50 years. We are thankful for his leadership and very excited to announce that the CBM Board has entered into a multi-year commitment to have Mike continue to lead the CBM. Mike has assembled a great team of employees at the CBM, and our Board is comprised of leading bankers from across the state who are solely committed to serving Michigan community banks, their customers, and their communities. “We have an outstanding team from top to bottom and we look forward

to continuing to provide exceptional service to our Michigan community banks and our associate members, along with advocating for improved financial services on behalf of Michigan consumers, farmers, and business owners.”

Tierney commented “I thank the CBM Board and our Michigan community banks for their faith in me and our top-notch team at the CBM. Banking is a noble profession where you help people realize their financial dreams. We help families save for college, save for retirement, buy their first car, or buy their first home. We help people start their first business and help them grow their business over decades. We help farmers buy their first farm, buy their first tractor, ship and sell their first crops, and then when the time comes, help them pass that farm down to their sons and daughters. Looking out for the financial well-being of our customers and our communities is what motivates bankers across the Great Lakes State every day. Our role at the CBM is to help Michigan be successful by supporting our community banks which are such a critical part of the success of the Michigan economy. I am so blessed to be an advocate for the industry I love – it’s not a job when you do what you believe in – it’s a privilege. By helping our banks thrive, we in turn help pave the path for every citizen and every business in our state to have the opportunity for a brighter financial future.”

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Fixed Rate or Floating?

Hybrid ARMs give an investor both features

By Jim Reber, ICBA Securities

What's your choice for the term of the decade so far (that is, other than COVID)? In the last three years, a number of expressions have come into fashion, some of which have been worn out, used out of context and deemed by linguists to be a blight on our vocabulary. I'm sorry to say these may be around for a while. Here are a few:

- Virtual
- Social distancing
- Pivot
- PPP
- Zoom (which I've noticed has become a verb as well)
- Supply chain
- Hybrid

Let's stick with "hybrid" for a few minutes. This has gained popularity in several circles. Hybrid cars, powered by both fuel and electricity, now account for over 5% of new vehicle sales, and all major auto manufacturers are ramping up their capacity. Hybrid education programs which have both in-person and virtual components are likely to be with us for some time. And, in the investment world, hybrid bonds can offer an attractive risk/reward profile for community banks.

Not a '20s innovation

Adjustable-rate mortgages (ARMs) have been around since the 1980s, and portfolio managers have coveted these investments that "wrap" the loans into a liquid security. ARM pools backed by Fannie Mae, Freddie Mac and Ginnie Mae (GNMA) deliver all the normal benefits of mortgage-backed securities (MBSs) and more. In addition to the monthly cash flow, ARMs also can help control interest rate risk for banks that are exposed to rising rates.

The 2020's versions of ARMs are, at least initially, hybrids. This means there is a fixed rate period for between three and 10 years, after which the remaining principal will adjust frequently, either semi-annually or annually. The volume of ARMs that are true floaters right out of the box is so small that the agencies have a hard time pooling them. Also, there are periods in which hybrids are not particularly attractive for community banks, due mostly to (no surprise here) the price levels. I'm pleased to announce that 2023 is a year in which hybrid ARMs are available at market prices that an investor will probably like over the next few years.

Borrower profile

Still, the vast majority of new mortgage loans is fixed-rate for the full term, whether 30, 20, 15 or 10 years. Over the last decade or so, only about 6% of new loans are adjustable, and that counts hybrids. So who are these borrowers, who are statistical outliers?

They really line up into two groups. The first are those who are barely on the cusp of qualifying for conventional (or FHA/VA) financing from a debt load standpoint. Hybrid ARMs will typically be offered at a lower rate than fixed, as the lender has to incent the borrower to accept some interest rate risk.

The second group consists of homeowners who expect to be in their home for a defined, relatively short period of time of ten years or less. These may be soon-to-be empty nesters, or possibly expect to move for employment reasons. If the borrowers do prepay before the first reset date arrives, they've saved some interest cost, and not exposed themselves to higher reset rates.

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Current examples

Given the profiles and behaviors of the borrowers, the cash flows that hybrids produce are substantial. The loans have fully amortizing 30-year terms, so not a lot of principal is scheduled to amortize initially, but an investor can expect some early activity. Then, as the first reset date approaches, the prepayments speed up even more, sometimes dramatically. Some models predict paydowns of 25% or more annually during the fixed rate window, and even faster in the last few years before initial reset. For many community banks, fast prepayments are exactly what they want in 2023. This was not the case, clearly, in 2020 and 2021, when banks were drowning in liquidity, and interest rates were at record lows.

Another piece of good news is that current market prices for these newly-issued hybrids are near par, usually between 100 and 101. This means that significant paydowns won't have much impact on your yields. Perhaps even better: The inverted yield curve makes the hybrids with the shortest first reset date (weighted average roll, or WAR) the highest yielding, at least until the WAR. For example, a GNMA hybrid with a 36 month roll date, that starts with a full 5% coupon, is currently available at just a slight premium. This significantly out-yields some longer MBS, at least for the next three years.

There's more to the ARM's story that we have time and space for here (e.g., rate caps), but it's fair to say hybrids are worth a portfolio manager's look in early 2023. You may decide they're virtual bargains, and that your security inventory should pivot and take down a supply.

Jim Reber (jreber@icbasecurities.com) is president and CEO of ICBA Securities, ICBA's institutional, fixed-income broker-dealer for community banks.



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ChoiceOne Bank Commemorates Quasquicentennial Anniversary in 2023

September 5 Marks 125 Years in Business as a Community Bank



Sparta, MI – ChoiceOne Financial Services, Inc., and ChoiceOne Bank (NASDAQ: COFS) (“ChoiceOne”) are pleased to announce ChoiceOne will commemorate its Quasquicentennial Anniversary this year. September 5 will mark 125 years in which ChoiceOne has been in business as the local community bank in Michigan.

“Celebrating our Quasquicentennial Anniversary is a tremendous milestone for our Bank,” said ChoiceOne CEO Kelly Potes. “Looking back over 125 years and seeing the progress ChoiceOne has made in the communities we serve is truly remarkable. Our history emphasises the help we have provided the families, farmers and businesses in our communities. In addition, the changes we have made in technology over the years has also been at the forefront of our progress. From our early branch offices on dirt roads, to our introduction of ATMs and debit cards, to our current ability to conduct all banking online, we have always fostered innovation. ChoiceOne has kindled a special culture, one that is driven by exceptional customer service, industry-leading technology and a deep understanding and caring for our communities.”

ChoiceOne has built a reputation for taking the lead throughout its history in providing innovative services and technology. Over the years, ChoiceOne has made significant advances in its financial services and industry-leading technology. Customers have come to rely on ChoiceOne’s digital banking platform including mobile banking, mobile deposits, innovative payroll solutions, online loan applications, online account openings, and a digital mobile savings tool. These advances support customers’ needs for high-speed convenience and best-in-class financial solutions, while still maintaining the ability to connect and build long-term personal relationships.

“Looking back, the roots of ChoiceOne Bank run deep and wide with the incorporation of Sparta State Bank in 1898,” explained ChoiceOne President Michael J. Burke, Jr. “Throughout the years, the Bank has grown, acquired other community banks, changed its name, rebranded, all to become one remarkable, innovative, community bank with a vision to be the best bank in Michigan. As we reflect on our progress today, we are truly seeing our vision unfold. We remain focused on helping our customers succeed and our communities thrive.”

Decade after decade, ChoiceOne has remained a strong and steady influence in the communities served through major historical events including two world wars, the 1918 Influenza Pandemic, the Roaring Twenties, The Great Depression, several polio epidemics, the attacks of September 11, 2001, The Great Recession, and the COVID-19 Pandemic. This vigilance helped to keep the families, farmers and small businesses thriving, while subsequently reinforcing Michigan’s economy, throughout history.

From its early beginnings in 1898, ChoiceOne has grown to an approximately \$2.4 billion-asset bank holding company, making it the 10th largest bank holding company in Michigan based on asset size. The Bank now operates 35 offices in parts of Kent, Ottawa, Muskegon, Newaygo, Lapeer, St. Clair, and Macomb counties with nearly 400 employees. In three consecutive years, 2021, 2022, and 2023, ChoiceOne was honored by Newsweek to stand out across the country as one of America’s Best Banks. ChoiceOne has received many more accolades and awards over the years showcasing the Bank’s advancements in retail and small business services and advanced technology.

“While our tech-savvy bank has a special culture that is driven by innovation, we are also extremely faithful to our mission to provide superior service, quality advice and show our utmost respect to everyone we meet,” said Potes. “Our innovative strategies continue to allow us to offer our customers the best technology while still maintaining our personal approach to banking with our full-service branch network, Customer Service Center and multiple loan offices.”

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September 5 will mark the day ChoiceOne opened its doors as a community bank 125 years ago. An Anniversary logo will be used during this year to commemorate the 125-Year-Anniversary. Celebrations are being planned and will be announced as the year progresses. “ChoiceOne is extremely grateful to our customers, employees, shareholders, local Boards of Directors and our communities for making this historical anniversary a reality for our Bank in 2023,” concluded Burke, Jr. “Stay tuned as we announce our exciting anniversary events.”

Thumb Bancorp, Inc. and Exchange State Bank Corp. Complete Merger

Thumb Bancorp, Inc., Pigeon, Michigan (“Thumb”), the bank holding company for Thumb Bank & Trust, and Exchange State Bank Corp., Carsonville, Michigan (“Exchange”), the bank holding company for Exchange State Bank, consummated their previously announced merger transaction effective on December 31, 2022. Under the terms of the agreement entered into between the parties on August 29, 2022, Exchange merged with and into Thumb and Exchange State Bank merged with and into Thumb Bank & Trust.

After the closing, Thumb Bank & Trust has approximately \$591 million in total assets, \$316 million in total loans and \$545 million in total deposits.

“I am pleased that we have completed our merger with Exchange State Bank, and I am excited to welcome all of our new shareholders from Exchange and their customers and employees to Thumb Bank & Trust. Thumb Bank & Trust has been helping people in our communities realize their personal, financial and business goals since 1895,” said Ben Schott, President and Chief Executive Officer of Thumb and Thumb Bank & Trust. Exchange has done an excellent job of providing similar services to customers in their communities since 1901. “With the new employees and directors from Exchange State Bank, we are confident in our ability to deliver expanded and enhanced services to our new customers and to support their business and personal financial needs,” said Schott.

With the addition of shareholders from Exchange, Thumb will have approximately 625 record shareholders, but will continue to be privately held. Also as part of the transaction, Thumb converted from an S-Corporation to a C-Corporation.

Kelly Gerstenberger, the former President of Exchange State Bank, has joined Thumb Bank & Trust as Market President. In addition, four of Exchange’s directors will join the Thumb board of directors: Scott Campbell, Jeffrey Grout, David Kirkbride and Pamela Wadsworth. Director and former Chairman Curt Backus retired upon completion of the transaction following 26 years of service to Exchange and Exchange State Bank.

Thumb was advised by Hovde Group, LLC as financial advisor and Shumaker Loop & Kendrick, LLP, as legal counsel. Exchange was advised by Donnelly Penman & Partners as financial advisor and Bodman, PLC as legal counsel.





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The Community Bankers of Michigan welcomes the following new associate member to the association. Thank you for supporting the association and community banks with innovative products and services.

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645 Cherry Street SE
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Jen Crowley
616-481-1884

New CBM Associate Member Summary:

Highland Group

Highland Group is a creative studio helping companies imagine bigger and grow faster. For over 20 years, clients have relied on our expertise in branding, strategy, design and digital marketing to meet their business goals.

At Highland Group, you'll find a dynamic culture and committed team members who practice our core behaviors: be curious, be awesome, be essential.

Many of the world's most prestigious creative competitions have recognized our work: Communication Arts, Print, How Magazine, Luerzers Archive, ADDYs, Telly Awards and Graphis. Our business has been selected by the State of Michigan as a "50 Companies to Watch Winner" and was awarded "101 Best & Brightest Companies to Work For."

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--Our Associate Plus Partners, offering members special discounts, are also listed separately.

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Kate Angles – kateangles@cbofm.org – 517-336-4430

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Travelers – Bank Insurance – Offering a wide range of commercial insurance coverages for financial institutions.

Andrew Hatheway – amhathew@travelers.com – 317-818-0195

Trion Solutions, Inc. – Professional Employer Organization – Payroll, benefits administration, regulatory compliance, workers comp, HR administration.

Jeff Caponigro – jeff@trionworks.com – 248-498-9234

UPS – Shipping – Overnight Shipping – Range of options for the synchronized movement of goods, information and funds.

Barb Mackie – bmackie@ups.com – 517-272-3629

Community Bankers of Michigan Preferred Partner Announcement – EBS

The CBM is pleased to share good news regarding one of our long-time preferred partners, EBS. EBS is a Third-Party Administrator (TPA) that services a group of leading Northwestern Mutual advisors that specialize in the bank market and has worked with numerous community banks throughout Michigan.

Northwestern Mutual has announced their acquisition of EBS, showcasing their strong commitment to the bank BOLI and Executive Benefit market as part of the company's long term growth strategy. Northwestern Mutual made the selection based on the significant scope of the firm's current book of business, the operational maturity and scalability of its platform, and the deep expertise of the EBS team members. We echo Northwestern Mutual's confidence in the EBS business model based on the feedback of their many Michigan clients and prospects.

Kate Angles, CBM COO, said, "EBS, who will now be known as EBS Strategies, LLC, has a strong history of exemplary service, transparency and attention to the safety and soundness of the data they are trusted with by their partners. This announcement strengthens even more an excellent organization."

Northwestern Mutual, one of the strongest and largest life insurance companies in the world, solidifies the strength, reputation, investment and long-term legacy of EBS. Kirk Anderson, Michigan representative for EBS, chose to represent them for "the exact same strengths Northwestern saw in EBS and the best thing is that NM will amplify all the good things that have made EBS a front line company in Michigan and across the country."

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products + services

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Jim Foyt, EBS Managing Partner, added, “Our clients will notice little change in the support and services they have come to expect. They will continue to work with the same people they have in the past. All of the EBS support staff are being retained in their current roles.”

EBS Strategies, LLC will be operated as a separate entity by Northwestern Mutual. EBS advisors will continue to offer the most appropriate products and carriers based on the circumstances and needs of each bank they serve. We continue to value our relationship and partnership with EBS, strengthened even more by the Northwestern Mutual acquisition.

Benefits of Contactless Payments for Businesses and Consumers

CBM Preferred Partner, Electronic Merchant Systems (EMS) has been helping financial institutions grow their book of business since 1988. EMS is a leading provider of payment processing and merchant services solutions, headquartered in Cleveland, Ohio. Their modern, competitively priced solutions are designed to elevate the payment experience for businesses and consumers alike.

The checkout process is a crucial final step for any business that accepts payments. If this process is clunky, disorganized, or takes too long, a customer may leave feeling disappointed and frustrated. No one wants to watch the customer experience fall flat, which is why the payment landscape has continued to evolve. Business owners and consumers have more options than ever to complete payments. One of the options that has been steadily gathering steam over the past few years is the **contactless payment**.

A contactless payment is an electronic payment that does not require physical contact between a cardholder and credit card terminal. Instead, the cardholder holds their contactless card or mobile device near the terminal and their payment information is transmitted through Near Field Communication (NFC) technology. Another form of contactless technology you may have noticed at a favorite restaurant is the Quick Response (QR) Code. These have become popular alternatives for physical menus; we’ll explain more in the next section.

A Brief History of Contactless Payment Methods

Contactless cards were first introduced in the United States in the early 2000s. The mobile wallet applications Google Wallet™ and Android Pay™ launched in 2011, and Apple Pay® was announced shortly after in 2014. In 2015, the United States began transitioning to EMV chip cards for added cardholder security. This prompted thousands of business owners to make the switch to more modern credit card terminals, many of which accepted EMV chip cards and contactless payments.

Contactless payment methods aren’t necessarily new, but they have certainly gained popularity since the 2020 pandemic. In fact, **the overall usage of contactless payments rose 150% between March 2019 and June 2020**, according to Forbes Advisor. Cashiers and customers alike appreciate the ability to complete a transaction without needing to physically touch the credit card terminal or pass a card back and forth.

Contactless payments are a great example of how technology can help businesses offer a positive customer experience, even in the most challenging times.

How Do Contactless Payments Work?

As mentioned before, contactless payments are transmitted using Near Field Communication (NFC) technology.

NFC Technology

NFC transactions require two devices, each enabled with an NFC chip. The first device needed is the payment acceptance equipment, an NFC-enabled credit card terminal. The other necessary device is the cardholder’s payment method, either a contactless card or mobile wallet.

Most major credit card brands have released new cards that contain an NFC chip so cardholders can choose to “tap” their card rather than swipe or insert it into the card reader. Newer smartphones are also equipped with two-way NFC communication to enable mobile wallet payments through Google Pay or Apple Pay.

(continued on page 28)



1 IN 5 CUSTOMERS USE PREPAID CARDS ON A MONTHLY BASIS

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products + services

(continued from page 26)

The chips (also known as “tags”) don’t contain any power on their own, but they do have a small amount of magnetic polarity. This polarity gives the chips, when within very close range of each other, enough power to transfer data. When the data is transferred, a one-time, encrypted code is created unique to that transaction. This helps protect the cardholder’s payment information. The whole process is similar to securely connecting a Bluetooth device, except it requires less power and the data transfer is completed a bit faster.

QR Codes

Quick Response (QR) Codes also offer speed and convenience for smartphone users. A QR Code is a type of 2-D or Matrix Barcode that can convey a wide variety of information. Unlike standard Barcodes, QR Codes can hold information both horizontally and vertically. This gives them a higher capacity for transferring information, which has helped them steadily gain popularity in many sectors including restaurants, retail, healthcare, gyms, and more.

Most modern QR Codes are scanned using a smartphone. Newer models allow QR scanning via the camera, but older phone models may require a free app download to scan these codes. Possibly the best part about QR Codes is that you can create one in seconds! Simply visit qr-code-generator.com, enter the information you want to share, and download your code. You can then take the image of your code and print it out for quick scanning. Many restaurants have adopted this option to reduce the contact required for physical menus.

Five Benefits of Contactless Payments for Business Owners

Now that you have a good idea of what contactless payments are and how they work, let’s explore the benefits they offer for businesses.

1. Increased security.

A contactless payment creates a one-time encrypted code unique to that transaction. This keeps cardholder data secure and reduces liability risks.

2. Speedy check out.

Contactless payments are quick! They typically only require one action from the customer, such as tapping their card or opening a mobile wallet on their phone. The technology handles the rest in a matter of seconds.

3. Reduced risk of spreading illness.

Today’s consumers have a new awareness of high-touch surfaces. By accepting contactless payments, businesses can help their customers and staff gain peace of mind and limit the number of surfaces they must touch to complete their transaction.

4. Enhanced customer convenience.

Some customers might feel like they have one too many things to carry. Trying to juggle a purse or wallet, keys, phone, shopping list, cart, and more can start to feel a little overwhelming halfway through a shopping trip. Businesses can simplify the experience for these customers by accepting contactless payments.

5. No added costs.

There are no extra processing fees required with accepting contactless payments. There may be a cost associated with upgrading to an NFC-enabled terminal, depending on the processor and capabilities of a current setup. However, once a business starts accepting contactless payments, they will only have to pay typical processing fees.

Partner with Electronic Merchant Systems

Electronic Merchant Systems is a leading provider of payment processing and merchant services. We offer a full suite of payment solutions designed to help business owners boost profits and streamline operations. And yes, NFC-enabled equipment is one of the options we offer! Contact Parker Southerland at 866-525-7417 to learn more about our payment solutions and partnership opportunities.

United Bankers' Bank Welcomes ICI Consulting as Endorsed Partner for Core Processing Contract Negotiation

Bloomington, MN – United Bankers Bank (UBB), the nation's first bankers' bank, is pleased to announce the selection of ICI Consulting as an Endorsed Partner for Core Processing Contract Negotiation. Headquartered in St. Petersburg, FL, ICI is a financial institution consulting firm that provides core and ancillary systems evaluation services.

"UBB is excited to bring the experience and expertise of the ICI team to our client community banks throughout the US. This relationship will allow UBB's customers to obtain valuable cost savings and expanded service solutions through ICI's veteran core negotiation consultants. I am confident our customers will benefit from the value of this strong alliance," said Dwight Larsen, President and CEO of UBB.

ICI has negotiated contracts and evaluated solutions with every major US core processing vendor. ICI delivers the analysis required to assist financial institutions in making streamlined, solid vendor selections, while obtaining the software required at fair market prices with favorable contract terms.

"Since 1994, ICI has worked with financial institutions throughout the US and worldwide. With UBB's decision to name ICI its Endorsed Partner for Core Processing Contract Negotiations, we are honored to serve their community bank customers," stated Greg Schratwieser, ICI Founder and Managing Director. "Our mission is to provide valuable services to assist banks to determine the best solutions to support their business and save significant time and money in the process. The partnership with UBB will enable ICI to fulfill that mission, providing measurable results to their clients," said Schratwieser.

The advertisement features a large orange semi-circle on the left containing a blurred image of hands typing on a laptop keyboard, overlaid with several padlock icons representing security. To the right of this is a blue semi-circle and a grey semi-circle. At the top right is the Intuitive Managed Support logo, which includes a blue circle with a white outline of the state of Indiana and the text "INTUITIVE Managed Support".

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Associate Membership Bundles

Thank you to our associate members who are saving money and bundling their membership with other events and activities at the Community Bankers of Michigan. You will see those bundling sponsoring events, attending and sponsoring at our convention, advertising in the *Community Spirit* magazine, and much more. We appreciate the support of these associate partners, and ALL of our members! One Mission. Community Banks.

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Angott Search Group BHG Loan Group
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Podium Risk Management Performance Trust
QwickRate RJM Trion Solutions

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PM Environmental
Thompson Phelan Group United Bankers' Bank

BRONZE

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Shield Compliance
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Community Bankers of Michigan Partners with Bankers Insight Group to Offer Credit Analyst Certification Training

The Credit Analyst Certification Program (CACP) is designed to address the needs of beginning credit analysts and reinforce the credit skills of current credit analysts in all aspects of credit analysis. CACP will provide credit analysts with the foundation required to be successful in commercial credit analysis and development into a possible lending position.

The program starts with an understanding of accounting fundamentals, which is essential to the application of sound financial statement and credit analysis. It then progresses into basic credit analysis to determine the five vital financial factors of each economic unit including; Liquidity, Leverage, Asset Management Capability, Operating Performance and Cash Flow. The CACP will conclude by demonstrating advanced credit analysis including Net Working Investment Analysis utilized in Short-Term Loan Structuring; Advanced Cash Flow Analysis; Financial Forecasting; Sustainable Growth Analysis and Writing an Effective Credit Memorandum. Focus will be primarily on Commercial & Industrial type borrowers and utilize multiple case studies to reinforce the learning process.

“I am excited to bring this important program to the community bankers in Michigan,” said CBM Director of Training and Development Nannette Lytle. “Jeffery Johnson has more than 40 years of experience and is highly regarded in the community banking industry. I know his knowledge and experience will be helpful in the development of newer credit analysts.”

If you or someone in your organization is interested in participating in this training, please contact the CBM office at 517.336.4430 or visit the CBM website cbofm.org for more details.



**CREDIT ANALYST
CERTIFICATION**

- March 21-22 – Session I
- April 25-26 – Session II
- June 27-28 – Session III

James D. MacPhee Banking Leadership Center
830 W. Lake Lansing Road, Suite 250
East Lansing, MI 48823



Upcoming Webinars

FOR MORE INFORMATION AND TO ORDER, VISIT WWW.CBOFM.ORG;
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- | | |
|---------------------|--|
| 3/1/2023
Morning | Commercial Loans: Workouts, Restructuring & Reducing Loan Losses
Elizabeth Fast, Spencer Fane LLP |
| 3/2/2023
Morning | IRA Series:
IRA Beneficiary Designations & Distributions Part A:
Proper Handling, Responsibilities & Compliance
Frank J. LaLoggia, LaLoggia Consulting, Inc. |
| 3/6/2023
Morning | RTP & FedNow FAQs
Ashton Vandivert, EPCOR |
| 3/7/2023
Morning | Agricultural Lending Basics
Robert L. Viering, RiverPointUSA LLC |
| 3/7/2023 | Escrow Excellence: From Loan Estimate to Annual Analysis
Molly Stull, Brode Consulting Services, Inc. |
| 3/9/2023
Morning | BSA Officer Part 2: BSA Reporting to the Board
Dawn Kincaid, Brode Consulting Services, Inc. |
| 3/14/2023 | Visa Debit Card Chargebacks: Rules, Rights & Challenges
Diana Kern, SHAZAM, Inc. |





3/15/2023	Handling Difficult People: Warning Signs & Effective Tactics Barry Thompson & Arvin Clar, Thompson Consulting Group, LLC
3/20/2023 Morning	ACH Risk Assessments for RDFIs & ODFIs Kimberly Ellis, UMACHA
3/21/2023	Standard Flood Hazard Determination Form Line-by-Line Molly Stull, Brode Consulting Services, Inc.
3/23/2023	Supervisory Priorities 2023 David A. Reed, Reed & Jolly, PLLC
3/27/2023 Morning	2023 ACH Rules Update, Initiatives & Instant Payments Shelly Sipple, EPCOR



You won't want to miss this...

Consumer Lending Forum

Thursday, April 6, 2023

James D. MacPhee Banking Leadership Center
830 W. Lake Lansing Road, East Lansing, MI 48823



3/28/2023 Morning	Credit Analysis Series: C&I Lending for CRE Lenders Robert L. Viering, RiverPointUSA LLC
3/29/2023 Morning	Provisional Credit Under Reg E: Rules, Best Practices & FAQs Elizabeth Fast, Spencer Fane LLP
3/30/2023 Morning	IRA Series: IRA Beneficiary Designations & Distributions Part B: Successor Beneficiaries & Deaths After January 1, 2020 Frank J. LaLoggia, LaLoggia Consulting, Inc.



Retail Banking Forum

APRIL 20, 2023
JAMES D. MACPHEE BANKING
LEADERSHIP CENTER & VIRTUAL

4/4/2023 Morning	The Sleepers: Risks of Safe Deposit Boxes, Mobile Banking, Prepaid Cards & RDC Dawn Kincaid, Brode Consulting Services, Inc.
4/5/2023 Morning	Real Estate Construction Loans Start to Finish: Consumer & Commercial; Unique Issues & Landmines Elizabeth Fast, Spencer Fane LLP
4/6/2023 Morning	Opening Accounts Online: CIP, CDD, Documentation & Beneficial Ownership Susan Costonis, Compliance Training and Consulting for Financial Institutions
4/11/2023 Morning	Check Returns: Past the Point of Redemption Marcy Cauthon, EPCOR
4/12/2023	Cryptocurrency Regulatory Expectations & Guidance Molly Stull, Brode Consulting Services, Inc.
4/13/2023	Introduction to Call Report Preparation Michael Gordon, Mauldin & Jenkins, LLC

Webinar Times

Morning webinars are held at 10:00 a.m. Central.

Afternoon webinars are held at 2:00 p.m. Central.



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Boardroom Specialists



EVENT	2023 DATE	LOCATION
Risk Management Forum	January 24	CBM Office, East Lansing
Economic Outlook Summit	February 3	The Henry Center, Lansing
CFO Leadership Forum I	February 7	CBM Office, East Lansing
HR Forum I	February 23	CBM Office, East Lansing
Advanced BSA/AML Training	March 1	CBM Office, East Lansing
Community Bankers for Compliance I	March 2	The Henry Center, Lansing
ICBA Live	March 12-16	Honolulu, Hawaii
Credit Analyst Certification I	March 21-22	CBM Office, East Lansing
Michigan Bank Directors' College	March 28	The Henry Center, Lansing
Consumer Lending Forum I	April 6	CBM Office, East Lansing
Retail Banking Forum	April 20	CBM Office, East Lansing
Credit Analyst Certification II	April 25-26	CBM Office, East Lansing
ICBA Capital Summit	May 14-17	Washington, D.C.
Community Bankers for Compliance II	May 18	The Henry Center, Lansing
Cybersecurity Fraud Conference	May 23	Soaring Eagle, Mt. Pleasant
CEO Leadership Network I	June 2	CBM Office, East Lansing
CLO Forum	June 6	CBM Office, East Lansing
Folds of Honor Golf Outing	June 12	American Dunes, Grand Haven
Credit Analyst Certification III	June 27-28	CBM Office, East Lansing
U.P. Executive Banking Forum	July 18-19	Marquette
Risk Management Forum II	July 27	CBM Office, East Lansing
HR Forum II	August 10	CBM Office, East Lansing
IT Forum I	August 15	CBM Office, East Lansing
Community Bankers for Compliance III	August 17	The Henry Center, Lansing
CFO Leadership Forum II	August 24	CBM Office, East Lansing
Michigan Bank Directors' College	September 13	Traverse City
CBM Annual Convention & Expo	September 13-15	Traverse City
Emerging Leaders I	September 20	CBM Office, East Lansing
Branch Leader Fundamentals I	September 21	CBM Office, East Lansing
Consumer Lending Forum II	October 5	CBM Office, East Lansing
CEO Leadership Network II	October 27	CBM Office, East Lansing
Emerging Leaders II	November 1	CBM Office, East Lansing
Branch Leader Fundamentals II	November 2	CBM Office, East Lansing
Community Bankers for Compliance IV	November 2	The Henry Center, Lansing
Retail Banking Forum II	November 8	CBM Office, East Lansing
IT Forum II	December 7	CBM Office, East Lansing



Community Bankers for Compliance 2023

Community Bankers of Michigan is pleased to sponsor the annual Community Bankers for Compliance Program (CBC) once again. Presented by Young & Associates, Inc., the CBC Program continues to be the longest running compliance training program in the country.

The CBC Program will allow your bank to stay up to date on the ever-changing bank regulations and will give guidance for structuring and maintaining your in-bank compliance program. Bankers who are responsible for regulatory compliance can discuss issues and exchange ideas with other community bankers.

Membership to the CBC Program consists of the following:

Quarterly Seminars. A compliance seminar is provided each quarter. The topic is selected based on the most recent industry and regulatory developments which may have an impact on community banks. Each person attending the program will receive a detailed manual, written in full narrative, that they can take back to the bank as a reference and training tool. **Sessions will be offered both in-person and virtually**

Monthly Newsletter. The *Compliance Update* newsletter is sent to program members each month. It provides an update of compliance issues that impact community banks.

Compliance Hotline. Members of the program may call the Young & Associates' toll-free number or visit their website for compliance questions that may arise daily. Young & Associates has many qualified compliance professionals available to answer your questions. This service ensures that your bank is just a phone call or click away from the information you need to answer your compliance questions.

CBC Members Only Web Page. This web page is reserved for banks that are registered members of the CBC Program. In it you will find timely information and tools provided by Young & Associates, Inc., that can be used to enhance the regulatory compliance function at your bank.

2023 CBC Dates

March 2nd

May 18th

August 17th

November 2nd

In-person sessions will be held at The Henry Center, Michigan State University, Lansing, Michigan. Can't make it in person? Join us for a full virtual experience on the session day or watch the recorded session later at your convenience.

**Enroll your bank today! For a detailed brochure and to enroll, please visit www.cbofm.org
Questions??? Contact CBM at 517.336.4430 or info@cbofm.org**



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community connections

Don Jeffery – July 3, 1927 to December 15, 2022



Donald B Jeffery Sr, 95, passed away December 15, 2022. Don is survived by his beloved wife of 77 years, Mariann: sons Daniel Jeffery Sr, Kenneth (Sheila) Jeffery, and Donald (Juli) Jeffery Jr. and grandchildren Kelly (Loren) Hirvela, Daniel Jeffery Jr, Adam Wood, Christopher Jeffery, and Kevin Wood; and great grandchildren Austin Jeffery, and Chloe Hirvela. He was preceded in death by daughter Cathy (Gordon) Wood, and grandson Eric Wood.

After serving in the army during WWII and educating at the Graduate School of Banking – Madison, University of Wisconsin, Don fulfilled a 75-year career in banking and public service. He retired from NBD Bank in 1995, after 47 years in correspondent banking. He then formed Don Jeffery & Associates, where he consulted with bankers across the Midwest, Chambers of Commerce, Rotary clubs, and civic organizations. Many considered him an icon in Michigan banking for his depth of assistance. He was designated Lifetime Honorary Member by both Michigan banking organizations and was awarded the Lifetime Advocacy Award by the Community Bankers of Michigan in September of 2020.

Don instructed at Central Michigan and Northern Michigan Universities, and bank regulatory organizations. He served as president of the Michigan Traveling Circus, a banking service organization and secretary / treasurer & board member of the Michigan Counsel of Economic Education. In 2018, the City of Southgate chose Don as the Heritage Days grand marshal.

His love of sports was both in active participation and boundless optimism for the local collegiate & professional teams. In retirement, he authored the bestselling book, “A History of Michigan Banking” and thousands of poems including his last from 11/29/22:

“Dear Family & Friends. It looks like it’s time to sleep forever. Remember our souls are working together. Many people passed on before us. Others will follow after the fuss. It looks like The Lord is not ready yet. Maybe it’s a normal sleep I’ll get.”

CBM President & CEO, Mike Tierney states of Don “Don was such a great ambassador for our industry. He had so much love for Michigan banking and so many friends in the industry. He also had a great deal of experience dealing with a wide range of banking issues during his career. Like most of you - I learned a lot from Don – not just on the history of Michigan banking, but also tips he shared on how to deal with some pretty thorny issues. We liked his poems, his banking industry notes, and his phone calls when something big was about to go down. I think Don came to see me within two weeks after I got my first CEO job in Michigan. I had never met him before and had no idea who he was, and he was a former NBD guy that wanted to see me – a former Comerica guy. We hit it off right away. He shared the CEO checklist, which I know many of you have, offered his help any time I needed it - and yes, he sold me his book and had me buy more copies for our executive team. I always enjoyed speaking with Don ever since and like you I will really miss him.

We lost a great one and there will never be another person quite like Don. He was the banker’s banker!!!! We will all miss him greatly and we will do our best to carry forward his love for our industry. Thank you, Don, for being such a kind and caring leader for our industry. You set an example for all of us to follow but none of us will be able to do it with the style and grace you showed. Our condolences to Mariann and to his many friends and family members – we will all miss the perfect gentleman banker!!!!”



community connections

ChoiceOne Bank Welcomes David Huisman Promotes Josh Hucul, Jamie Sheffer, Britney Herrygers

Sparta, MI – ChoiceOne Bank (NASDAQ: COFS) (“ChoiceOne”) is pleased to welcome David Huisman, Vice President, Commercial Loan Officer, and announce the promotions of Josh Hucul, Vice President, Lending Technology, Jamie Sheffer, Assistant Vice President, BSA AML Investigator and Britney Herrygers, Branch Manager, North Muskegon Branch Office.

“We are pleased to welcome David to our Commercial Lending team,” said ChoiceOne CEO Kelly Potes. “As we open our Holland Loan Office, David along with Vice President, Commercial Loan Officer Craig Oosterhouse will oversee our commercial banking relationships with the businesses, builders, real estate developers, and nonprofits in the area. We are also pleased to announce the promotions of Josh, Jamie and Britney. Their insight into our bank operations including innovative lending technology, commercial credit, bank security, and branch administration will complement our continued expansion in Michigan.”



David Huisman

David Huisman - Vice President, Commercial Loan Officer joins ChoiceOne with over 25 years of commercial banking experience in Ottawa and Allegan Counties developing long-term relationships with businesses, developers, and nonprofit organizations. Huisman will work out of the newly opened Holland Loan office located at 151 Central Avenue in Holland.

Active in his community, Huisman is a Foundation Board member for Holland Christian Schools and serves on its Finance Committee. He also serves on the Finance Committees for Community Action House and Gateway Mission. He previously served on the Community Action House, Board of Trustees from 2004 to 2016, and the Holland Christian Schools, Board of Trustees from 2013 to 2019. Huisman has a Bachelor of Arts in Finance from Calvin University, Grand Rapids.

Josh Hucul – Vice President, Lending Technology joined ChoiceOne Bank in 2012 as a Commercial Credit Analyst. He was promoted to Vice President, Credit Manager in 2013, and Vice President, Senior Credit Manager in 2021. Hucul has led the development of ChoiceOne’s proprietary commercial lending platform branded Dynamo – Lending in Motion and will now be expanding within that role as well as into other lending areas of the Bank. Prior to joining ChoiceOne, Hucul spent four years at a community bank working within commercial credit.



Josh Hucul

A graduate of Saginaw Valley State University in University Center, Hucul has a Bachelor of Business Administration in Finance. Active in his community and profession, Hucul is a Board Member of the Ottawa County Agricultural Preservation Board, former Board Member of the Risk Management Association, West Michigan Chapter and the Midland

County Planning Commission. He is also a former volunteer for the Humane Society of Midland County.



Jamie Sheffer

Jamie Sheffer - Assistant Vice President, BSA AML Investigator joined ChoiceOne as Assistant Vice President, Manager of the North Muskegon Branch Office in 1998. With over 25 years in branch administration, Sheffer has now moved into her new position as Bank Secrecy Act and Anti-Money Laundering Investigator within the Bank’s Risk Management Department. Sheffer’s career in branch administration included training, deposit operations, and management. Sheffer has a Bachelor of Business Administration from Grand Valley State University, Allendale, and an Associate of Arts from Muskegon Community College. Active in her community, Sheffer’s community involvement includes

community connections

working with the Kids Food Basket, Parties in the Park, Pound Buddies, and Reeths-Puffer Schools located in Muskegon.

Britney Herrygers - Branch Manager, North Muskegon Branch Office joined ChoiceOne in 2018 as a Teller and progressed to Universal Banker in 2021. In her new position, she will continue to provide superior service and quality advice to her customers and coworkers. As native of the greater Muskegon area for the past 25 years, Herrygers is a graduate of Orchard View High School.



Britney Herrygers

Victoria Hand Retires After 43 Years with Citizens National Bank & Joins Bank Board of Directors



Victoria Hand

Cheboygan, MI – Victoria J. Hand retired from her position at the end of 2022 after 43 years of service to Citizens National Bank as Executive Vice President, Chief Operating Officer & Cashier. She stepped into the role of director for the bank's Board of Directors on January 12, 2023.

Recognizing her invaluable contributions to the bank, President & CEO Matthew E. Keene stated "Vicki's tenure with the bank has been impeccable. She has served the bank in many capacities and has a tremendous knowledge of the workings of a bank and its team. We are happy for her in her retirement and are excited that she now has a seat on the board of directors."

In her 43 years with the bank, Ms. Hand has been a lender, worked in collections, compliance officer, supervisor of deposit & loan operations along with the support center and information technology department. Her far-reaching knowledge in the banking industry makes her an invaluable member of the bank's team.

Ms. Hand attended the Northern Michigan School of Banking at Northern Michigan University and is a graduate of the Robert M. Perry School of Banking at Central Michigan University, where she served on the advisory board after graduation.

Ms. Hand has volunteered as a Cheboygan County 4-H leader, was an active member of the Cheboygan Hockey Association and is currently the treasurer for the Cheboygan County Humane Society.

County National Bank Announces Promotion of Delesha Padula to AVP – Retail Lending Officer



Delesha Padula

Hillsdale, MI – Joe R. Williams, President and CEO of County National Bank ("CNB"), is pleased to announce the recent promotion of Delesha Padula to Assistant Vice President – Retail Lending Officer.

Delesha's banking career began in 1999 as a Teller. She worked her way up to Branch Manager and then spent the next seven years as Lending Manager before joining CNB in May of 2017 as Branch Manager in Hillsdale. She was promoted to Consumer Loan Officer in September of 2020 and has continued to provide stellar service to all clients. She is a Hillsdale County native, graduated from Jonesville Schools and attended Jackson Community College.

Delesha gives back to the community through her volunteer work with the Hillsdale Business Association, Hillsdale American Legion, Junior Achievement, Salvation Army Life 360 Center, and service on the Jonesville City Council.

community connections

Citizens National Announces Promotions



Marily Galloway

In 2021 Amanda was promoted to Universal Banking Officer leading the Universal Banker team. Her knowledge of the Universal Banker role and retail banking make her an excellent candidate to oversee the deposit function of the bank.

Cheboygan, MI – Citizens National Bank (CNB) President & CEO Matthew Keene recently announced seven promotions within the organization.

Marily Galloway has been promoted to Vice President, Operations. Marily began her career at the bank in August 2021 as the risk officer. She is responsible for many areas of operations including compliance, IT, and Audit. Marily brings over 20 years of banking experience to her position.

Amanda Nicholson has been promoted to Vice President, Retail Banking. Amanda began her career with Citizens National Bank in April 2007 as a teller at the Alanson branch and in 2018 was promoted to Branch Operations Supervisor in Indian River and then spent one year as the Deposit Operations Specialist at our main office.



Amanda Nicholson



Sharon Coppernoll

Sharon Coppernoll has been promoted to Assistant Vice President, Residential Banking and her office is located at our Cheboygan South Branch. Sharon began her career at CNB in September 2002 as a teller and in 2006 she added customer service representative to her role. Sharon was promoted to a mortgage lender in 2011 and in 2017 she became branch manager at South Branch until 2018 when she relocated to Main Office as a Residential Banker. Sharon has worked in several locations over her 20-year career. Sharon's knowledge of residential mortgages and lending will ensure her success within the Residential Banking department.

Stephen Daly has been promoted to Assistant Vice President, Business Banking. Stephen began his career at the bank in September 2018 as a business banker, credit administration in the credit department working as a credit analyst and transitioned into the role of Business Banker in March 2020.



Stephen Daly



Maghan Brooks

Maghan Brooks has been promoted to Loan Operations Officer. Maghan began her career at the bank in January 2006 as a loan processor, in 2018 she became a mortgage processor and in March 2021 was promoted to the Loan Operations Manager. Maghan's vast knowledge in the residential loan processing area and willingness to lead and continue to develop the department has demonstrated her commitment to the bank and loan operations department.

Leslie Budnik has been promoted to Business Operations Officer. Leslie was hired in June 2021 as the Business Operations Manager at our Petoskey branch. Her understanding of business operations along with her 30+ years of banking experience has accelerated her position within the bank.



Sheri Popp

Sheri Popp has been promoted to Credit Officer. Sheri began her career at the bank in April 2018 as a credit analyst. In October 2021 she was promoted to Credit Manager. Sheri continues to develop and lead the credit department in a positive manner. Her 14 years of credit knowledge, her initiative, and leadership within her department and those she works with have proven she is deserving of a promotion to officer.

"We are fortunate to have talented and resolute employees who excel in their positions. Each promotion is deserved for this diligent group of individuals. Working as a team creates a culture that the employees embrace, and we are proud of their accomplishments," said president and CEO Matthew Keene.



Leslie Budnik

community connections

County National Bank Announces New Branch Leadership in Jackson and Somerset Center

Hillsdale, MI – Joseph R. Williams, President and CEO of County National Bank (“CNB”), is pleased to announce the recent addition of Jake Johnson as Branch Officer and the promotion of Wilma Roberts to Branch Manager.

Jake Johnson joined CNB in December 2022 as Branch Officer of CNB’s Jackson Street office in downtown Jackson. Jake comes to CNB with a Master of Business Administration in Strategic Leadership from Spring Arbor University and a Bachelor of Business Administration from Baker College of Jackson. Jake has nearly ten years of financial managerial skills and enjoys coaching, training, and motivating high performance teams. Jake is excited for this new opportunity with CNB and is eager to begin supporting operations at the Jackson Street branch.

Wilma Roberts has been promoted to Branch Manager of CNB’s Somerset Center branch. Wilma joined CNB in September of 2008 as a Loan Operations Assistant and transitioned to the Loss Mitigation Department in September of 2012. In August of 2019, Wilma moved into the retail branch setting when she was awarded a customer service representative position at the Somerset Center office. She has been an asset to our team and has provided exceptional service to our customers. Wilma is a graduate of the University of Phoenix with an Associate’s Degree in Business. She is on the board of directors and serves on multiple committees for the Hospice of Hillsdale County.



Jake Johnson



Wilma Roberts

Chelsea State Bank Announces the Retirement of Steve Saules, Vice President of Commercial Lending

Chelsea, MI – After 10+ years working devotedly as Vice President of Commercial Lending for Chelsea State Bank, Steve Saules retired on January 31, 2023.



Steve Saules

Steve earned his undergraduate degree from University of Michigan and his graduate degree from Wayne State University. After college, he became a Vice President for JPMorgan Chase, where he worked for 20 years. His extensive banking career also includes a role at KeyBank where he was a Business Banking Relationship Manager for 7 years before coming to Chelsea State Bank in 2012.

“It has been my pleasure to work side-by-side with Steve for the benefit of our customers,” said Tom DuMont, Senior Vice President Commercial Lending Manager, Chelsea State Bank. “Steve’s remarkable dedication to local and regional businesses will be missed both by the bank and by the customers he served. Steve has been an extraordinary mentor to his peers, taking pride in his work and always willing to go above and beyond. I wish him the absolute best in the next chapter of his life.”

“The best part of my job was working with and learning from all of the smart, risk-taking, job creating business owners/entrepreneurs,” said Steve Saules, Vice President of Commercial Lending, Chelsea State Bank. “What made it even better was that Chelsea State Bank (CSB) recognized the same values in our Chelsea & Dexter communities. I am grateful for my time at CSB and will be forever thankful for the opportunity to work next to so many dedicated individuals. I am looking forward to spending more time with my family, traveling and golfing more regularly.”

Chelsea State Bank customers who have a banking relationship with Steve were notified of his retirement during an introductory meeting with Mark Stevens, who joined the bank in December 2022 as a Business Relationship Manager.

community connections

Honor Bank is pleased to announce the promotions of the following employees:

Deidra Charnes has been promoted to Vice President, Head of Talent and Culture. She has been with Honor Bank as the Human Resources Manager for three years, and was promoted to Assistant Vice President in 2021. Honor Bank President and CEO Norm Plumstead shares, “Since joining the Bank in 2019, Deidra has demonstrated an unwavering commitment to serving her teammates and improving the Bank’s organizational health. I could not be happier to see her promotion to Vice President of Talent & Culture.”

Long-time northern Michigan mortgage lender, Jim Hills, has been promoted to Vice President, Mortgage Lending Sales Manager. Hills has been with Honor Bank since 2009 and was promoted to Assistant Vice President in 2015. VP Alan Zelinski shares, “We would like to congratulate Jim on being promoted to Vice President and Mortgage Lending Sales Manager! Jim brings years of mortgage experience into the leadership role and we look forward to Jim leading the department. Congratulations, Jim!”

Shannon Jordan has been promoted to Senior Vice President, Chief Financial Officer. Shannon has worked in various capacities with Honor Bank since 2013, and was promoted to Chief Financial Officer in 2020. Honor Bank President and CEO Norm Plumstead shares, “Shannon’s promotion to Senior Vice President demonstrates her outstanding work over the last several years. Under her leadership, the Bank has become more operationally efficient, disciplined, and profitable.”

Retail leader, Dixie Lagerquist Hoeh, has been promoted to First Vice President, Head of Banking. Dixie has also been promoted to a member of the Senior Leadership Team. She started her career with Honor Bank in November of 2000 and has served in multiple retail leadership roles, growing from Branch Manager to Vice President of Retail before her recent promotion. Norm Plumstead shares, “Dixie has worked incredibly hard over the last several years improving the Bank’s retail service levels, products, and digital offerings. Her new role as First Vice President and Head of Banking signals the Bank’s increased commitment to digitizing our products and services. In addition, I am thrilled to have her join the Bank’s Senior Management Team.”

Long-time Honor Bank team member, Pamm Laing, has been promoted to Executive Vice President, Senior Credit Officer. She has been with Honor Bank since 1997 and was promoted to a Commercial Lender role in 2001. After serving as a Commercial Lender for fifteen years, Laing was promoted to Senior Credit Officer in 2016. Norm Plumstead shares, “Pamm has dedicated the last two decades to serving Honor Bank and our customers. Thanks to her leadership, the Bank has generated record loan growth coupled with pristine credit quality over the last several years. I am incredibly pleased with her promotion to Executive Vice President.”

Keven Mathis has been promoted to Officer, Mortgage Loan Operations Manager. Keven started with Honor Bank as a Customer Service Representative and grew into various lending support roles over the past eight years. EVP Pamm Laing, shares, “our team is excited to promote Keven Mathis to an Officer of the Bank. Keven has successfully served many functions in the lending department over the past eight years, and we are excited to see his leadership in this new capacity.”

Alesha Paulsen has been promoted to the role of Bank Secrecy Act (BSA) Manager. She joined Honor Bank in early 2020 as an Assistant Branch Manager at the Traverse City Union branch and moved into the Security and Compliance department in 2021. First Vice President of Operations, Information Technology and Compliance Holly Buda Stewart shares, “Alesha is a true asset for our team because she brings both passion and expertise to her work in security and compliance, and I’m thrilled to announce her promotion to BSA Manager. She exemplifies Honor Bank’s core values and provides training and support to ensure we stay compliant. Congratulations, Alesha!”

Logan Simerson has been promoted to the role of Information Systems Manager. He joined the Honor Bank IT department in early 2022. Holly Buda Stewart shares, “Logan came to Honor Bank with a strong IT background. He brings enthusiasm, energy, and expertise. He is patient and knowledgeable providing exemplary support and guidance. I’m excited to announce his promotion to Information Systems Manager. Congratulations, Logan!”

Amanda Stacy has been promoted to Vice President, Branch Administrator. Amanda Stacy began her career with Honor Bank as a Customer Service Representative in 2015. In late 2020, she was promoted from Branch Manager of our Lake Ann branch to Help Center Manager, wherein she led the new team to both launch and establish the Honor

community connections

Bank Help Center in 2021. Dixie Hoeh, shared “I am pleased and excited to announce Amanda’s promotion to Branch Administrator. Her experience in customer service, sales, as well as retail and help center department knowledge will provide the support and leadership needed for the role. Congratulations, Amanda!”

Holly Buda Stewart, has been promoted to First Vice President, Head of Operations, Information Technology and Compliance. She has been with Honor Bank for many years, having started out as a Customer Service Representative and later moving into the Information Technology department. Norm Plumstead shares, “Holly has been at the heart of the Bank’s information technology, compliance, and operations for over a decade. She will further strengthen our excellence in all three areas in her new role as First Vice President and Head of Operations, IT & Compliance.”

Kristen Vigland has been promoted to Commercial Loan Operations Manager. Vigland brings years of commercial lending operations experience to the Honor Bank team, and rejoined Honor Bank in 2022. EVP Pamm Laing, shares, “Honor Bank is thrilled to have Kristen Vigland back on our team, serving as our Commercial Loan Operations Manager. She has 15 years of commercial banking knowledge that we know will be a great asset. Her attention to detail and great communication skills will improve processes for our customers and our team.”

Sheena Weber has been promoted to Bear Lake Branch Manager. She has worked at the Bear Lake branch since 2020 where she started as a Customer Service Representative then was promoted to Branch Supervisor in 2021. Norm Plumstead shares, “We are so appreciative of Sheena’s commitment to the continued success of Honor Bank. She consistently demonstrates her commitment to serving our customers and her colleagues. We look forward to continued success for our Bear Lake branch with Sheena’s strengthened leadership.”

Long-time northern Michigan lender, Alan Zelinski, has been promoted to Senior Vice President, Chief Lending Officer. Zelinski has been with Honor Bank since 2015 and is active with the Traverse City Noon Rotary Club, the NMC Foundation Board, and the Grand Traverse Area Catholic Schools Foundation Board. Norm Plumstead shares, “Al’s strong commitment to the community, his team, and our customers is truly impressive. He will bring this commitment in his elevated role overseeing all lending sales positions as Senior Vice President and Chief Lending Officer.”



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First National Bank & Trust Promotes Cook, Grenier

Iron Mountain, MI – First National Bank & Trust is pleased to announce the promotions of Cole Grenier and Dale Cook. “We are pleased to announce the promotion of these two individuals and to recognize their outstanding performance and continued contributions to the success and growth of this organization,” said First National Bank & Trust President Russell Kassin. “Dale’s extensive background has provided a great resource for mentoring our staff in developing credit disciplines and managing sound credit portfolios.”



Dale Cook

Dale Cook has been promoted to Vice President, Senior Commercial Lender. He has been with the bank since 2019 and has more than 20 years of banking experience serving business owners in various industries with their lending needs.

He is actively involved in the community and currently serves as a committee member of the Dickinson Area Economic Alliance, President of the City of Kingsford Police and Fireman Pension Board, President-Elect of the Iron Mountain Kingsford Rotary Club, and member of the Florence County EDC.

Mr. Cook is an Iron Mountain native with a bachelor’s degree in Business Administration from Lake Superior State University. Previously, he was employed by Northern Initiatives as a Commercial Loan Officer covering the Central and Western U.P. along with Northern Wisconsin. Prior to working at Northern Initiatives he served as a Community Bank

Manager and Retail Banking Officer in Iron Mountain.

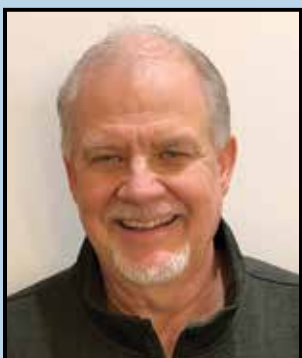
Cole Grenier has been promoted to Assistant Vice President, Commercial Lender. Mr. Grenier is responsible for working with businesses to help them plan for all their current and future needs, including commercial loans, depository, and treasury management needs, as well as establishing and maintaining portfolio growth goals and profitability.

Mr. Grenier is also an Iron Mountain native who graduated from Northern Michigan University in December of 2016, with a bachelor’s degree in Business Management. He also attended MBA Commercial Lending School in November of 2017. He started his career at First National Bank & Trust in 2014 as a summer student Teller, before joining as a Credit Analyst upon graduation. In 2019, Mr. Grenier advanced further and was promoted to a Commercial Lender.

He is involved with several community organizations, serving as Financial Secretary at Trinity United Methodist Church, Board Member of the Dickinson Area Chamber of Commerce, Chamber Ambassador, and Committee Member for Buckmasters.



Cole Grenier



Chuck Wright

Veteran Local Banker Joins State Savings Bank

Caro, MI – Northwest Michigan-based State Savings Bank announced that Chuck Wright has joined Bob Wolak and the team at the Caro Loan Center as a Commercial Lender. He will be responsible for originating commercial loans and business banking relationships in Huron and Sanilac Counties and throughout the Thumb region.

Chuck brings more than 20 years of lending experience to his new position, most recently as commercial lender at another financial institution, as well as more than a decade of accounting experience. Chuck also coaches basketball at Ubly High School. He can be reached at (989) 670-3757 or cwright@ssbankmi.com.

“I’m pleased to be a part of a true community bank,” said Chuck. “Everyone wears a button that says ‘Yes, I can!’ Now that’s customer-focused service.”

community connections

David McCash Joins First National Wealth Management Team

Iron Mountain, MI – First National Bank & Trust is pleased to announce the hiring of David McCash as a Wealth Advisor for the First National Wealth Management team.

David McCash is an AAMS, LPL Registered Principal, and has been a fully licensed Securities representative since 2000. He holds multiple securities licenses, including the Series 7, 63, 65, and 24 through LPL Financial.

Mr. McCash is an Iron Mountain native, and a graduate of Iron Mountain High School. He holds a Bachelor of Science Degree in Economics as well an Associate of Applied Science Degree in Electro-Mechanical Engineering Technology from Michigan Technological University in Houghton, Michigan.

Following graduation, he worked for a large electrical contractor in Madison, Wisconsin before moving to the Milwaukee area to become an Application Engineer for Siemens Energy and Automation. With a desire to move home, David and his wife Cathy migrated back to the Upper Peninsula in 1996, where he operated the Iron Mountain-based McCash Investment Management, Inc.



David McCash

“It is with great pleasure that we welcome David to our Wealth Management team,” said Russ Kassin, First National Bank & Trust President. “He brings an extensive background as a wealth advisor, along with an outstanding reputation and expertise in developing financial plans for business owners, individuals and families.”



Cole Zyburt

First Bank, Upper Michigan is pleased to announce the promotion of Cole Zyburt to Trust Officer

Cole is a 2017 cum laude graduate of Northern Michigan University’s School of Business. Following graduation, he interned with First Bank’s Investment Management Group. Cole spent three years working at another local bank before returning to First Bank’s Trust and Investments in December of 2020. Cole currently works with portfolio construction and management, trust administration and estate settlement.

In his spare time, the Marquette native enjoys spending time outdoors, hunting, and fishing.

Katie Bushey joins Thumb Bank & Trust as a Registered Representative for Sorrento Pacific Financial, LLC



Katie Bushey

Pigeon, MI – Thumb Bank & Trust is pleased to announce that Katie Bushey has joined the bank as a Registered Representative for Sorrento Pacific Financial, LLC. Katie’s career at Thumb Bank & Trust began during the summers when she was home from college. As a summer intern, she began learning the financial services industry first-hand. Her experience in customer relationships at the bank, coupled with an acute interest in complex financial concepts, are what drew her to pursue a career as a financial advisor.

Katie is a graduate of the Broad Business College at Michigan State University, where she earned her Bachelor of Arts degree with a major in finance. In addition to her Series 7 and 66 licenses, Katie is a Resident Producer for Life, Accident, and Health Insurance.

Katie is a member of Pigeon Rotary Club and actively involved in the Laker Giving Tree. She also serves on the Finance Committee for the Huron County Community Foundation.

“We are excited to have Katie back at Thumb Bank & Trust in our Financial Services Department. She is a well-respected business professional, actively involved in the local community and a great asset to our team,” said Ben Schott, President and CEO of Thumb Bank & Trust.

community connections

Chelsey A. Foster joins Highpoint Community Bank

Mark A. Kolanowski, President and CEO of Highpoint Community Bank, is pleased to announce Chelsey A. Foster has joined the executive leadership team of the bank as Senior Vice President, Business Development.

Mr. Foster brings years of experience in banking, with leadership skills in commercial lending and economic development. He has a bachelor's degree in business from Alma College and is a graduate of the Perry School of Banking.

Mr. Foster is involved in numerous community enrichment activities including the Barry County Economic Development Alliance Advisory Board, Barry Community Foundation Impact Investment Committee Chair, Vice Chairman of the Barry County Department of Health and Human Services, and a current member and past president of Hastings Rotary Club.



Chelsey A. Foster

"On behalf of the Board of Directors and Senior Leadership, I would like to welcome Chelsey to the Highpoint team. Chelsey's extensive banking and leadership background, his reputation for providing an excellent customer experience and the active role he plays in the communities he serves will all be of great benefit to the bank and its customers. We are fortunate to have Chelsey join our team and look forward to working with him in the future," said Mr. Kolanowski.



Dan Stoudt

Honor Bank Welcomes New Mortgage Loan Officer, Dan Stoudt

Traverse City, MI – Honor Bank announced that long-time northern Michigan mortgage lender, Dan Stoudt, has joined the Honor Bank team. A northern Michigan native, Stoudt brings many years of local mortgage lending experience to the Honor Bank team.

Honor Bank Mortgage Sales Manager, Jim Hills shares, "We welcome Dan Stoudt to our team and look forward to seeing our local mortgage clients thrive with his expertise, industry knowledge, and exceptional service skills."

Gottleber Promoted to Senior Vice President/Chief Financial Officer

Huron Community Bank is pleased to announce the appointment of David Gottleber to Senior Vice President and Chief Financial Officer. David holds a BBA majoring in Accounting from Northwood University and an MBA in Accounting from Donald W. Maine School of Business, as well as a completion of Financial Managers School from the Graduate School of Banking in Madison, Wisconsin.

Gottleber has over 30 years of experience in various leadership roles in multiple industries, the majority of which have been in banking. His genuine focus on serving his community is evident in the various local area membership roles he currently holds, including those with the Tawas Area Chamber of Commerce Finance Committee, the Delta Accounting Advisory Committee, as Secretary for the Oscoda Township Board of Review and an Adjunct Instructor of Accounting at Northwood University.

Huron Community Bank is the only financial institution headquartered, and with clientele in a four-county area, a fact of which Gottleber is very proud. "I am committed to providing the best in class banking to our customers, resulting in the premier banking experience for our business partners and consumers clients alike," said Gottleber.

David feels privileged to work for Huron Community Bank, an institution that focuses on its clients, employees, and shareholders because, as David states, "They are our neighbors, friends, and family, and I look forward to many more years of servicing their financial needs as their trusted financial partner."

community connections

Great Lakes Boat Building School Garner's Bank's Support

Cedarville, Michigan - The Board of Directors of First National Bank of St. Ignace recently approved a donation of \$10,000 in support of the Great Lakes Boat Building School (GLBBS) "Come Aboard, Launch Careers" capital campaign to expand the instructional infrastructure at the Cedarville-based marine trades institution.

The school embarked on a capital campaign in December 2021 to secure \$1.1 million to fund associated fixtures, equipment and the required 20% match for the \$2.7 million U.S. EDA grant that was formally approved earlier this year. A ceremonial groundbreaking was held on October 1st with construction planned to commence for the 10,000 square foot marine trades training facility in the second quarter of 2023.

This expansion of the GLBBS instructional infrastructure is in direct response to the needs of the marine industry. The structure will facilitate instruction with hands-on skills training in marine service and marine electronics technologies. The new Marine Electronic Technology program will be the first of its kind in the nation.

The project also includes new docking and waterfront improvements along with interior student life improvements like a student commons area. The project aligns positively with the institution's strategic plan to double student enrollment.

"We are so humbled that so many donors including First National Bank of St. Ignace share our vision for the growth of the school and the positive impact more students will have on the Les Cheneaux Islands community," said Nikki Storey, GLBBS President. "The bank is an outstanding corporate partner that understands the importance of reinvesting in the communities it serves."

The Comprehensive Career Boat Building Program has been offered since the school's establishment in 2006 when local residents had the vision to foster the steeped wooden boat building and restoration heritage of the area with a school. In 2019, based on a recommendation by its Program Advisory Board GLBBS introduced its Marine Service Technology Program including an exclusive partnership with Mercury Marine. Both programs have recently generated a 100% placement rate of its graduates.

"Our board and leadership have been impressed with the school's growth and vision over the years," said Jim North, Chief Executive Officer, First National Bank of St. Ignace. "To have a local economic driver like GLBBS just down the street from our Cedarville branch made it a priority for us to support this campaign."

Information about the "Come Aboard...Launch Careers" capital campaign or the "Fill in the Planks" program is available by contacting Tom Coates, Director of Development by calling 906.484.1081.

Great Lakes Boat Building School is a non-profit organization recognized as a charitable organization and is accredited by the Accrediting Commission of Career Schools and Colleges.



FNBSI Support Banked - Jim North, Chief Executive Officer of First National Bank - St. Ignace, (right) makes a presentation to Great Lakes Boat Building School Board Chairman Joe Reid (left) and President Nikki Storey in the amount of \$10,000 at the bank's Cedarville branch. The Eastern U.P. based community bank supported the school's campaign to double its instructional footprint.

community connections

First National Bank & Trust's Project Teddy Bear Program Makes Annual Donations

Iron Mountain, MI - First National Bank & Trust's Project Teddy Bear program committee is pleased to announce the 2022 holiday season drive collected over 500 new stuffed toys for donation to local emergency responders, crisis centers, children's organizations and medical facilities. Since Project Teddy Bear's inception in 2017, donations have been collected each year from the annual Flivver Hockey Teddy Bear Toss event, followed by continued collecting throughout December. The program makes donations for both Christmastime use and again in January for the responders using the toys year-round.

Prior to Christmas, donations were made to the U.P. Foster Closet of Dickinson County, Marshfield Medical Center-Dickinson, Caring House, and Salvation Army Dickinson County.

The January donations included Michigan State Police, Iron Mountain Police and Fire Departments, Dickinson County Sheriff's Office Victim Service's Unit, Integrity Care EMS, as well as additional donations to the Caring House, U.P. Foster Closet of Dickinson County, and Marshfield Medical Center- Dickinson.

"Speaking to our local emergency responders and hearing their touching stories about the truly positive effects of giving a child a stuffed animal during an emergency situation reiterates why First National Bank & Trust created Project Teddy Bear," said Matthew Lutz, First National Bank & Trust Chief Financial Officer. "That hit very close to home recently when I was in the Emergency Department with my son and saw his face light up when he was handed a stuffed animal."

Over the last five years, Project Teddy Bear has donated over 2,000 new stuffed toys. The Project Teddy Bear initiative is part of First National Bank & Trust's ongoing dedication to supporting and strengthening our community.



*(L-R, back row): Matthew Lutz, Cole Grenier, First National Bank & Trust; Sgt. Adam Ray, Iron Mountain Police Department; Jake Hogberg, First National Bank & Trust; Community Service Trooper Geno Basanese, Michigan State Police.
(L-R, front row): Vanessa Bal, Caring House; Barbara Cromell, First National Bank & Trust.*



(L-R): Barbara Cromell, Cole Grenier, Shyenne Sullivan, First National Bank & Trust; Jaimee Rogers, with son Braxton, Marshfield Medical Center- Dickinson; Jake Hogberg, First National Bank & Trust.

community connections

ChoiceOne Bank Employees Close 2022 with Multiple Community Donations

Sparta, MI – ChoiceOne Financial Services, Inc., and ChoiceOne Bank (NASDAQ: COFS) (“ChoiceOne”) are pleased to recognize the donations ChoiceOne employees have made this year. Through an employee Jean Day program, multiple donations are made to local nonprofits throughout the year and at yearend.

“Many companies offer blue-jean Fridays; however, ChoiceOne’s Jean Day program is different. Our employees commit to supporting our local nonprofits whether they wear blue jeans or not, on the designated Friday, and they have the donation regularly withdrawn from their paychecks,” said ChoiceOne President Michael Burke, Jr. “This is a pledge our employees choose to make. I am incredibly proud of them and the commitment they make to our customers and the communities we serve. They continue to amaze me with the compassionate and generous spirits they bring to our Bank every day.”

ChoiceOne employees initiated a Jean Day program years ago to raise money for local nonprofits. Employees make biweekly donations to the Jean Day fund which allows them to wear jeans to work on designated Fridays. Surveys are sent to the employees to gauge their interest in supporting different causes and organizations. As the money is collected throughout the year, it is distributed to local nonprofits selected by the employees. Most of the nonprofits are selected because one or more employees are volunteers with a particular organization in their community.

“Most of our employees have opted into our Jean Day program held on Fridays, allowing them to wear blue jeans to work,” explains Vice President, Treasury Management Officer Carrie Olson, also the Chair of the Nonprofit Committee responsible for the Jean Day fund. “We collect the money through voluntary paycheck deductions so it’s easy to donate. Employees complete a survey selecting the causes and organizations to consider for donations. The Committee reviews the surveys and determines the nonprofits to support and the amount available to distribute to the selected nonprofits. We strive to use these funds to support local nonprofits, so our money stays in our communities, just like the Bank lends out locally. Our Jean Day has created a fun and worthy opportunity for ChoiceOne employees to support our local nonprofits.”





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Chelsea State Bank Makes Annual Donation to Shop with a Cop

Washtenaw County, MI – Chelsea State Bank donated \$2,241.68 to Shop with a cop on Wednesday, January 11, 2023. The dollars raised for this donation included jean money from employees of the Bank as well as customer donations from October and December.

Over 10 years ago, Chelsea State Bank employees kicked off their Blue Jeans for Charity fund to raise money for local charities. Employees donate \$3 per person each week, which allows them to wear jeans to work on Fridays. Chelsea State Bank then matched the employee donations for the selected non-profit donation. Chelsea State Bank Customers also contributed dollars through a donation drive that took place in each of the branches and drive-thru locations in October and December, 2022.

“Shop with a Cop provides such a significant service in Washtenaw County, and it is our distinct honor to be able to provide this cause with an annual donation,” said Joanne Rau, President and CEO, Chelsea State Bank. “Our employees and customers truly care for our communities, and this is one more way we are able to give back to our neighbors.”

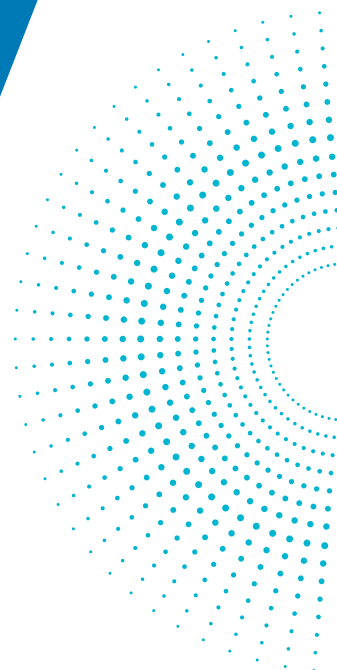
“For many of these families, if it weren’t for the Washtenaw Shop with a Cop program, they would not have back to school supplies or a holiday celebration,” said Lieutenant Katrina Robinson, WCSO Police Services. “These events provide

local police officers an opportunity to engage hundreds of children in a positive environment and allows them to experience some magic, while empowering the children to bring magic to their families, too!” We are so grateful to the greater Washtenaw Community for their support of this program for over two decades. We couldn’t bring the magic without your help!

The purpose of the event is to foster positive relationships between youth and officers. Young kids, are selected each year during the end-of-the-year holiday season to shop at Meijer to purchase gifts for members of their immediate family.



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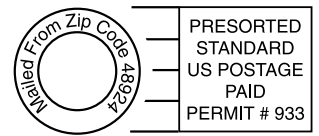


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[verb]

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