



CBAI Meets with Chicago Fed Reserve Bank President and Senior Staff

CBAI member and ICBA leadership banker Greg Ohlendorf, President and CEO of First Community Bank and Trust in Beecher, and David Schroeder, CBAI Senior Vice President of Federal Governmental Relations, met with Federal Reserve Bank of Chicago's President and CEO Charlie Evans and other senior management to discuss a variety of issues important to Illinois community banks.



Pictured left to right: Federal Reserve Bank of Chicago's Patrick Wilder (Vice President, Community Bank Division Supervision and Regulation), Cathy Lemiux (Executive Vice President Supervision and Regulation), Charlie Evans (President and CEO), Greg Ohlendorf (President and CEO of First Community Bank and Trust in Beecher), and David Schroeder, (CBAI Senior Vice President Federal Governmental Relations)

CBAI meets periodically with senior management of the Federal Reserve Bank of Chicago to review current issues and highlight the observations, concerns and recommendations we have gathered from discussions with Illinois community bankers. The wide-ranging topics for this meeting included an update on the electronic delivery of loan files to streamline examinations, the impact of fintechs on community banks and the financial system, the opportunities and perils of consumer data sharing, and the evolution of payment systems.

In a separate meeting with Connie Theien, Schroeder and Ohlendorf discussed at length the evolution of payments and the role the Federal Reserve has and should play in improving the payments systems. This meeting with Theien was particularly timely as the Fed continues its work with the Faster Payments, and Secure Payments Task Force and as CBAI seeks to impact

the development of new and improved payment systems through its Community BancService Corporation Payments Task Force.

Schroeder stated that the number of payment options and the speed of development in this area of financial services have increased dramatically and the pace of change is not expected to abate in the future. The Fed's has had a historic role in payment systems and it should be an active participant in developing strategies for improving payment systems. CBAI welcomes the Fed's continued involvement because it provides critical benefits and safeguards for community banks.

CBAI supports payment systems that are competitive, progressive, and secure, and that offer fair and open access to all community banks regardless of size and operational capability so they can meet the existing and evolving payment needs of their customers and communities.

CBAI believes desirable attributes for payment-systems improvement should include the following:

- Provide for speed, security and efficiency;
- Guarantee that the Federal Reserve System maintains its dual role as the payment-systems regulator and as an operator and service provider - including a ubiquitous, (near) – real-time payment system;
- Ensure equality in competition among financial institutions of all sizes and characteristics including community banks;
- Provide the Federal Reserve with the ability and authority to identify and regulate systemically important payment, clearing and settlement systems and providers;
- Establish privacy and security standards for non-bank payment providers;
- Guarantee that examination and enforcement against non-bank payment providers are equally stringent as they are with community banks;
- Ensure a meaningful and collaborative role for state regulators in the evolution of improvements and operation of payment systems; and,
- Provide community banks with meaningful participation and influence in the development of rules to ensure fair, open and efficient access to payment systems and the ongoing governance and rulemaking of these groups.

CBAI appreciated the opportunity to meet with the Chicago Fed and welcomes its staff's understanding and support for Illinois community banks.

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