



# Issues & Answers

January 2024

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# New Years Resolutions



*By Glen Simecek,  
President & CEO,  
Washington Bankers  
Association*

According to the Statista Consumer Insights Survey, Americans' five most popular New Year's resolutions this year are to: (1) save more money; (2) exercise more; (3) eat healthier; (4) spend more time with family and friends; and (5) lose weight.

Worthy goals, all. Hopefully, those making those resolutions can keep them going throughout the year instead of petering out around Super Bowl Sunday, as so many good intentions seem to do.

Here at the WBA, we have our own list of resolutions for the next 12 months. Our top five:

1. Hone our legislative advocacy game on behalf of Washington's banks. Despite this being a short, 60-day legislative session, we expect it to be filled with issues that could impact our members. State revenue collections continue to outpace forecasts, which isn't stopping some lawmakers from proposing additional taxes. We

expect to see yet another proposal to remove the first mortgage interest deduction for all banks, and regulation of artificial intelligence technology will likely be front and center.

Our government relations team, composed of members, WBA staff, and our lobby team and partners in Olympia, continues to improve and adapt to quickly proposed legislation to identify and respond to potential impacts on financial services. We want to also focus the spotlight on the inequitable treatment of banks and credit unions beyond taxes to include CRA and fees where banks better serve customers.

2. Effectively engage our members as advocates for Washington's banks. WBA members are the best representatives for our industry, and we will continue to create opportunities for them to share their perspectives with federal and state officials. One of the most significant opportunities to do this is our annual Bankers Day on the Hill, which will be held on February 7 this year. That's about a week before the deadline for bills to pass their house of origin and remain alive for further consideration, so we should have a relatively clear picture of where

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## Issues & Answers – January 2024

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### Connect With Us

Connect with the WBA online by following us on our social  
media accounts.

### On the Cover

A juvenile rabbit sits amongst the snowy trees in the Mt Baker  
Snoqualmie National Forest.

*Photo courtesy of USFS*

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issues are heading when our members come to Olympia. If you haven't already signed up to attend, [please do so now](#). We also plan to evolve our meetings with lawmakers post-session to incorporate visiting your branches and operations centers to hear from your teams and clients. You are your best advocate, and no one can tell your story as effectively as you can.

3. Provide professional development opportunities that meet our members where they are. The banking business continues to change rapidly, and bankers at all levels need to hone their skills to enhance their prospects for success. That means high-quality education and training programs. But even the best lessons aren't effective if people can't receive them. So, we must be willing to change how we deliver that content to ensure that it reaches those members who will benefit from it – meaning we must continue to evaluate and adjust the format of our professional development programs. For instance, our 2024 Executive Development Program kicks off at the end of January, and it will again be an intense, multi-session training program that draws on in-person sessions and between-session “homework” assignments. In contrast, our late-April Engage Conference for retail, human resource, and training professionals will be held virtually. We will continue to match the program format to the audience.

4. Expand the opportunity to network with your peers in the banking industry. Members consistently express their desire to connect with peers in the banking industry. While in-person conferences used to serve this role, the post-pandemic enthusiasm for these events has diminished. That's why we are launching what we are calling our [Future Leader's Networking Events](#). We will host a basketball watch party in Spokane on March 12 and a March Madness watch party event in Seattle on March 21. 1st Security Bank of Washington's EVP Kelli Nielsen will lead the Purpose, Passion, and Plan workshop on April 26, and we'll host a luncheon before the Puget Sound Business Journal's Women Who Lead Summit on May 30 in Seattle. Each event will include food and drink and the chance to connect with old friends and make new ones. New this year, we will also host Mentorship Mondays starting on January 22, led by Duncan Taylor, to tackle your leadership challenges. Finally, we are also launching a quarterly New Banker Orientation to introduce you to the newest bankers in the broader industry and career potential in banking.

5. Build partnerships with our banking association peers in other states. Bankers in other states face many of the same challenges as WBA members. So, it only makes sense to combine resources to provide the best available programming to address those issues. We see the value of that synergy in our annual Convention, which we will continue to co-present with our counterparts in Idaho, Nevada, and Oregon. This year's event will be June 26-28 at Skamania Lodge in our state. Remember, every member receives at least one and, in some cases, two complimentary registrations as part of your annual dues, so make plans to attend and secure your hotel reservation early. On a much broader multi-state scale, we will continue to host the Understanding Bank Performance this year with co-sponsors from 28 other state banking associations.

Finally, we have one other resolution, which is the foundation for those listed above to maximize the value you receive from WBA. So, if there are things we should be doing that we aren't, things we are doing that we shouldn't, or things that we could be doing better, please don't hesitate to let us know.

In the meantime, we'll work on saving money and eating healthier. Happy New Year.

# Against a Rising Tide of Regulation, Banks Must Row Together



*By Rob Nichols, President & CEO,  
American Bankers Association*

Whenever a new election cycle comes along, it's not uncommon to hear pundits make mention of "red waves" or "blue waves," denoting potential power swings in Congress. But as bankers contemplate the future of our country and the policy environment that will shape the future of our industry, there's another wave that we need to talk about: a tsunami of complex regulation that's hitting the banking sector as we speak.

To be sure, the tide turned quickly: last year's turbulent spring ignited a rulemaking frenzy at the banking agencies. Suddenly, new proposals sprang up to increase bank capital levels, impose a new long-term debt requirement and make the resolution planning process more complex.

Simultaneously, the CFPB imposed long-awaited small business reporting requirements under Section 1071 of the Dodd-Frank Act—which went far above and beyond what was outlined in the statute. The Federal Reserve issued a proposal to cap interchange fees under Regulation II, and the FDIC is now pursuing significant changes to its corporate governance guidelines.

Against all that, the agencies finalized a long-awaited update to the Community Reinvestment Act framework—a staggeringly complex, 1,500-page final rule that creates significant new requirements that have the potential to fundamentally alter banks' business strategies.

Meanwhile, in Congress, banks are facing the resurgent threat of the so-called "Credit Card Competition Act," which would apply Durbin Amendment-like provisions to credit cards—the equivalent of lawmakers taking money from banks and putting it into the cash registers of mega retailers.

Taken together, these policies place a tremendous cost and compliance burden on banks of all sizes—at a time

when they are already facing a tough operating environment due to a protracted period of high interest rates and ongoing geopolitical tensions.

These policies will also have devastating effects for consumers. Banking is, after all, a business—and in order for banks to offer the full range of financial products and services to meet the needs of communities, they need to be profitable, and have an operating environment that supports growth.

The current regulatory landscape will do the opposite. Banks that are already considered well-capitalized by regulators' own admission will be forced to hold even more capital in reserve—which means less capital will be available to lend to the local small business looking to expand, or to the young family looking to buy their first home. Simultaneously, changes to the fee income streams upon which banks have long depended could spell the end of free or low-cost checking products, and popular rewards programs that consumers value.

What's perhaps most concerning, however, is the fact that regulators don't seem to understand the full impact of their actions. As we observed with the Reg II rulemaking and the so-called "Basel III endgame" proposal, regulators are failing to adequately assess the potential costs of the individual regulations on banks and consumers—let alone contemplate what the cumulative impact of all these rules would be.

ABA is sounding the alarm. We need to make sure policymakers in Washington—from members of the administration to lawmakers in Congress to the regulators holding the rule-writing pens—understand that regulatory burden has a real-world cost, not just for banks, but for consumers, small businesses and the American economy.

If you're reading this, I urge you to help us tell that story. Join our Bank Ambassador program to rekindle relationships with your congressional delegation and help educate policymakers about banking. Stay informed and send a letter about an issue that will affect your bank through ABA's grassroots platform, SecureAmericanOpportunity.com. Make a plan to come to the nation's capital in March for the ABA Washington Summit, and tap a colleague or two to come along.

The sobering reality for banks right now is that rougher seas are likely ahead—but our best hope is to row together.

## Events Calendar

**January 23** – Executive Development Program

**February 7** – Bankers Day on the Hill

**March 18-20** – ABA Washington Summit; D.C.

**April 11** – Management Development Program

**April 19** – CBA Annual Conference; Hawaii

**April 24-25** – Virtual Engage Conference

**April 30** – Understanding Bank Performance

**May 8-10** – IBA, OBA, WBA Agriculture Conference; Idaho

**May 30** – PSBJ Women Who Lead Summit; Seattle

**June 11-14** – ABA Compliance & Risk Conference; Seattle Convention Center

**June 17-21** – DFI Next Generation Financial Leaders Workshop

**June 26-28** – 2024 Annual Convention; Skamania Lodge

**August 6-8** – KBA Fraud Academy

**September 19-20** – Virtual Credit, Lending & Compliance Conference

To register or to learn more about any of the listed events, please visit [www.wabankers.com/calendar](http://www.wabankers.com/calendar).

# Unveiling Exciting New Programs for 2024: Mentorship Mondays and Future Leaders Networking Series

In a constantly evolving world, staying at the forefront of industry trends and forging valuable connections has never been more crucial. The Washington Bankers Association (WBA) recognizes the importance of fostering professional growth and networking opportunities for its members. As we embark on a new year, the WBA is delighted to introduce two exciting initiatives: Mentorship Mondays and Future Leaders Networking Series, designed to bring together bankers for informal yet enriching networking experiences.

## Mentorship Mondays

The WBA understands that mentorship plays a pivotal role in career development. With this in mind, we are thrilled to introduce Mentorship Mondays—a weekly standing hour where bankers can learn, ask questions, and make new connections.

We'll begin this new event starting on January 22.

## New Banker Orientations

As a WBA member, you likely already know the many ways we can help you grow your career, but did you know that when you first started in the industry? Once a quarter, we will host this virtual event, introducing new bankers to the WBA and ways to expand their knowledge and learn about opportunities through their association.

WBA will host these events on Zoom on March 5, June 6, September 5, and December 10 at 10 a.m. Look for more details coming soon about registering.

## Future Leaders Networking Series

In addition, the WBA is proud to launch a series of Future Leaders Networking Series. These gatherings provide an informal yet enjoyable atmosphere for bankers of all levels to connect, share experiences, and foster meaningful relationships.

This year, we plan to host several events on both sides of the state designed to bring bankers together and have fun! We'll kick it off in March with two basketball watch parties before a workshop with banker Kelli Nielsen titled "Purpose, Passion, and a Plan" on April 28. WBA will host a pre-event function the following month before the Puget Sound



Business Journal's Women Who Lead Summit on May 30 in Seattle.

In August, join us for a Spokane Indians baseball game, or meet us at T-Mobile Park for a Seattle Mariners game before closing out the year with an event in October.

Each event will be just \$50, so bring a friend! Or you can register for our discount package, including tickets to any four events for just \$150.

## Why Attend?

Participating in any of these events has numerous benefits:

- **Professional Growth:** Access valuable insights and guidance from experienced mentors to accelerate career development.
- **Networking:** Connect with bankers from the industry, facilitating collaboration and opportunities for future partnerships.
- **Community Building:** Join a community of like-minded professionals who are committed to shaping the future of banking.
- **Learning:** Gain new perspectives and stay updated on industry trends through engaging discussions and activities.

Mark your calendars, and stay tuned for more information on upcoming Mentorship Mondays, New Banker Orientation, and Future Leaders Networking Series.

We look forward to seeing you at these exciting gatherings as we build a stronger, more connected banking community.

*For more information and updates, please visit our website at [wabankers.com](http://wabankers.com) and follow us on social media.*

# WBA Welcomes Two New Board Members in December

The Washington Bankers Association (WBA) announced the appointment of two new board members at its December meeting.

The board voted unanimously to welcome Lisa Hefter, president and chief operating officer at Peoples Bank, and Don Stafford, market executive and head of the Wells Fargo Commercial Banking team in Oregon, Idaho, and Eastern Washington. The new directors replace outgoing board members Charlie Guildner of North Cascades Bank and Gail Rasmussen of Wells Fargo.

“Thank you to Charlie and Gail for their service as board members and for their insights and input, especially as we navigated the last year,” said WBA President and CEO Glen Simecek. “I am excited to welcome Lisa and Don and look forward to working with them. They bring unique perspectives, thanks to their experiences within the industry and from outside of the Puget Sound region. Both are long-time supporters of the WBA’s education and advoca-



cy programs.”

Peoples Bank is based in Bellingham, Wash., and Hefter has been with the organization since 1992, starting her current role in 2022. She was previously the bank’s chief financial officer for over ten years. She is active in the community, volunteering and promoting financial education.

Stafford is based in Spokane and joined Wells Fargo in 2016, leading the commercial banking business in Eastern Washington. In his current role, he leads teams focused on the financial needs of commercial banking customers and volunteers on several nonprofit boards, including the Washington Policy Center and the Inland Northwest Council of the Boy Scouts of America.

The Board sets policy and is responsible for the prudent stewardship of the fiscal resources of the Association. Bankers are nominated by their peers to serve on the Board and are selected from institutions diverse in size, type, and geographic location.

## Raise Your Voice in Olympia at Bankers Day on the Hill

The WBA's upcoming Bankers Day on the Hill is just over a month away on February 7, and now is the perfect time to register!

This event presents a unique opportunity for you to engage directly with key legislators, offering a platform to voice the perspectives and concerns of the banking community.

The event will feature a legislative briefing with WBA Lobbyists Trent House and Carrie Tellefson over lunch, before bankers head to Capitol Hill for prearranged meetings with lawmakers.

Attendees do not have to have any prior legislative or advocacy knowledge, talking points and other materials will be provided.

Why Attend Bankers Day on the Hill?

- **Advocacy in Action:** Your participation is vital in shaping policies that affect our industry. Share your insights and experiences to influence legislative decisions.
- **Stay Informed:** Gain firsthand knowledge about upcoming regulations and legislative agendas. Stay ahead in an ever-evolving financial landscape.
- **Share Your Feedback:** Lawmakers need to hear from constituents like you about how their policies will impact people daily. This event is a critical way to share that feedback.
- **Influential Networking:** Connect with industry peers, policymakers, and influencers. It's an unparalleled chance to build relationships that matter.

Your voice is crucial in these discussions, so register today and bring your banking team!

WASHINGTON  
**SUMMIT**  
March 18 - 20, 2024  
Marriott Marquis, Washington, DC

**REGISTER NOW**



## HomeStreet Bank Donates to Des Moines Farmers Market Foundation

In honor of an employee volunteering, HomeStreet Bank announced this fall that it donated \$500 to the Des Moines Farmers Market Foundation.

Banker Kim Richmond volunteered 160 hours this year with the organization.



## Bank of America Awards Neighborhood Builder Grants

Bank of America announced two local organizations earned Neighborhood Builder Grants earlier this fall.

The grants, worth \$200,000 over two years, provide extensive leadership training for area nonprofits. In 2023, the 19th year the bank awarded these grants, the Urban League of Metropolitan Seattle and Emergency Food Network earned the honors.

“We focus on economic stability and mobility and trying to serve our community while serving our financial clients,” Morehead said.

The Urban League of Metropolitan Seattle empowers African Americans and underserved communities through advocacy and civic engagement, education, housing, public health, entrepreneurship, and workforce development programs in Seattle and King County.

“We’re just so excited and thrilled that Bank of America is working with us and allowing us to expand our work,” said Michelle Merriweather, president and CEO of Urban League of Metropolitan Seattle. “Much of our work will focus on not only preparing future homeowners but also developing affordable housing, so we’re excited about this funding.”

Emergency Food Network (EFN) is the sole nonprofit food distributor in Pierce County, serving more than 75 food pantries and hot meal sites, providing more than 12.2 million meals annually.



## U.S. Bank Volunteers at Food Lifeline

The U.S. Bank Seattle team spent Giving Tuesday volunteering to sort food at Food Lifeline.

The group sorted and packed 5,100 pounds of food at the end of November.

Food bank usage in Washington State has dramatically increased this year, and volunteers are vital in helping the organization provide food for those in need.

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## Industry News

### New Hires

Brandon Barnes  
Vice President, Senior Commercial Relationship Manager at Banner Bank

Allyson Bailey  
Assistant Vice President and Assistant Relationship Banking Officer at Heritage Bank

Dana Giove  
First Vice President and Regional Retail Manager at First Fed Bank

Jess Daly  
Assistant Relationship Banking Officer at Heritage Bank

Anan Amador  
Senior Business Development Officer at 1st Security Bank of Washington

Robert Harvie  
Senior Vice President and Commercial Banking Team Leader at Washington Trust Bank

Mona Ghorbani  
Human Resources Generalist at First Financial Northwest Bank

### Promotions

Dustin Bruland  
Senior Vice President and Director of Retail Banking at Bank of the Pacific

Ivan Dovchovski  
Senior Vice President and Credit Risk Manager at Peoples Bank

Caitlin Balsler  
Assistant Branch Manager at First Fed Bank

Sean McCormick  
Senior Vice President and Director of Credit Administration at 1st Security Bank of Washington

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“Emergency food is at a critical point right now,” said Michelle Douglas, CEO of EFN. “We’ve seen a 30% increase this year and higher numbers than even in the height of the COVID pandemic. So, supporting our organization is critical and crucial at this juncture.”

**Mountain Pacific Bank Employee Named Volunteer of the Year**

Mountain Pacific Bank’s April Moore was recently named Volunteer of the Year by the Burlington Chamber of Commerce.

Moore was nominated for her continued service to the community and commitment to prospering the area.



**North Cascades Bank Volunteers at Waterville Tree Lighting**

The North Cascades Bank team in Waterville recently volunteered during the Annual Christmas Tree Lighting event. The crew hosted a hot beverage station and branch manager Nick Jimenez was the guest of honor, Santa.



**1st Security Bank of Washington Donates \$150,000 in November**

As part of Giving Tuesday at the end of November, 1st Security Bank of Washington announced it had donated over \$150,000 to local

food banks in November.

The bank donated to food banks throughout its footprint, making \$5,000 in donations to help with the holiday rush.



**SaviBank Hosts Family Needs Drive**

SaviBank hosted a Family Needs Drive in November, working with a local resource center to support local families and needy individuals.

The bank collected basic

needs, including personal hygiene products, household cleaning essentials, and baby supplies.

Donations were then provided to people in need throughout the region.



**Washington Trust Bank Supports Treats 2 Troops**

Washington Trust Bank partnered with KREM 2 Media Group and Fairchild Spouses United this fall on the annual Treats 2 Troops campaign.

The bank collected treat donations, so many this year they needed a truck to make the final delivery, which was given to local service members deployed throughout the holiday season.



**First Fed Bank Announces \$50,000 Grant to Centrum**

First Fed Bank recently announced that in honor of its 100th anniversary and Centrum’s 50th anniversary, the bank would be making a five-year, \$50,000 commitment to the arts organization.

The funding will help pay for programs and scholarships for participants.

“We take great pride in commemorating the remarkable 50-year journey of Centrum and celebrating their unwavering commitment to delivering world-class creative arts experiences for individuals of all ages,” said Cindy Finnie, First Fed board chair. “Their dedication to arts, education, and residencies has played a pivotal role in nurturing and enriching the arts in our communities.”

Centrum’s mission is to foster creative arts experiences that help change lives. Created as a center for lifelong learning in 1974, it provides a partnership between the Washington State Parks, the Superintendent of Public Instruction, and the State Arts Commission to present and honor traditional and evolving arts.

The gift also helped launch the “Centrum Circle,” which

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recognizes donors who commit \$1,000 or more for the next three to five years.

First Fed has donated over \$8 million to non-profit organizations in the last seven years, and employees volunteered over 6,800 hours in 2022.



## HomeStreet Bank Hosts Financial Literacy Class

HomeStreet Bank's West Seattle branch hosted a financial literacy class this fall.

The class was the first MeetUp on Empower Women through Financial Literacy. Bank and local community members discussed financial education and answered questions.



## Washington Trust Bank Donates to YouthCare

Washington Trust Bank donated \$40,000 to YouthCare in Seattle this fall.

The nonprofit organization works to end homelessness and ensure that young people are valued for who they are and empowered to reach their true potential.

Washington Trust Bank donated to help people who are aging out of the foster care system and at the highest risk of experiencing homelessness. The bank also committed to providing financial education classes to YouthCare clients through the volunteer-supported Financial Beginnings program.

## Sound Community Bank Sponsors Providence O'Christmas Tree Fundraiser

Sound Community Bank sponsored a tree in December at the Providence Christmas Tree fundraiser.

A group from the bank and their



family members collaborated to decorate the Candy Land Christmas tree in honor of the holiday.



## BankWork\$ Celebrates Two Seattle Area Graduations

Both Puget Sound region BankWork\$ programs celebrated graduations this fall.

This year, the program celebrated 5,000 graduates from across the country, many of whom have gone on to successful careers within the banking industry.

The YWCA Seattle | King | Snohomish program ended 2023 with its 73rd graduation, while Career Path Services held its 19th graduation.



## Washington Trust Bank Surprises Families with Christmas Trees

Shortly before the holidays, members of the Washington Trust Bank Crew in Blue spend a day at a Christmas tree farm, surprising 60 families with the gift of a tree.

The donations were made in support of the Hutton Settlement.

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### Olympia Federal Savings Donates to Masterworks Choral Ensemble

Olympia Federal Savings announced in November that Masterworks Choral Ensemble was the bank's Two Cent partner.

The organization received \$2,733, which will help with their performance, community service, and music education programs.

The program provides monthly two cents from every debit card transaction to local nonprofits.



### Banner Bank Donates to 100 Charities During Fall Food Drive

Each fall, Banner Bank hosts a food drive to help local nonprofits as they gear up for the holiday season.

This fall, the food drive returned after a pandemic hiatus, and the bank helped more than 110 charities throughout the bank's four-state region.

The bank collected over \$32,000 in funds and 10,107 non-perishable food items.



### Bank of America Creates Holiday Cards

The Bank of America Seattle team recently spent part of a day making holiday cards during its fourth annual Hearts for the Holidays event.

The cards and sweet treats were given to the

Puyallup Nursing and Rehabilitation Center and Washington Soldiers Home in Orting.



### WaFd Bank Supports Fit Futures Program at Local Elementary Schools

WaFd Bank and members of the Seattle Storm recently participated in the Fit Futures program at Highland Park

and Dunlap Elementary.

The bank's donations allow the school to purchase new PE gear and access an interactive financial education platform.



### Peoples Bank Volunteers at Christmas House

In December, the Peoples Bank team volunteered at Christmas House in Everett.

The organization allows parents in the area to select free holiday gifts for their children. The organization is entirely run by volunteers and provided more than 46,000 gifts in 2022.

This year, the Peoples Bank volunteers helped organize and worked with families as they chose items.



### Chase Volunteers with Wellspring Family Services

The Chase Washington Leadership team recently volunteered at Wellspring Family Services.

The group provided holiday support for children and families experiencing or at risk of homelessness by unboxing and putting away 175 toys and packing 76-holiday orders serving 158 children.



### Washington Trust Bank Supports Mobius Scholarship Fund

Washington Trust Bank announced a \$10,000 donation to the Mobius Scholarship Fund to foster STEM learning

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opportunities this November.

The grant will help children from low and moderate-income families in the Spokane area with scholarships.

The scholarship fund aims to break down financial barriers for youth and families to engage in hands-on STEM learning experiences powered by Mobius.

Mobius offers a dynamic environment to spark interest and foster exploration through various exhibits, play, and learning experiences.



### **Kitsap Bank, Washington Trust Ring Salvation Army Bell**

This holiday season, Kitsap Bank and Washington Trust Bank team members volunteered to ring the Salvation Army bell.

The Kitsap team volunteered at locations throughout Kitsap County while Washington Trust Bank rang the bell in Spokane and donated \$10,000 to the organization.

The funds help the local organization throughout the year.



### **First Financial Northwest Bank Hosts Mill Creek Chamber Event**

The First Financial Northwest Bank Mill Creek branch recently hosted a Mill Creek Chamber of Commerce coffee connection.

The event was an opportunity for the bank and members of the community and chamber to learn more about the organization and meet new business community members.

### **Washington Trust Bank Donates to Boys & Girls Club**

Washington Trust Bank announced a donation to the new Boys & Girls Club in Prosser this fall.

The Boys & Girls Club of Benton-Franklin County is building a new facility to provide opportunities for local children.



### **Baker Boyer Bank Hosts Walla Walla University Students**

This fall, Baker Boyer Bank's downtown Walla Walla branch hosted students from the Walla Walla University entrepreneurship class to learn more about the banking industry.

The bankers shared critical financial information, such as fundamentals of business valuation, equity financing, due diligence, and more.



### **KeyBank Volunteers at Food Lifeline**

Members of the KeyBank Seattle team volunteered recently at Food Lifeline.

The group sorted 15,000 pounds of potatoes for families in need.



### **SaviBank Participates in Skagit Valley Herald Christmas Fund**

This winter, SaviBank participated in the Skagit Valley Herald's Christmas Fund.

The team volunteered to manage traffic and toy distribution for the organization that served approximately 7,000 children in the area.

### **Umpqua Bank Announces \$1 Million in Grants.**

In honor of the anniversaries of Columbia and Umpqua Bank merging, the organization announced it made \$1 million in grants to local nonprofits.

Umpqua Bank celebrated its 70th anniversary this year, while the parent company Columbia Banking System celebrated 30 years, providing \$700,000 to organizations in honor of the bank's longstanding presence in the region.

"Umpqua Bank and Columbia Bank were formed with the vision of creating financial institutions deeply committed to

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the prosperity of local communities and providing a strong, relationship model of banking for families and businesses,” said David Moore Devine. “These grants reflect our ongoing appreciation for the nonprofit organizations committed to making a difference in our local communities.”

Grant recipients were selected for their strong community leadership, commitment to improving access to economic opportunity, and support for a variety of under-resourced communities in affordable housing and homeownership, education, career readiness, entrepreneurship, and health and wellness.

The Umpqua Bank Charitable Foundation made grants of \$100,000 and \$50,000 to local nonprofits and, in addition, awarded a special gift to Cake4Kids. This nonprofit delivers free homemade cakes to at-risk and underserved youths nationwide. The bank donated \$35,000 to the 14 local chapters serving communities in the bank’s footprint.

### KeyBank Hosts Winter Essential Drive

The KeyBank Business Impact Networking Group recently hosted a winter essentials drive.

The group collected nearly 60 items to share with World Relief Western Washington.



### Mountain Pacific Bank Donates to Dawson Place Child Advocacy Center

The Mountain Pacific Bank team and customers recently donated toys and art supplies to Dawson Place Child Advocacy Center’s Operation Elf program.

Over 1,000 presents will be given to kids and youth in the community this holiday season.

### Pacific Coast Banking School Announces Leader’s Retirement

In December, Pacific Coast Banking School announced that President and CEO Gretchen Claflin will retire at the end of 2024.

She joined PCBS in 2013 as the chief operating officer, became president in 2016, and assumed her current role in 2018.

During her tenure, Claflin expanded the school’s educational offerings, grew enrollment, advanced curriculum rigor, and diversified the faculty and student body while navigating the COVID-19 pandemic.

She also worked to expand the school’s executive leader-

ship offerings, and now graduates also receive an Executive Leadership Certificate from the University of Washington’s Foster School of Business.

“Our faculty members not only know their highly relevant subject matter, but they also know how to teach adults with an intense focus on the student experience,” said Claflin.

“It has been my absolute honor and privilege to work with our talented and dedicated staff and many exceptional bank leaders during my time at PCBS. I look forward to working with my successor to ensure a successful and smooth transition. I also thank our board for the opportunity to support the banking industry over these many years.”



### HomeStreet Bank Supports Step by Step

The HomeStreet Bank downtown Seattle branch hosted a giving tree for Step by Step this winter.

The organization supports at-risk mothers and families with

wraparound care. Customers and residents could pick an item off the tree to donate to the organization to help them celebrate the holidays.



### KeyBank Donates \$150,000 to Girl Scouts of Western Washington

In December, KeyBank announced it made a \$150,000 grant to the Girl Scouts of Western Washington to support its diversity, equity, and inclusion goals.

The funds will facilitate participation by historically excluded communities in Girl Scout programming and camp opportunities, fostering inclusiveness and helping enhance accessibility for youth throughout Western Washington.

“A culture of diversity, equity, and inclusion is a part of KeyBank’s corporate fabric and is reflected in everything Key does, including the ways we invest in our communities,” said Matt Hill, KeyBank’s Market President and Commercial Banking Sales Leader for the Seattle Cascades. “We are proud to support Girl Scouts of Western Washington as they engage a broad spectrum of youth and introduce them

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to skills and activities – from entrepreneurship and money management to goal setting and decision making – that will help them grow into accomplished, confident leaders.”



### Banner Bank Volunteers with Habitat for Humanity

The Banner Bank team in Western Washington recently volunteered with Habitat for Humanity Seattle-King County.

The group helped on a project for a new homeowner through the charity’s longstanding program in the region.



### Mountain Pacific Bank Celebrates NW Heroes

The Mountain Pacific Bank team and board chair Rick recently attended the annual Northwest Washington Heroes Breakfast.

Community members were invited to the breakfast, where local heroes’ stories were shared to encourage building a more robust and safer community.

### Community First Bank Hosts Toys for Tots Donation Bins

During the holiday season, Community First Bank hosted Toys for Tots donation bins in the Tri-Cities area.

Unwrapped toy donations were encouraged to help the program that works to provide underprivileged children in the community with gifts for Christmas.



### Sound Community Bank Volunteers at One Big Give

This December, Sound Community Bank team members volunteered at the phone call center for The Bender Nation’s One Big Give for Seattle Children’s Hospital.

The bank also made a \$3,000 donation to the cause during the event.

The event supports the uncompensated care fund for families in need.



### Cashmere Valley Bank Volunteers at Yakima Annual Lighted Parade

An annual holiday tradition, the Cashmere Valley Bank team recently volunteered at the Yakima Lighted Parade.

The group hosted a complimentary hot cocoa and popcorn table, helping everyone stay warm and fed during the event.



### Baker Boyer Bank Hosts Students for Financial Literacy Tour

In early December, Baker Boyer Bank’s President and CEO Mark Kajita and Kip Kontos, director of regional offices, hosted a tour for

students from St. Basil Academy.

The students had participated in the bank’s financial literacy program and toured the bank to learn about its history as part of the program

*If you have member news to share, please send it to Megan Managan at [megan@wabankers.com](mailto:megan@wabankers.com).*

# Brand Building: Seamless Digital and Physical Marketing

By Matthew Tilley, Executive Director, Content Marketing, Vericast

What is the why guiding your business? Regardless of industry, an organization needs a strong North Star to orient its teams behind. Without a well-defined — and socially sound — why powering the actions of your team, your business is destined to falter, especially in trying times.

As the world shifts through a transitional period, from pandemic to economic downturn, many businesses are in a unique position to evolve. Whether or not they choose to adapt can influence their trajectory for decades to come.

We spoke with Alyssa Armor, Director of Digital Marketing at United Community Bank about her unique experience navigating the quickly-shifting environment in the financial sector about what's to come, and what we can learn from the past several years.

According to her and many experts, banking must take the opportunity to adapt.

A crystal ball glimpse into the future

Even the most informed experts lack a clear picture of the future of the financial industry. But faced with the current volatile environment, Alyssa says everyone is on the edge of their seats — both with concern and excitement.

Business leaders and consumers alike are reflecting on the restrictionless pre-pandemic world within the context of current uncertainty. Everyone is asking what the future holds. Unfortunately, not every business will make it out on the other side of the economic downturn.

To survive and thrive in the future, there are three major factors banks need to keep in mind:

First, only the strongest brands will survive

There needs to be a relentless focus on differentiating, establishing and strengthening your brand. A resounding pattern keeps arising — mergers and acquisitions are rampant. Banks continue to consolidate.

“53% of people don't find a specific value proposition at their bank,” Alyssa says. “There's nothing above and beyond that their bank does that others don't.”

Without a strong differentiator, people are willing to switch banks in a heartbeat, even after years of being loyal to a specific bank or branch. Make sure your bank

is deepening customer relationships, offering value people can't find anywhere else and continues to align strategy with what your bank is good at.

“Traditional banking products are not innately unique — checking accounts, saving accounts — you can get those anywhere,” Alyssa says. “Those extra bells and whistles on top will be what saves your business.”

Second, intentionally designing driving principles will make or break your experience

The guiding principles behind your bank — your why — is something that is immensely important to today's customers. More importantly, they can easily sense whether or not your driving purpose is authentic.

“Humanizing the brand is so incredibly important,” Alyssa says. “For example, Gen Z will not do business with you if they are not aligned with your values.”

A strong why can't be built around a balance sheet or returns — it must be grounded in principles that will resonate with the public. It's critical to tap into your target demographic to understand what drives their banking practices, what matters to them and how you can incorporate that into your strategy. Once a guiding principle or mission has been established, you have to effectively communicate it to incorporate it into the customer experience.

But your 'why' can't be pushed by your marketing team alone. It has to be established, defined and communicated from the top to the bottom. Every person across your organization must align with your driving principles to truly provide an experience tailored to your mission. In short — you can't just announce your 'why,' you have to live by it business-wide.

“Living your why really effectively on all of your channels and making sure people understand that why from the top all the way down and can effectively communicate it to customers at every step of the journey is so incredibly important,” Alyssa says.

Third, a strong foundation is necessary for success

While there's a current influx in M&A, it will eventually slow down. However, this doesn't mean those who made it through without a consolidation will be safe just yet. To thrive on the other side of this chapter of economic uncertainty, banks will need to have a strong foundation to build upon.

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# One Rule for All: Interagency Guidance for Risk Management of Third-Party Relationships

By Julia A. Gutierrez, Compliance Alliance

The day to day functions of a financial institutions would be impossible without the ability to outsource.

Recently, existing guidance applicable to each specific regulatory agency, the Federal Reserve (Board of Governors of the Federal Reserve System), the FDIC (Federal Deposit Insurance Corporation), and the OCC (Office of the Comptroller of the Currency), was replaced with a single rule, the Interagency Guidance on Third-Party Relationships: Risk Management. The Interagency Guidance, aligns the regulatory requirements and risk management expectations of third-party relationships among the “agencies” (Federal Reserve, FDIC, and OCC).

Financial institutions routinely rely on third party relationships for their day-to-day functions and existence. In today’s ever-growing world of speed and technology, it would be nearly impossible to be successful and competitive without outsourcing to third party vendors. Financial institutions may rely on outsourcing for a range of products, services, and other activities. Outsourcing allows financial institutions a number of significant benefits including faster and more efficient access to technologies, human capital, delivery channels, products and services, and markets. It can also mean a more cost-effective operational existence overall.

Despite the option to outsource certain functions and activities, financial institutions must still adhere to the risk management and compliance expectations. The use of third-party relationships does not alleviate the need for sound risk management within an organization. In fact, it’s quite the opposite when it comes to third party relationships. Third party relationships, especially those involving new technologies, could present an even higher or more elevated risks for financial institutions. A phrase we commonly use in the compliance industry is “you can contract away the function, but you can’t contract away the compliance responsibility”. Financial institutions must understand their responsibilities to ensure safe and sound third party relationship and practices in conjunction with the compliance of all applicable laws and regulations, including those which are intended to protect consumers.

## The New Interagency Guidance

On June 6, 2023, the federal banking agencies issued Interagency Guidance on Third-Party Relationships: Risk Management. Much of what is outlined in the new Interagency Guidance is already somewhat familiar to the agencies. The core concepts of the Interagency Guidance remain consistent with the individual agency guidance that existed prior. The new interagency guidance provides consistency and an interagency approach at managing third party risk. This is especially important for those relationships which involve critical third parties and relationships that are customer-facing or may otherwise be impactful to consumers.

The new Interagency Guidance was developed to align with the expectations and best practices in other areas of risk management. It creates a vendor management lifecycle which includes six-steps:

1. Planning for a relationship
2. Due Diligence and third-party selection
3. Contract negotiation
4. Oversight and accountability
5. Ongoing monitoring
6. Termination

It’s worth noting that the guidance is broadly applicable and applies to all business arrangements. It doesn’t specifically address the various categories or the types of third parties, such as artificial intelligence or fintech firms. But the principles within the guidance will apply to all third parties and third-party relationships. That being said, financial institutions must manage all third-party relationships, but not necessarily to the same extent as the principles within the guidance can be tailored to the relationship. The interagency guidance provides a number of examples, which should not be interpreted as exhaustive, that financial institutions may consider for their due diligence processes. But, the agencies do note that the guidance does not impose any new regulatory requirements.

The new Interagency Guidance may not create any new regulatory requirements for financial institutions, but it is focused on managing various risks associated with outsourcing certain products, services, and activities, especially those impacting consumers. The guidance is a reminder to financial institutions that consumer protections and compliance remain a priority among the regulatory

# Banks Encouraged to Join ABA Check Fraud Claim Directory

The American Bankers Association created the Check Fraud Claim Directory to help banks of all sizes resolve check fraud claims as efficiently as possible.

The directory provides contact information for banks needing to file a check warranty breach claim with another financial institution.

The directory is searchable by bank name, city, state or FDIC number so banks can easily find a person or email address at the bank to help resolve a warranty breach claim. A PDF with detailed information is available for those banks that provided documentation requirements for filing a claim.

To access the directory, your bank must participate by providing its fraud contacts. The more banks that participate in the directory, the more helpful it will be

to the industry.

ABA member and non-member banks are invited to participate in the ABA Check Fraud Claim Directory by submitting the appropriate check fraud claim contacts for their institution.

Please provide contact information that will not be affected by personnel changes within the bank. ABA will verify all submissions before uploading them to the directory. We expect this process to take 5-10 business days but in rare instances there may be a longer delay. We will email you once your information is verified and your bank has been added to the directory.

Learn more and register to participate in the directory online at [www.aba.com/banking-topics/risk-management/fraud/check-fraud](http://www.aba.com/banking-topics/risk-management/fraud/check-fraud)

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That foundation is rooted in the guiding principles of your organization and in the experience you've built for your customers.

"When you try to scale, the cracks will begin to show if your brand and technology stack aren't rock-solid," Alyssa says. "All the different departmental silos need to be broken down for you to do business effectively across an organization."

Breaking down department silos is often easier said than done. A great step in the right direction is ensuring that your systems all work together — particularly as Mar-

Tech and FinTech solutions become more diverse.

"You're going to end up with disparate systems that don't always play nice," Alyssa says. "Bringing all of that together holistically creates a machine that effectively empowers our marketing and business."

Building a relentless focus on the customer experience

Customers look at your business as a synergistic entity — they don't separate the on-location experience from the app or digital experience. In the end, each part of your business has to work together to build an ideal customer experience.

"Customers don't care if you have a random third party managing one specific product line if they're being bumped from one website to another," Alyssa says. "It's one brand, it's one holistic experience. It needs to be seamless."

Above all else, banks need to build customer relationships in everything they do. From tech stack selections to partnership opportunities and on-location experiences, the entire organization must deliver a stellar journey guided by a strong, relatable 'why' that is embedded across every facet of their bank.



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agencies. The guidance emphasizes compliance and consumer protections, as those phrases, and similar phrases, are mentioned numerous times throughout the guidance. Financial institutions must be particularly diligent in ensuring they, and their third-party service providers, abide by and comply with all applicable laws and regulations. This includes ensuring that their financial institution, and any of third-party services providers, do not engage in any unfair and deceptive acts or practices,

The new Interagency guidance provides clarification regarding the oversight of a third-party's subcontractors indicating that financial institutions should focus on the selection and oversight processes of their third-party. Financial institutions are not expected to oversee the subcontractors directly.

The guidance also clarifies and distinguishes the roles of the board of directors and senior management when it comes to third-party oversight. The guidance provides various factors that the board of directors may consider for carrying out their responsibilities and it also identifies activities and re-

sponsibilities in which management may perform.

Many see this new Interagency Guidance as a signal to financial institutions that enhanced risk management practices are an area of focus for regulators and are critical to the safety and soundness of an institution.

This guidance, along with other recent consent orders, may be foreshadowing the supervisory focus on vendor management relationships and the bank's risk management practices for maintaining such relationships.

However your institution interprets the new guidance, it is essential that a review of its current policy/procedures and risk management practices is conducted to ensure it aligns with the new interagency guidance.

Since much of guidance seems to highlight due diligence, contracts, and the management of third-party risk and relationships, banks should consider integrating or at least addressing their third-party relationship risk management program with their overall ERM (enterprise risk management program).

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