CBA PROTECTS WHAT IS IMPORTANT
Interested in learning more about CBA?
Contact us at info@coloradobankers.org or 303-825-1575

COLORADO BANKERS ASSOCIATION
CBA facilitates engagement opportunities in government relations and Federal and multi-state advocacy through multiple resources. Learn more at www.coloradobankers.org.

REPRESENTING COLORADO BANKS
The Colorado Bankers Association is a 501-C6 that represents more than 90 percent of the $126 billion in assets within the 145 banks operating in Colorado. On behalf of the 23,000 men and women who work within a Colorado bank, CBA works with government to continually improve the banking industry in this rapidly changing environment.

STATEWIDE IMPACT
CBA focuses on improvements that increase benefits for customers, value for shareholders, and a stronger business climate for our local economies. CBA also provides industry-specific information and education to bankers, offers bank insurance, acts as a partner between bankers and servicers, and provides other miscellaneous services. CBA focuses on creating a stronger economy and helping Coloradans realize dreams by building better banks.

JOIN TODAY
Join as a member, attend an event, complete your continuing education through the Graduate School of Banking - CBA is here to support the professional development of individuals employed in the financial and banking industry. Call CBA at 303.825.1575 or visit www.coloradobankers.org to learn more.

QUESTIONS? PLEASE CONTACT US.
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MUCH LIKE A ROAD TRIP TO COLORADO'S ROCKY MOUNTAINS, the banking industry's journey over the past 12 months has been full of starts and stops, sharp curves, steep grades and at times, challenging conditions.

Colorado banks have persevered and continued their climb, their commitment to the Colorado Bankers Association's motto never wavering: Helping Coloradans realize dreams and making a stronger economy by building better banks.

As that motto says, our focus is on our customers and our communities. Often when we explain a proposal's impact on them, public officials assume that we are focused on our banks – about which many of them do not care, or even delight in over-regulating.

WE MUST DRIVE THE POINT HOME: OUR CUSTOMERS ARE OUR TOP PRIORITY.

Banks understand the important role they play in a successful and thriving economy – and we know our customers need us working at full strength. With them in mind, we have pressed forward to ensure a brighter future for our state, its businesses and its people.

The banking industry has gained traction and ground on regulatory relief. We've pressed on, up the steep climb of public perception and we’ve navigated hairpin turns by fighting successfully against proposals that hamper our ability to do what we do best: serve our customers and our communities.

CBA has accomplished a number of feats, steering around costly, burdensome and unnecessary proposals and achieving passage of proactive measures that benefit customers.

WE HEAR OUR CUSTOMERS
CBA lobbied proactively and successfully to ensure that banks
are not forced to release liens when balances are paid to zero, keeping home equity lines of credit as a ready source of credit for Coloradans – including many small businesses – who rely on HELOCs to finance a variety of dreams. Next year, CBA will pursue additional options to proactively support the industry – including assisting other business groups with efforts related to construction defects, as attempts to achieve compromise stalled in the 2016 session.

We know that saving for the future is an important goal for our customers, and it isn’t a lack of options – including those provided by employers – that keeps them from doing so. Therefore, we put a stop to legislation that would have created a state-subsidized retirement plan that, among other problems, would have proved much more costly than any other product currently offered by the private sector – and could have put participants’ funds at risk.

Regulatory reform has been CBA’s top priority in 2016 – not to make life easier for banks, but to reclaim the ability to make prudent loans to borrowers. Time and again, we hear that it is more difficult than ever to acquire and close a home loan. Colorado banks – particularly community banks – continue to struggle under the weight of mounting regulations, many of which prevent them from extending credit. TRID has made home purchases more complex for borrowers and has left banks struggling to comply. While 63 percent of consumers polled in a March survey said the new forms prevented them from closing their home loans within their desired time frame, the CFPB has recently hinted at some TRID relief coming soon.

CBA has kept open lines of communication with lawmakers here and in Washington to ensure Colorado voices are heard. Over the past year, CBA and bankers have met with our members of Congress nearly 50 times and communicated with state leaders on a near weekly basis.

Dozens of other conversations have taken place with lawmakers including House Financial Services Committee Chairman Jeb Hensarling and with regulators including unprecedented meetings with Federal Reserve Bank President Esther George. Colorado also hosted subcommittee hearings of the U.S. House and Senate and enjoyed a visit from House Majority Leader
Kevin McCarthy.

CBA President and CEO Don Childears was instrumental in creating the TAILOR Act - sponsored by Rep. Scott Tipton - which would require regulators to appropriately tailor regulations to fit a bank’s business model and risk profile.

While it hasn't been passed yet, it continues to garner support and the hope is to see it become law in 2017. Meanwhile, CBA has been in frequent contact with members of Congress and regulatory agencies’ top brass to move the ball on regulatory relief.

In 2015, CBA welcomed a new bank commissioner, Chris Myklebust, with whom the organization is working closely to effect a positive environment for banks.

**WE PROTECT OUR CUSTOMERS**

Colorado residents rely on metro districts to provide them with a solid foundation upon which to build their lives and achieve their goals. Clean water. Safe roads. Strong schools. All of those ventures - and the billions of dollars banks invested in them - were threatened this year by a court decision which calls into question the validity of previously held elections for the vast majority of the 1,475 metropolitan districts in Colorado. CBA and other business community advocates secured legislation to shield those investments.

Bankers are an early line of defense against the abuse of the elderly and at-risk adults. In 2016 CBA worked to ensure that bank employees must report only abuse they witness or have reasonable cause to believe is happening - without creating a conflict with existing federal laws.

CBA was among the first organizations to throw their weight behind a campaign against a ballot initiative that would create a crushing single-payer health care system in Colorado. Colorado’s $27 billion budget is already strapped and the measure would add a $38 billion health care burden via a 6.7% payroll
tax on employers, and a 3.3% payroll tax on employees (and 10% tax on income for others). Bank employees, alone, would pay a new tax of $40 million a year – and that is just one industry in the state. The impact on banks is $80 million annually, driving up costs for customers. We know Colorado’s hardworking families and businesses cannot afford that.

That measure is just one of many dangerously confusing proposals that voters will weigh in November and there is much work to be done to ensure Colorado voters make the right decision for their future. Other proposals may include measures aimed at stopping fracking in Colorado and are so broad, they could choke out the rest of the business community.

Bankers continue the fight against the creation of a self-regulated, uninsured state-owned super bank which could put public funds at risk. CBA will answer a challenge filed in the state Supreme Court that could allow this measure – now in its 8th iteration – to appear on the ballot in November. CBA has defeated the proposal in its seven previous attempts.

WE SUPPORT OUR CUSTOMERS
The best defense is a good offense, and CBA has worked tirelessly to arm bankers and their customers with information to keep them at the top of their game. We are in the fourth year of our Center for Bank Advocacy program, which is training bankers in the skill of industry and policy advocacy. Meanwhile, we have completed two studies and collateral materials to educate policy makers and those who influence them about the ongoing abuse of duty and privilege by the Farm Credit System and the country’s tax-subsidized credit unions. Taxpayers are being shortchanged and deserve to know it.

CBA and many of its member banks have shouldered the mantle of financial literacy in Colorado. In 2016, the banking industry was instrumental in educating consumers about the transition to EMV technology in payment cards, as well as preventing the financial fraud the technology seeks to curb. The association intercepted an attempt by big-box stores to mandate the use of PIN technology, via a letter circulated to state attorneys
general. Colorado’s AG, Cynthia Coffman, reversed her endorsement of the mandate after CBA urged her against supporting it.

Along with other business and civic leaders, CBA and its members took part in Money Smart Colorado week, promoting a healthy financial life for Centennial State residents of all ages. Thousands of Coloradans participated in and benefitted from the effort.

CBA is also working to benefit Colorado residents with additional job opportunities. Don Childears traveled to Switzerland in late 2015 to learn more about that country’s thriving apprenticeship program for the banking industry. A task force of CBA board members is now working to determine how a similar idea might be implemented in Colorado. Meanwhile, CBA has partnered with Goodwill Industries to support BankWork$, a new 8-week training program for entry-level bank employment, slated to launch in the fall.

In Colorado, dozens of businesses are struggling to function, financially, amid conflicting state and federal laws. While Colorado residents voted to legalize the use and sale of recreational marijuana, the businesses that grow, sell and process it are barred from putting their earnings in any bank because doing so is illegal, federally. CBA supports federal legislation to remove this conflict – with certain limits – to protect the people whose very safety is threatened by the presence of large sums of cash – attractive to would-be criminals.

CBA has joined with other business groups aiming for positive changes to the state’s infrastructure, seeking to allow more voters to cast their ballots in primary elections as well as to make it more difficult to amend the state’s constitution and to allow the state to keep and spend revenue over constitutional limits – while retaining the requirement that voters approve any tax increase.

While the fate of the November election is months away and the outcomes, benefits and consequences unknown, Colorado bankers and their customers can rely upon the Colorado Bankers Association to have their best interests and their bottom lines top-of-mind as we advocate for banking.

**OUR MISSION IS SIMPLE AND CLEAR:**

Provide economic opportunities for Coloradans through a sound and competitive banking environment by advocating public policy consistent with that, and enhancing banking’s skills, image and unity.
OUR OBJECTIVES ARE SOUND:
A. Promote communities we serve by helping banks provide access to credit, transfer funds and build economic growth and stability.

B. Seek economic opportunities for Coloradans to prosper via an efficient, effective, sound and competitively fair banking environment free from excessive government supervision of banks and affiliates where banks of every size and kind can compete and thrive.

C. Advocate for banks by working, collaboratively where possible, with state and federal legislative, judicial and regulatory bodies.

D. Enhance customers’ financial skills and the support banking provides to customers and communities, and improve public understanding of banking’s value to the public and ethical professional conduct and community involvement.

E. Enlighten select audiences and the public with timely meaningful information.

F. Enhance members’ skills with information, education and training, services and resources in legal, regulatory, operational and other matters.

G. Maintain the necessary human, financial, and physical resources and organizational structure.

WE’RE GETTING THE JOB DONE, thanks to your unyielding support and the work of our tireless volunteers: our board of directors and their advisors and alternates, our Government Affairs and Finance Committees and our Advocacy program participants and graduates.
KEY HIGHLIGHTS

• CBA focused on expanding accessibility for programs for banks located off of the Front Range
  o The 2015 CBA management conference was held in Glenwood Springs
  o Dozens of bankers were informed on CBA’s efforts on behalf of their banks and their customers at regional membership meetings held in Colorado Springs and Fort Collins
  o CBA is investigating implementation of distance delivery of educational offerings, Board of Directors and Government Affairs Committee meetings

• Associate membership in the organization increased by 23 percent, growing the variety of products and services available to our members

• Launched the 4th year of the Center for Bank Advocacy Training Practicum

• Brought together more than 100 bankers and a number of state legislators during the Annual Legislative Luncheon as well as hosting a number of informative lunches on state legislation at CBA

• With the closing of Kansas Bankers Surety, which insured many banks in Colorado with blanket bond and D and O coverage, CBA is taking steps to make sure banks have various options for their insurance needs. CBA has arranged for Bankers Insurance Agency to offer excellent options for you

• CBA financial position remains strong with a $1.5 million equity position
GOVERNMENT RELATIONS

KEY HIGHLIGHTS

State Government Relations
• 167 bills tracked/worked on, maintaining a decades-long 100 percent success rate
• Secured legislation protecting the use of HELOCs in Colorado
• Protected the validity of existing metro districts in Colorado, after a court decision endangered billions of dollars banks invested in bonds
• Ensured bankers are held to an appropriate standard when reporting abuse of at-risk adults and the elderly
• Exempted banks from new laws concerning employee access to personnel files
• Led the business community in a successful effort to do away with a proposal to create a state-sponsored retirement plan as well as a slew of anti-business bills
• Briefed state legislators about the facts of EMV card technology
• Hosted a welcome reception for new Colorado State Bank Commissioner Chris Myklebust
• CBA was among the first business groups to formally oppose a ballot initiative to create a single payer health plan for Colorado
• Rather than continuing to be defensive in response to bad initiatives, CBA has gone on the offensive, helping to lead the charge for ballot reform, semi-open primaries and state fiscal reform, all in an effort to eliminate the far left and far right influences in our political system. The groups also seek to allow more Coloradans the opportunity to make their voices heard and to sever the some of the ropes that have hogtied the state’s budget

Federal Government Relations
• Met with members of Congress 43 times
• CBA has been instrumental in drafting the TAILOR Act and garnering support for the measure, which would allow regulators to tailor their rules for banks depending on their size and risk profile, among other factors

• CBA hosted in-person meetings with FDIC Vice-Chairman Tom Hoenig and to discuss the concept of regulatory relief related to capital levels
CBA 2016 STATE LOBBYING RESULTS

- Successful: CBA position (Support) prevailed: 2%
- Successful: CBA position (Amend/Oppose) prevailed: 11%
- Successful: CBA position (Monitor re Bad Amendments) worked: 87%
- Unsuccessful: CBA position didn’t prevail: 0%

BILLS OF INTEREST TO BANKS

Bills PER YEAR CBA analyzed and tracked or lobbied (support, oppose, amend, monitor).

- Colorado also hosted subcommittee hearings of the U.S. House and Senate and enjoyed a visit from U.S. House Majority Leader Kevin McCarthy
- Persuaded Colorado’s Attorney General against signing onto a letter seeking to mandate use of PIN numbers in payment card technology in the state
- Provided strong support for Friends of Traditional Banking, BankPAC and the Regulatory Feedback Initiative
COMMUNICATIONS + PR

KEY HIGHLIGHTS
• Worked to educate federal and state leaders on challenges of unfair competition from tax subsidized credit union and the Farm Credit System via two studies funded by ABA’s Fund for Economic Growth

• Increased readership of CBA’s weekly newsletter and bi-monthly magazine Colorado Banker, as well as growing followers of CBA’s Twitter feeds

• CBA remains a sought-after resource for members of the media, across the globe. The most frequent topic of conversation continued to be marijuana and banking, although much time was spent educating members of the media about new EMV payment card technology

• Awarded Colorado bankers with the 2016 Bankers of Distinction Awards and Advocate of the Year awards

• Created an op-ed and social media content for Money Smart Week Colorado, a financial literacy campaign across the state

WEBSITE BY THE NUMBERS
• Unique visitors: 11230
• # of visits: 17489
• Pages viewed: 50056

SOCIAL MEDIA BY THE NUMBERS
• 290 Tweets
• 144 Following
• 455 Followers

NEWS UPDATES
• 1432 News updates
• 30 mentions in media
We thank and recognize the following individuals for their service over the last year.

**CHAIRMAN**
Mr. Mark Bower  
Vice President and CFO  
Home State Bank

**CHAIRMAN-ELECT**
Mr. David Kelly  
Chief Risk Officer  
FirstBank Holding Company

**TREASURER**
Mr. Mark Driscoll  
Colorado Market President  
First National Bank

**BOARD MEMBERS**
Chad Adams, Adams Bank and Trust
Jim Basey, Centennial Bank
Shawn Cole, Vectra Bank
Jonathan Fox, Fowler State Bank
Michael Hobbs, Guaranty Bank
Todd Munson, JPMorgan Chase Bank
Frank Newman, Wells Fargo Bank
Bob Ostertag, Colorado Business Bank
Shawn Osthoff, Bank of Colorado
Stuart Pattison, NorthStar Bank
Jodi Rolland, Bank of America/Merrill Lynch
Hassan Salem, US Bank
Jeff Schmitz, Citywide Banks
Joanne Sherwood, Citywide Banks
Bill Sullivan, Colorado State Bank and Trust
Tom Tulodzieski, KeyBank
Michael Wamsganz, Bank of the West
Margo Young-Gardey, Alpine Bank
Brendan Zahl, Peoples Bank

**STAFF LEADERSHIP**
Don Childears, CBA, President/CEO
Jenifer Waller, CBA, Senior Vice President

**ADVISORY MEMBERS**
Lisa Degnan, Bank of the West
David Portman, FirstBank
Bill Mitchell, Bankers Bank of the West
Interested in how advocacy impacts our industry? Contact Mike Bintner at mike@coloradobankers.org.

Just as “relationship banking” is important to your bank’s success, building solid and lasting interactions with public officials is critical and these relationships are essential to our industry’s viability. We need to build these relationships now. CBA’s Center for Bank Advocacy immerses participants in a selective leadership experience, and the duration of the program is overseen by CBA’s highly accomplished advocacy professionals. The course culminates with participants learning by doing—with the creation and presentation of an Action Plan for a topic relevant to his or her bank. And upon completion, participants will join the highly enthusiastic alumni in a continuing advocacy of your bank, the banking industry, and their future.
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