KENTUCKY BANKER

SUMMER 2022
Official Publication of the
Kentucky Bankers Association

What does "The Extra Mile" mean to you?

Ballard Cassady
Straight Talk
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WHO WE ARE: The KBA is a nonprofit trade association that has been providing legislative, legal, compliance and educational services to its member institutions since 1891. KBA's directors and staff work together with its members to make the financial services industry a more effective and successful place to work. The strength of the KBA is bankers unifying as an industry to speak as one voice.

WHAT WE DO: The purpose of the Kentucky Bankers Association is to provide effective advocacy for the financial services industry both in Kentucky and on a national level; to serve as a reliable and responsive source of information and education about areas of interest to the industry; and to provide a catalyst and forum for collective industry action. The KBA does this in 4 ways:

1. Government relations & industry advocacy
2. Information interchange
3. Education
4. Products and services

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KENTUCKY BANKER is the official bi-monthly magazine of the Kentucky Bankers Association (KBA).

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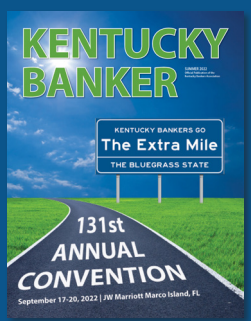
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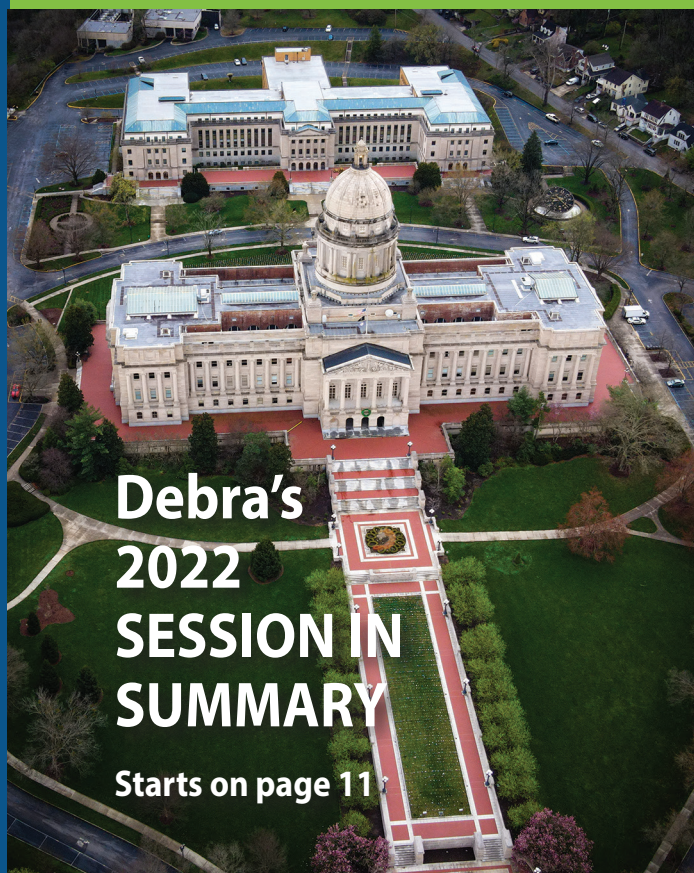
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$5.3 Billion
of private investor equity

55,000
units of affordable housing

935
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KBA CHAIRMAN'S CORNER by James A. Hillebrand
Chairman & CEO, Stock Yards Bank & Trust Co.
2021-2022 KBA Chairman

Building Sales Through SERVICE

A customer for life is the goal – but you'll never get that promise on day one.

We all know that there are a lot of choices when it comes to financial institutions. Earning a lifelong customer's business and keeping it requires us to consistently provide value and build trust.

I've written about the "Great Retention" in terms of supporting and growing your employees, but we also have an opportunity today to work harder to hold onto our customers. Here are a few things I think about in the realm of customer retention.

Measuring the Right Things

For years, I've seen banks measure success based on how busy their branches are, the number of transactions, or how many new accounts are coming in the door. In my opinion, those metrics just haven't been as valuable in the last 10 to 15 years.

As our customers and banks evolve, we have naturally seen less foot traffic in branches – which I see as a testament to how convenient and accessible digital options continue to become. This doesn't mean we have fewer customers, it means we're reaching them where they want to be reached.

When I think about measuring success, I look more at things that predict how we're retaining and growing customers. I want to see growing balances, added services to existing clients, and other proof that we're serving their needs and keeping them happy.

Customer acquisition strategies can also be about vanity. If I see another bank making big investments in advertising, it can feed that urge to spend more. Don't. Measuring the right things helps to stay grounded and focus on what truly matters.

Listening and Reacting

It's valuable to know why customers leave or stay.

We take comment cards, both online and in-branch, seriously. This helps our teams understand a customer's personal experience and gauge if a departure could have been avoided.

Customers expect their banking to be easy. This means listening to any issues they have and making investments in training, infrastructure or technology that allows us to provide the high level of service they expect.

As a community bank, we believe that our relationship-focused model attracts customers looking for a more personal touch. Through the pandemic, we saw greater adoption of our digital banking services. While this is a positive step, it also means less direct interaction with some customers, making it harder to form those relationships between customers and bankers.

Every complaint can be an opportunity to demonstrate your dedication to a customer. Making sure your customer service team knows that the potential to create brand champions based on how they address when things don't go perfectly can be powerful.

We work to show that we stand with our customers through thick and thin, understand their needs and continue to provide innovative solutions. Your team members should know and live your core values to build a customer experience model based on hospitality and support.

Spending Time and Money Wisely

Both acquisition and retention are important for a bank's sustainability and growth.

Customer acquisition can be attractive because it offers immediate results. But we also know that acquiring a customer has a significant cost. In many cases, the money spent on marketing to attract customers brings a far lower return on investment than if you spent that budget keeping the customers you have already earned.

Working to retain your existing customers can grow word of mouth organically. Our bank puts more focus on providing experience instead of pushing products. We trust that our customers will give us more opportunities and refer others to us if we earn sales through service.

Celebrating retention is an operational and cultural shift for some banks.

Our team members are empowered to use their unique selves to create 'wow' experiences with out-of-the-box thinking to form bonds with customers. Spending time and money on those relationships helps with the retention of customers and your team. We share 'wow' moments internally to celebrate those actions and encourage more.

CONTINUED ON THE FOLLOWING PAGE

continued: Building Sales Through Service

The culture of 'wow' has proven successful. I recently heard of an example of how building a relationship with a potential customer who was rate shopping led to a deal, despite a higher rate. In this instance, we were competitive but practical and offered trustworthiness and reliability to close the sale.

Fueling Word-of-Mouth Growth

I love hearing stories of how one happy customer brings more.

Most people trust the recommendations of their friends and family far more than any advertising could ever provide. If you can get your retention to feed acquisition through word of mouth, that's even better – and free!

Spending time thanking your top customers and encouraging them to share their experiences can help create a center of influence for new customer growth. I encourage our teams to pick up the phone. Everyday actions of just telling customers that we value them and being proactive about finding ways to serve them better can make a big difference. It shouldn't be a sales pitch. Intentional outreach to say thank you, be kind and strive for improvement can be powerful.

Think about the types of customers you want to attract and which of your existing customers exemplify that business area. Asking those customers to provide testimonials or make introductions generates movement for new business.

Fostering Community

The community banking model is rooted in making authentic connections.

We know that more and more, people are choosing to spend their money with businesses that support values that match their own. By creating that sense of community, we earn the trust of our customers and encourage a friendly and mutually beneficial relationship with them.

Volunteerism and community involvement are part of what we do. We cannot solely operate inside four walls and then go home. We get involved with our hands, with our brains and with our unique skills to help with whatever that our communities need.

It absolutely helps our overall business that our team members are active in their communities and truly value being a good neighbor. Our customers can see that we do practice what we preach in the communities we serve and that makes them want to do business with us.

Through investments in our communities, we show that we are in this for the long haul and care about moving forward together. We prove that we want to stay a part of their lives and be that lifelong partner to meet their financial goals.

KENTUCKY BANKERS ASSOCIATION'S
VENDOR VIEWPOINT PODCAST #8

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STRAIGHT TALK by Ballard Cassady
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Going the Extra Mile

The Extra Mile. What does that mean to you?

I know what it means to me. In my years in the industry, I've witnessed Kentucky's banks repeatedly respond to their community's needs, for customers and causes large and small. But never has it been so on display as on December 10, 2021, when a once-in-a-generation tornado left a path of destruction in the western part of our state.

On Thursday June 9, Debra, John Cooper, and I travelled to the Central City Convention Center in Muhlenberg County for a Roundtable Discussion Supporting Western Kentucky. KBA superstar Lanie Gardner, Community President for First Southern National Bank, helped organize the day. (Thank you Lanie!)

Over 60 bankers were in attendance, from six banks in the affected areas. The meeting began with soloist Amber Wright singing "The Promise." There were not many dry eyes in the room after that.

Among those who spoke were Mary Shearer with Kentucky Habitat for Humanity, Chris Dockins, PH.D., with the Community Foundation of West Kentucky and Senator Jason Howell (District 1).

I join Senator Howell in praising the response of the banks in that area, who didn't wait on the Federal response and aid to arrive. On the morning of December 11, the day after the tornado hit, bank leaders and employees put their own lives on hold to meet the needs of their neighbors. On that day those people weren't just customers, they were those in need, many who had everything taken away from them. And I mean everything. Homes. Cars. Furniture. Clothes. Family pictures and heirlooms.

By all reports, the FEMA process was chaos. Insurance appraisals were months away from being started. Looters and scam artists soon came on the scene and were making calls to folks, preying on the traumatized victims who had their communities and lives destroyed overnight.

As we learned in the PPP process at the start of the pandemic in 2020, community banks are on the front lines as responders. When disasters hit, Federal reaction can be painfully and frustratingly slow. Community banks fill in the gaps, in more timely and efficient ways.

In just a couple days, we witnessed banks suspending payments and alerting their customers and communities of scams. We heard stories of bank employees, those who also had their lives turned upside down, who went into action in support of their communities -- not just because their customers were affected, but because these people were their neighbors.

As we learned in the PPP process at the start of the pandemic in 2020, community banks are on the front lines as responders.

Now that the cleanup has begun, six months later, there remains so much work yet to be done. SB150, sponsored in part by Senator Howell, was signed into law by the Governor on April 15, and will go a long way toward helping western Kentucky when Federal disaster relief inevitably runs its course. It will aid the state's ability to readily allocate monies when future disasters strike the Commonwealth.

As Ms. Shearer, Dr. Dockins and Senator Howell all alluded to, we are in the long game now. Where will farmers store their grain? Who will build housing, both homes and rental properties, in the area? At the meeting, Ms. Shearer reported there was already a housing shortage in western Kentucky. Dr. Dockins said that yard supplies, chainsaws, lawn mowers and hand tools, as well as building materials and continued food supplies, will go a long way in helping those in need.

All this begs the questions: Who will stick around in the communities when the Federal response leaves? Who will go "The Extra Mile" when outside support has run its course? Who remains in their communities to help ensure, not only the health of its communities, but its very survival?

The answer is obvious. Kentucky's community banks.

There is a popular quote I came across recently that says: "Go the extra mile, it's never crowded." Well, except in Kentucky.



WHERE DO YOU & YOUR BANK GO THE EXTRA MILE? As you see on the cover of this issue, the theme of this year's KBA Convention is "The Extra Mile." At the convention we will a showcase bankers moving past the standard "bank business model" and going above and beyond for their communities. We'd like to know how you and your bank, in every part of the state, goes "The Extra Mile." Email Josh Fischer, at jfischer@kybanks.com, with your stories. Check your inboxes in the coming weeks where we'll be asking you to send in video testimonies of your examples.

FOR MORE INFO ON JUNE 9th's ROUNDTABLE DISCUSSION SUPPORTING WESTERN KENTUCKY see pages 30-31.

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Debra

2022 Session in Summary

Even though the General Assembly tried to bring regular standards to the 2022 Legislative Session it was still different. Attendance at committee meetings were still allowed to be either remote or in-person participation, for both legislators and those testifying. Lobbying efforts were still more difficult as some legislators did not make themselves available except by pre-scheduled appointment. A number of staff members at the Capitol have retired, requiring us to get to know many new names and faces and many of the legislators are still pretty new to the process—meaning it will take a while to get back to normal or that they will create a new normal within the boundaries of the law. Being an even numbered year, this is considered a "long" Session, which included many budget discussions. Regardless of whether a Session is long or short wheels spin all Session, but most of the work always gets done in the last few weeks.

This year there were more than 1500 bills and resolutions drafted and 240 bills passed. Bills that impact the banking industry are summarized below—only the portion that impacts banks is summarized. Each bill, unless it contains an emergency clause will go into effect 90 days from the end of session, July 18, 2022.

1. SB135 – COUNTY CLERKS AND ELECTRONIC FILING AND TITLE SEARCHES

County clerks must have electronic filing and search capabilities in place by the dates below:

- By June 30, 2023, ALL county clerks must be set up to accept electronic filings.
- By June 30, 2024, ALL county clerks must have of the following items ready for online searches:

Filed on or after June 30, 1994:
a. Deeds
b. Mortgages
c. UCC fixture filings
d. Plats of subdivided property
e. Covenants, conditions, and restrictions related to real property
f. Easements
g. Leases
h. POAs
i. Land Contracts
j. Wills
k. Affidavits regarding title to property

Filed on or after June 30, 2004:
l. Child support liens

Filed on or after June 30, 2009:
m. Judgment liens
n. Recoupment and unemployment liens
o. Lis pendens notices

Filed on or after June 30,2014:
p. Federal and state tax liens
q. Civil penalty liens

Filed on or after June 30, 2019:
r. Homeowner's association or condo liens
s. Bail Bonds

- By June 30, 2026, searchable documents a. through k. listed above must include those filed on or after June 30, 1966.

CONTINUED ON THE FOLLOWING PAGE

continued: 2022 Session in Summary

Even though state funds (HB1) have been provided to assist county clerks' offices with obtaining the equipment, software and labor to establish the portals necessary for the new portals, they may pass through any amount they are required to pay for maintaining the portal. They may not, however, charge more than the third-party costs for maintaining the portals, as those costs are defined by statute. The County Clerk's Association, under new leadership, agreed that counties which were further along in the electronic process would offer guidance to those which are not.

2. SB150 – WESTERN KENTUCKY DISASTER RECOVERY Emergency Clause included for effective date.

This new law provides that a state fund will be created and maintained until July 1, 2024 to assist governments and agencies, utility providers and school districts located in areas named in a Presidential Declaration of Emergency to cover certain expenses suffered as a result of December 2021 tornadoes. In order to receive assistance, the eligible entities must have applied for other available financial assistance and insurance coverage.

This law provides for a $200M Western Kentucky Risk Assistance Fund which allows Kentucky's depository institutions (defined as a bank or savings association with a physical presence in Kentucky) to make commercial loans to businesses in the areas impacted by the December 2021 tornadoes. Once a lender has approved and provided funding for the loan, it may apply for access to the Fund for the first 25% (up to $1M) of any loss suffered on the loan.

This was a fantastic accomplishment we were happy to work tirelessly on during the last days of the Session with Senator Jason Howell, who represents District 1 covering Calloway, Crittenden, Fulton, Graves, Hickman, Lyon and Trigg counties.

Some details are as follows:

- The underwriting and approval process is completely up to the lender.
- The lender can use its own application and note.
- The loan can apply to businesses with an existing or proposed business in the impacted areas.
- The loan can cover any related construction costs, including: contract bonds and insurance needed during construction; architectural and related costs; utility installation costs; business startup operation costs, such as labor, furnishings and inventory; and other reason able expenses.
- If a lender cannot take on the full amount of the loan or decides not to make the loan at all, it must forward the application and any other documents to a NFP cooperative (such as HOPE of Kentucky) for further consideration.
- Access to the fund will be made by application to the Cabinet for Economic Development once the loan has been approved and com pletely funded. **The Cabinet has not yet provided a form for application.
- Applications for access to the Risk Fund will be accepted on loans originated before December 31, 2027.
- The borrower must spend the funds within 3 years of the final approval by the lender, unless an extension is necessary and beyond the control of the borrower or the lender.
- The borrower must apply for all other available assistance, such as federal disaster relief or insurance and pay proceeds to the lender to reduce amounts owed on the commercial loan.
- The statute defines in Section 5(2) how to determine when a loss is suffered by the lender within 5 years from the date of origination. **The Cabinet for Economic Development will create a form for reporting losses.
- If the lender receives more than 75% compensation on a commercial loan AFTER having received funds from the Risk Fund, the amount over 75% must be repaid to the Cabinet.

3. SB180 – CREATION of EDUCATION AND LABOR CABINET

This newly formed Cabinet will include among other things a number of Offices and Departments already in existence, including the Department of Workers' Claims and the Department of Workplace Standards. The Secretary of this new Cabinet will be appointed at the will of the Governor and the exact role will be developed over time, presumably at the direction of the then sitting Governor.

4.SB205 – PENALTIES RESULTING FROM ENERGY BOYCOTTS

The first topic covered by the new law is divestiture of publicly traded holdings:

The Treasurer will create an online list of all "financial companies" that have engaged in "energy company boycotts." A "financial company" is defined as "a publicly traded financial services, banking or investment company."

An "energy company boycott" is defined as "without an ordinary business purpose, r efusing to deal with, terminating business activities with,

or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company: 1. Engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or 2. Does business with a company described in subparagraph 1…"

The terms "financial services," "banking" and "investment company" are not defined, which creates some problems in knowing who is covered.

The Treasurer can, basically, rely on whatever information is made available publicly or privately and can ask a financial company to verify whether or not it is boycotting. Surprisingly, the statute does not require the Treasurer to ask financial companies to verify, but if the verification request is sent out and a financial company does not respond, it is presumed to be engaging in an energy company boycott.
The Treasurer will update the list at least annually.

Any state governmental entity which owns direct or indirect holdings in a listed financial company must notify the Treasurer within 30 days of the list publication and send a notice to the listed financial companies that they are listed and that the state governmental entity must divest itself of the holdings in that company if the financial company does not cease the boycott within 90 days or clarify its activities if it is not a boycott. If the Treasurer is thereafter satisfied that the financial company is not engaged in an energy company boycott, the company is removed from the list. Otherwise, the state governmental entity must divest itself of holdings, unless the state governmental agency would suffer a loss beyond its benchmark; or if compliance with this law "would be inconsistent with its fiduciary responsibility."

Each year the Treasurer will publish a list of all divested holdings.

The second topic covered by this new law is prohibited government contracts:

A state governmental entity is prohibited from entering into a contract of $100,000 or (even if the entity only pays part of the cost) with any company (definition of "company" does not include sole proprietorships) "unless the contract contains a written certification from the company that it: (a) Does not engage in energy company boycotts; and (b) Will not engage in energy company boycotts during the term of the contract." **** This provision does not apply if "the requirements are inconsistent with the governmental entity's constitutional, statutory, or fiduciary duties related to the issuance, incurrence, or management of debt obligations or the deposit, custody, management, borrowing, or investment of funds." Hmmmm? That is surely full of loopholes and interpretation.

There is no doubt that there will be lawsuits in this law's future.

5. HB4 – UNEMPLOYMENT BENEFITS

More delineated restrictions are applied to the availability of unemployment benefits.
Notably, an employer "may" notify the unemployment cabinet online (through a newly created portal) that an applicant refused a job offer or failed to appear for an interview.

Additionally, employers may submit plans to participate in a "shared employee" arrangement in order to help reduce unemployment.

6. HB7 – ATM USAGE FOR EBT CARDS

Penalties can be charged against any recipient of EBT Card benefits, if they use an ATM to withdraw cash and are found to use the cash for something other than allowable assistance expenses. The law does not mention any specific role for banks, but expect that banks will be asked to provide ATM information, if available.

7. HB8 – REVENUE MEASURES

Peer-to-peer car sharing programs must receive a certificate from the Department of Vehicle Regulation. While the provisions relating to taxation of peer-to-peer programs is not of concern to banks, you may want to consider adding a provision to your contracts that prohibit such a use of secured vehicle or require notice to the bank.

The maximum Rehabilitation of Certified Historic Structures tax credit allowed on owner-occupied property has increased from $60,000 to $120,000 and the maximum tax credit allowed on all other property has increased from $400,000 to $10,000,000. Additionally, the provision that allows such credits to be transferred to banks has been corrected and is now allowed again.

A transferrable tax credit in now allowed on qualifying, voluntary environmental remediation property.

A change to third-party tax purchaser law has been made that requires third-party tax purchasers to notify all mortgagees of the fact that they have purchased the tax certificate within 50 days of the purchase by certified mail!

CONTINUED ON THE FOLLOWING PAGE

continued: 2022 Session in Summary

They must also notify mortgagees at least 45 days beforean action is filed to enforce the tax certificate. Tax protests on real property assessments must be made within one year. If a ruling is not made within one year after filing, the department must accept the taxpayer's protest.

The language regarding taxation for financial services was removed from the final bill.

8. HB170 – SETTLEMENT OF MINOR'S CLAIMS

This law clarifies who can settle claims of minors if a guardian or conservatory has not been appointed. This person acting on behalf of a minor must attest that this is the best compromise that can be reasonably obtained and must deposited "into a restricted savings or other restricted investment account that only allows withdrawals" pursuant to a court order; upon the minor's age of majority; or, upon the minor's death, or in an annuity.

9. HB274 – TRANSPORTATION IMPROVEMENT DISTRICTS

Transportation improvement districts may be created by cities with a population of at least 20,000 or by a group of 3 contiguous counties. The governing body of the district may provide for construction or repair of infrastructure, and hold public hearings. Bonds may be issued through the district for projects approved. These bonds are specified as lawful investments for financial institutions. Bonds may be secured with any trust company or bank with trust powers. It does not appear that any funds of these districts would be considered public funds subject to collateralization rules, but we will verify that once the law is codified.

10. HB284 – MOTOR VEHICLE TITLE APPLICATION AND REGISTRATION SYSTEM

The first topic covered is the electronic filing system as follows:

The Transportation Cabinet must create an electronic title application and registration system which allows submission electronically by January 1, 2024.

The system must:

a. Collect all information necessary to comply with 186A.060;
b. Collect and transmit all fees and use tax required;
c. Accept electronic signatures
d. Be secure.

The electronic filings will be transmitted by an "approved entity," which includes banks to the appropriate county clerk (where the purchaser lives or where the dealer is located). The county clerk has until 3pm the next business day to accept or reject the application.

If your bank wants to become an approved entity you must fill out an application establishing that you are eligible and pay a $150 fee.

The Transportation Cabinet can contract with third parties to provide the software necessary to integrate the online electronic processing. The third-party software company will be authorized to assess and collect an "online transaction fee" for each filing.

The second topic covered is the proper treatment of title lien statements as follows:

The clerk must use the information presented on the title lien statement to document the security interest on the certificate of title. The clerk must enter the lien information in the Transportation Cabinet's system.

If the clerk sees a "lien pending" note on the request for a certificate of title, but no title lien statement is attached, the clerk must enter the name and address in the system and the fact that the lien is pending. The certificate of title will not be issued until the title lien statement is filed or 30 days has passed. A late title lien statement can be filed and a new title issued after the passage of the 30 days.

The security interest effected by the title lien statement is perfected when "the security interest attaches in accordance with KRS 355.9-203 if the secured party submits a properly completed title lien statement with application for the first title or, in the case of property previously titled in the name of the debtor, within thirty (30) days of attachment. Otherwise, the security interest shall be deemed perfected at the time that the title lien statement is submitted."

11. HB321 – TITLE LIEN RELEASES

Temporary tags for motor vehicles will be valid for 60 days.

Also, if a certificate of title on a manufactured home that is being surrendered in order to convert it to real estate has a lien on the title, the affidavit of conversion presented to the clerk must be accompanied by a release of the lien OR an affidavit signed under oath by the attorney who satisfied the liens noted on the Kentucky certificate of title, attesting that all liens noted on the Kentucky certificate of title have been paid."

12. HB474 – CYBER SECURITY FOR INSURERS

Insurers, as of January 1, 2023 are required to follow planning regulations established for protecting private information from a cyber security event and for notifying clients. Financial institutions that are compliant with Gramm-Leach-Bliley are considered in compliance with this law.

13. HB494 – STUDENT LOAN SERVICERS

Student loan servicers must be licensed and operate in compliance with this law and regulations. Banks are exempt.

14. HB523 – PRIOR LIENS OF REAL ESTATE PURCHASERS

This law provides that a mortgage granted to a purchaser shall have priority over any prior liens against that purchaser.

15. HB642 – MORTGAGE LOAN INDUSTRY

This does not apply to bank mortgage operations, but if you are affiliated with a licensed Mortgage Loan Company or Mortgage Loan Broker, this may be of interest. A number of fees and other standard requirements have been changed, but the law will also allow the use of "alternate work locations" for employees. This appears to be designed to allow some mortgage lending employees to work from home in certain instances and with specific limitations.

If you need more information on any of these bills, please send me an email: dstamper@kybanks.com



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COMPLIANCE CORNER
by Timothy A. Schenk
KBA Assistant General Counsel
tschenk@kybanks.com

CFPB & Bank of America: What We Can Learn

On May 4, 2022, the Consumer Financial Protection Bureau (CFPB) "finalized an enforcement action against Bank of America for processing illegal, out-of-state garnishment orders against its customers' bank accounts. Bank of America unlawfully froze customer accounts, charged garnishment fees, garnished funds, and sent payments to creditors based on out-of-state garnishment court orders that should have been processed under the laws and protections of the states where the consumers reside.

Bank of America also violated the law by inserting unfair and unenforceable language into customer contracts that purported to limit customers' rights to challenge garnishments. The CFPB's order requires Bank of America to refund or cancel imposed fees from unlawful garnishments, review and reform its system for processing garnishments, and pay a $10 million civil penalty.

This enforcement action sent shockwaves through the banking industry and made many banks wonder whether their garnishment policies are compliant and if they are treating garnishments appropriately. As many bankers read the enforcement action, it led to even more questions of whether they need to completely overhaul their garnishment practices. While it is important to consistently reexamine your practices to ensure they are meeting an ever-changing regulatory environment, there are several key takeaways to avoid an enforcement action similar to Bank of America.

The first major problem cited by the CFPB is that Bank of America "deceived their customers about their rights." The CFPB stated, "Bank of America falsely advised customers that their rights to have certain funds exempted from garnishment were governed by the law of the issuing court's state. By stating to its customers that it applied the exemption law of the garnishment issuing state, Bank of America misrepresented to customers that their rights to have certain funds exempted from garnishment orders were governed by the laws of the issuing states when, actually, in most states, customers' own state laws apply." This left many bankers, lawyers, consultants and others asking, "What does mean?"

What it means is that you should not automatically honor every garnishment that comes to your bank. The rule is best summarized by the CFPB's statement that, "To garnish a bank account lawfully, a state court must have jurisdiction over the garnishee (the bank that holds a deposit account) and the property to be garnished (the deposit account)."

Banks traditionally stand in the form of a creditor and naturally understand the need for creditors to collect on defaulted debt or a judgment. Historically, creditors have found themselves in more trouble for not honoring a garnishment; rather than the other way around. The tides have changed and banks and others receiving garnishments must now serve as the first line of defense in determining whether a garnishment is valid. This means that if you are in Kentucky, and you receive an out-state-garnishment, the garnishment must be domesticated in Kentucky before it is enforced against a borrower.

Additionally, banks with a multi-state presence must determine the actual location of the bank account. Bank of America is omnipresent. Their alleged approach was that it "frequently answer(ed) Out-of-State Garnishment Notices by identifying all Deposit Accounts it held for the Consumer anywhere in the nation and held or froze the funds in those Deposit Accounts regardless of where the Deposit Accounts were located." In short, when Bank of America received a garnishment on an individual, they honored it. The CFPB found that to be a bad practice and punished Bank of America with significant fines and remedial measures. However, you can learn from Bank of America's actions and take appropriate steps to avoid finding your institution in an enforcement action.

The Bank of America enforcement action showed us that customer accounts are not located in every state a bank conducts business. The accounts are only located in the state where the customer lives. For example, this means that if your bank has a branch in Ohio, receives an order of garnishment from an Ohio court, and you are served in Ohio, the customer must live in Ohio to be a valid garnishment against your customer. If you customer lives and banks in Kentucky and the garnishment has not been domesticated in Kentucky, the garnishment is not enforceable against your Kentucky customer's account and you must disclose that the account is located out-of-state and protected from the issuing court's garnishment. While this seems like a daunting task, reading the garnishment and knowing your customer can mitigate this risk.

The CFPB also showed us other risks to address through this enforcement action. The CFPB alleged that Bank of America "engaged in unfair acts and practices by failing to apply the appropriate state exemptions to certain consumers' deposit accounts after receiving garnishment notices" and "engaged in unfair acts and practices by using a deposit agreement that required consumers to direct Bank of America not to contest legal process and waive Bank of America's liability for its unlawful garnishment conduct". The takeaway from this is two-fold: 1) Your bank must know all state exemptions that may apply and assert them in answering a garnishment; and, 2) Your deposit agreements cannot have your customer waiving any rights to challenge a garnishment.

You may be asking yourself, "Are we doing this right?" This seems complicated! Do not panic! A review of your policies and procedures should provide some comfort that you are doing things correctly. More importantly, if you feel as if you are missing something, it is never too late to change! Regulators generally appreciate policy and practice changes that make your institution compliant with regulations. Furthermore, there is a safe harbor built into the regulations that if you have complied in good faith with the rule, you are not liable to the account holder.

If you find yourself lost and need guidance, the KBA is always here with training and materials to help you make sure your garnishment practices are compliant!



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Mr. Charlie Dicken, EVP Trust Officer, First Kentucky Trust

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2022 KBA Education Alliance Consumer Lending School

Mr. Matt Allen, Wilson & Muir Bank & Trust Company, Elizabethtown, KY
Ms. Donna K. Bone, Republic Bank & Trust Company, Louisville, KY
Ms. Sherry Connelley, Citizens Bank of Kentucky, Salyersville, KY
Ms. Hannah Nicole Despain, Citizens Bank & Trust Company, Campbellsville, KY
Ms. Kate Echsner, Traditional Bank, Mount Sterling, KY
Ms. Tonya Green, Wilson & Muir Bank & Trust Company, Big Clifty, KY
Mr. Ben Hamilton, German American Bank, Henderson, KY
Mr. Doug King, Citizens Bank of Kentucky, Winchester, KY
Ms. Nancy Money, Monticello Banking Company, Russell Springs, KY
Ms. Andrea Pender, TruPoint Bank, Johnson City, TN
Mr. Eli Pepper, Farmers Bank & Trust Company, Princeton, KY
Ms. Liz Revlett, German American Bank, Owensboro, KY
Ms. Stephanie Salyer, Citizens Bank of Kentucky, Paintsville, KY
Mr. Rodes Smith, City National Bank of West Virginia, Lexington, KY
Mr. Rachel Worley, The Paducah Bank and Trust Company, Paducah, KY

Graduate School of Banking at Louisiana State University

On June 3 one hundred ninety-two bankers received graduation diplomas from the Graduate School of Banking at Louisiana State University. This 3-year program provides courses covering all aspects of banking, economics, and related subjects. Students traveled from twenty-one states to participate in this Session.

Three bankers received diplomas from Kentucky:

Mr. John Robert Eastridge, Citizens Bank & Trust, Campbellsville, KY
Mr. Oscar Brice Fields, 1st Trust Bank, Hazard, KY
Ms. Rebekah F. Welch, South Central Bank, Lexington, KY

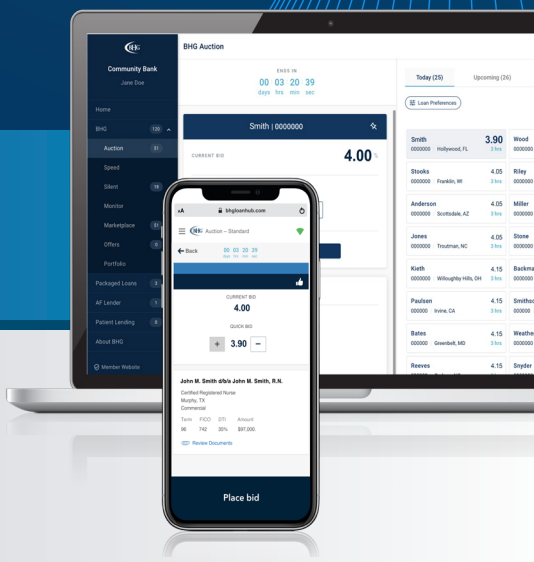
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- WA Years in Industry: **19**
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UCB's Garland Certain Set to Retire After 45 Years in Banking

Garland Certain, CEO of United Community Bank of West KY (UCB) together with Gwen Paris, President of UCB, recently announced Mr. Certain's intention to retire from the position of CEO effective May 1, 2022. For the next year, Mr. Certain will work closely, on a part-time basis, with UCB's Board and President, Gwen Paris on certain ongoing projects that UCB is involved with at the present time. Mr. Certain will continue to serve on the Board of UCB and United Community Bancshares, the bank's holding company, during the period of his involvement in these projects.



KBA President & CEO Ballard Cassady (left) congratulates Garland Certain at a recent KBA Group Meeting

This announcement honors Mr. Certain's 45-year career in banking with the last 22 years spent with UCB. It also honors his remarkable leadership with UCB and United Community Bancshares. He joined UCB at the inception of the bank in 2001 as CEO and President. During his 22-year career he led UCB's asset growth to $450 million with organic growth developed through the bank's community banking model and the recent successful acquisition of a $70 million dollar bank.

Mr. Certain's commitment to provide personalized, professional community banking for individuals and businesses was intentional and successful. UCB began operation in Morganfield, KY and Sturgis, KY in 2001. As CEO, he directed the entry into the Clay, KY market in 2005, the Poole, KY market in 2019, and the Dixon, KY market in 2021. UCB added a 3,500 square feet expansion to its headquarters located at 500 North Morgan St. in Morganfield, KY in 2007 and added an additional branch at 131 E Main St. in Morganfield, KY in 2012. It was important to him that UCB maintain a strong presence in Union and Webster counties, contribute to the local economy, offer career opportunities, and continue to donate our time and resources in the communities that we serve. Under Mr. Certain's leadership, UCB has grown to 60+ employees.

Mr. Certain is very active in the community and has served in many leadership positions, including Union County Economic Development Authority, Kyndle Economic Development Board, Sturgis Housing Authority, Sturgis Kiwanis Club, Methodist Hospital Board of Directors, and Union County Chamber of Commerce. Mr. Certain has also served on the Kentucky Bankers Association Board of Directors, serving one year as Chairman.

''Twenty-one years ago, Garland recognized the community's need for a locally owned and operated bank. Garland's vision provided the impetus for the founding of UCB. His leadership has created respect throughout the state for the Bank. Under Garland's management UCB performs at the highest level for community banks in Kentucky. For his exemplary service, the UCB family will always be grateful to Garland Certain," said Board Chair, Brucie Moore.

Kentucky Bankers Association

Resolution of Appreciation

GARLAND CERTAIN

WHEREAS, Garland Certain retired as CEO from United Community Bank, Morganfield on May 1, 2022 and having served for 22 years, and

WHEREAS, Garland Certain has served the banking industry for 45 years, and

WHEREAS, Garland Certain has served the Kentucky Bankers Association as Chairman of the Board from 2009-2010, and

Now, therefore, be it Resolved, Kentucky Bankers Association, along with United Community Bank, Morganfield express to him gratitude and appreciation for the outstanding leadership and service to our Industry, which has contributed to the growth of Banking as a whole, and by this resolution we convey our thanks to him, and it also be presented to the Kentucky Bankers Association for publication as a reminder to all of our appreciation for his service.

Ballard W. Cassady, Jr., President & Chief Executive Officer
Kentucky Bankers Association

Anita Tucker Celebrates 50 Years in Banking

Anita Tucker, Regional Executive Officer of Monticello Bank, becomes the latest member of the KBA's "50 Years in Banking" award.

PICTURED: At right, Kenny Ramsey, Chief Executive Officer of Monticello Bank, presents Anita Tucker with her commemorative plaque from KBA.



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UNIFORM COMMERCIAL CODE AND EMERGING TECHNOLOGIES: THE ADDITION OF ARTICLE 12 AND OTHER CHANGES IN LENDING LAW

mpmfirm.com



Mindy T. Sunderland



Kami Griffith

The Uniform Commercial Code is embracing change and adapting to technological updates, such as bitcoin and other virtual currencies. The new Article 12 addresses various complications arising from the effect emerging technologies have had on secured lending. The proposed draft also includes notable changes to Articles 1, 3 and 9 to accommodate the new article. Article 12 and the other proposed amendments, as currently drafted, will go through a final approval process in July 2022 at the annual Uniform Law Commission meeting. Once approved, it will be given to the states for review and adoption. All section references herein are to the current proposed draft.

Article 12 was drafted to be broadly applicable, keeping in mind that the provisions will relate to both intangible assets that already exist and those that have yet to be developed. It specifically focuses on "controllable electronic records" or CERs, though it applies to the records themselves and not the rights associated therewith. Other provisions of the UCC will continue to govern the rights attached to such CERs, except for rights embedded in controllable accounts or controllable payment intangibles.

A CER is "a record stored in an electronic medium that can be subjected to control under Section 12-105." Note that the definition "does not include a deposit account, electronic copy of a record evidencing chattel paper, electronic document of title, electronic money, investment property, or a transferable record."

A security interest in a CER can be perfected by either (1) having control of the record or (2) filing a financing statement pursuant to the proposed amendment to Section 9-312(a). A security interest perfected by control is awarded a higher priority than a conflicting security interest perfected by filing. According to Section 12-105, a person has control of a CER if:

- The person has the power to enjoy the benefits of the electronic record; and
- The person has the power to prevent others from enjoying the benefits of the record; and
- The person has exclusive power to transfer control of the CER.

Section 12-104 governs the transfer of rights in CERs. First, this section draws a familiar distinction between a purchaser and a "qualified purchaser." Section 12-102(a)(2) defines a "qualifying purchaser" as a purchaser who "obtains control of the controllable electronic record for value, in good faith, and without notice of a claim of a property right in the controllable electronic record." This definition is comparable to the Article 3 definition of a "holder in due course" in relation to a negotiable instrument.

Article 12 applies another familiar principle to CERs in Section 12-104(d): the "shelter" principle. Under this provision, a purchaser "acquires all rights in the controllable electronic record that the transferor had or had power to transfer[.]" Reporter's Note 4 suggests that this provision should be read broadly to account for situations where the transfer of a controllable electronic record results in a new type or form of CER than as originally transferred. Although the application of the shelter provision is broad, the transfer of rights is still subject to the overall "obligation of good faith" limitation found in Section 1-304.

Another Article 3 provision that has been adopted by Article 12 is the "take-free rule" found in Section 12-104(e). This provision provides that a qualifying purchaser "acquires its rights in the controllable electronic record free of a claim of a property right in the controllable electronic record." The rights attached to the CER are generally governed by other law.

Article 12 and its accompanying amendments will be a positive shift for secured lenders, providing guidelines and certainty for addressing emerging technologies and new forms of collateral. MPM is proud of John McGarvey, an appointed member of the Uniform Law Commission and the Chair of the UCC Committee, and the work he and his fellow commissioners have done, and will continue to do, to keep the UCC at the forefront of these changing times.

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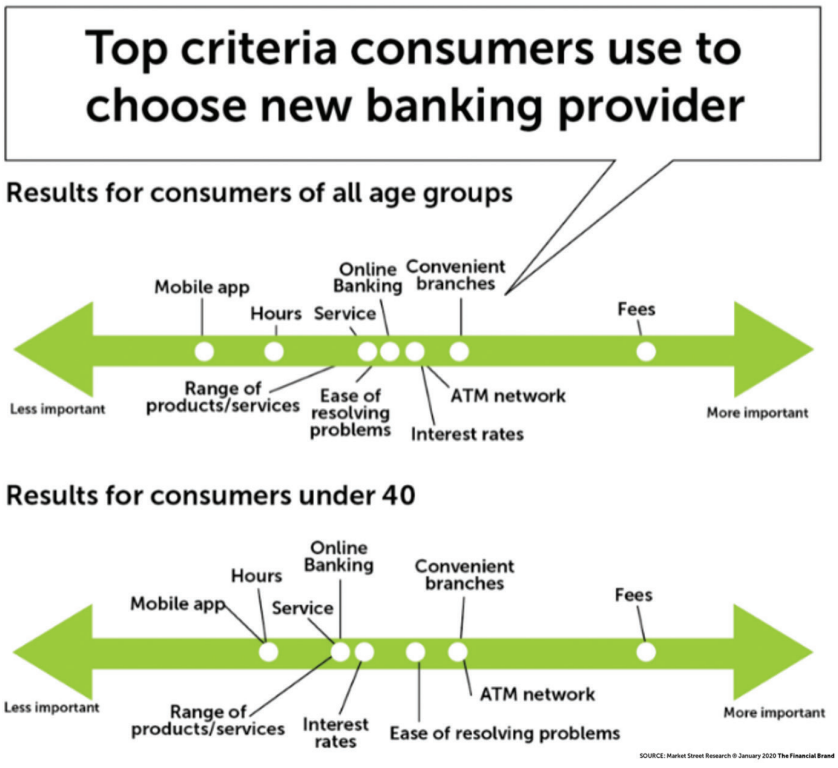
Stacking the Deck: Secrets of High-Performing Banks

by Sean C. Payant, Ph.D.
Chief Strategy Officer, Haberfeld
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Many financial institution executives spend considerable time thinking about strategies to improve overall profitability and create sustainable growth.

The focus across industry press and conference best practices is generally aimed at strategies to cut expenses – using technology, looking at staffing levels, increasing productivity, etc. Although this advice is sound, is that actually what high-performing banks do? To answer this question, we looked at 81 institutions who have been in the top five for return on equity for five consecutive years and compared them to peers. For these institutions, they averaged an efficiency ratio of 52.04%.

As the data illustrates, high-performing institutions don't attempt to save their way to prosperity. They underperform in noninterest expense to assets by 24% to overperform in noninterest income to assets by 325%. So, how does your bank stack the deck in its favor?



The key to better results is aligning marketing and execution. As noted by high-performing banks, it's about making an investment in growth to create a sustainable advantage that produces superior results. After 35 plus years, here's what we know:

Product - get product right: People hate fees. Compressed margins and decreased profitability can lead to the discussion of increasing monthly service fees or minimum balance requirements. Below is recent research on the criteria consumers use when selecting a primary financial institution. Compression in bank earnings will continue to have little impact on what consumers desire from their banking partner. Your retail and business product considerations must remain compelling if you want to have the greatest opportunity to grow core customers.

Processes - remove barriers: Stop getting in your own way. We must be in compliance; however, over compliance creates barriers. Look at your Customer Identification Program (CIP) as well as your retail and business account opening policies. Do they create barriers to growth? Is it easy for a consumer to open a retail or business account at your bank? Do you have restrictive scoring metrics that are actually costing you revenue opportunities?

Promotion - marketing to grow: Increase your spending on strategic marketing.

• **Proactive** – According to Novantas, 65% of consumers only consider two options when they decide to change primary financial institutions, meaning 65% of your current customers already know where they would bank if they didn't bank with you. You must be top-of-mind before consumers and businesses know they want to switch. Your marketing must create the opportunity for them to pick you.

• **Targeted** – You need to use data and analytics to help you understand where to market before you market. Your marketing resources must be allocated to target consumers and businesses who haven't chosen your bank yet, but could and should.

• **ROI Focused** – You must define what and how you will measure success before you market, not after. Make sure your marketing investment is working to create tangible, measurable results.

People - invest in training your team: Too often our industry treats training as an event rather than a way of life. Employees who do not understand your product will never be able to recognize opportunities with customers let alone speak in terms of benefits rather than features. It is crucial your institution commits to regular training initiatives regarding your products and services. Then once you have trained everything, start over and do it again – knowledge leaks unless it is reinforced regularly.

The actions of high-performing banks tell the story. Banks that invest in growth reap the greatest rewards. While it may not be intuitive, make sure you have all of the right strategies in place to capitalize on the growth opportunities that present themselves in any environment.



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Register or check out the full conference agenda at fhlbcin.com/events.



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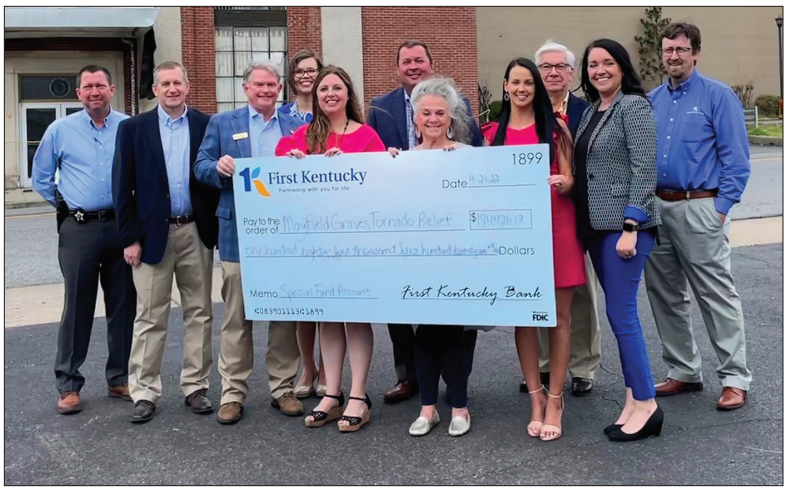
FHLB CINCINNATI

First Kentucky Bank Facilitates $184,426 to Tornado Relief

First Kentucky Bank facilitates donation of $184,426.18 to the disaster relief efforts that will assist families impacted by the record-breaking EF4 tornado that devastated Mayfield and Graves County on Friday, December 10, 2021. The funds were donated to the Mayfield Graves Tornado Relief Fund account that was set up at First Kentucky Bank.

After the deadly December 10th tornado, the Mayfield Graves Tornado Relief Fund organization was formed. They are a 501-C3 non-profit organization dedicated to the post-tornado recovery efforts in Mayfield and Graves County. The board members of the Mayfield Graves Tornado Relief Fund include Graves County Sherriff Jon Hayden (Advisory Board Member), Mayfield Mayor Kathy O'Nan (Advisory Board Member), Darvin Towery (Board President), Tim Stark (Board Member), and Cindy Cash (Board Member). As part of the recovery efforts, the group is tasked with screening applicants to see who qualifies for the special relief funds.

Through the donations that have been gifted to the Mayfield Graves Tornado Relief Fund, the members have been able to provide immediate funding relief to qualified individuals and families. In addition, the group has established special programs to assist individuals and families who had homes or vehicles that were destroyed or damaged by the tornado. They have also used the relief funds to build numerous houses for tornado victims through the Homes and Hope for the Midwest organization.



"An organization like Mayfield Graves Tornado Relief Fund was vital for our community to move forward because we needed a group of leaders that would be good stewards of the numerous donations that flooded in from all over the country to help in the rebuilding of Mayfield and Graves County. Local banks like ours were proud to set up an account to benefit the Mayfield Graves Tornado Relief Fund and to take part in the healing process of our beloved community," said Amanda Rorer, First Kentucky Bank Marketing Officer.

To learn more about the Mayfield Graves Tornado Relief fund, visit mayfieldgravesstrong.org.



50 Years for Bill Feltner

Bill Feltner, with First National Bank of Manchester, was recently honored for his 50 years in the banking industry.

Pictured: Rex Greer, Chairman of the Board of Directors and President with the bank, presents to plaque in recognition.

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Ask the vCISO

Is your Incident Response Plan up to date?

A security incident is an event that would cause financial and/or reputational harm, disrupt daily operations, or create compliance issues with state or federal regulations. An Incident Response Plan (IRP) tackles those problems ahead of time, allowing planning when cooler heads can think clearly.

Your bank should develop an IRP to guide your bank's responses to security incidents. Your plan should include accurate contact information, the correct order to take steps, and other measures needed when dealing with information systems security incidents or suspected information technology misuse.

You should review your Incident Response Plan at least annually.



Who should be involved when developing an Incident Response Plan?

This really depends on your bank. Typically, we recommend your Risk Management, Information Technology, Information Security, and Management teams, with your IS department the primary owner of the plan. But part of development is making a start, then determining who else has a role.

What elements make up a good Incident Response Plan?

A good plan will include, of course, your designated Incident Response Team, along with their clearly defined roles and responsibilities. It will also identify potential stakeholders and important third-party contacts.

The third-party contact information you should typically keep up-to-date includes:

- Law Enforcement
- Cyber Insurance Provider
- Regulatory Authorities (i.e., FDIC, OCC, TDFI, etc.)
- Managed IT Provider
- Legal
- Employees

Your plan also should define steps you need to take to contain, eradicate and recover from an incident. It should include what steps you'd take to communicate with internal and external stakeholders (including customers, employees, and regulators.)

And it should include what information should be gathered and documented during an incident.

How can we test our IRP?

A tabletop exercise is based on a realistic but fictitious security incident. When we run tabletop exercises for our clients, the bank's Incident Response Team, with our guidance, walks through the Bank's response to the information presented in the scenario following the Incident Response Plan.

How have IR plans helped in real life?

Everything a bank would need during an incident should be available in their IRP – when to notify the Security Officer, IRT, etc., and when to notify regulators, contact information, criteria for the severity of an incident, and other important factors.

To explore how a vCISO might benefit your bank, call

(502) 400-3300

or email *jmallory@imagequest.com*

TRACY RAMSAY
INFORMATION SECURITY ADVISOR

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Resolution in Memoriam
C. Peter Mahurin
First & Farmers National Bank
Somerset, Kentucky

WHEREAS, C. Peter Mahurin (Pete) passed away on October 27, 2021 and for 53 years as a businessman, a trusted investment adviser, a banker, a community leader, and a philanthropist left a remarkable legacy of leadership in education, economic development, and financial services in the entirety of the Commonwealth of Kentucky; and

WHEREAS, Mr. Mahurin ventured into the world of investment management and banking with a degree in physics, rather than in business, combined with his integrity, pragmatism, and his tireless work ethic, resulted in a remarkable career. Mr. Mahurin, through his work at Hilliard & Lyons (later to become Robert W. Baird & Co.), brought needed capital to innumerable public and private institutions, resulting in jobs and prosperity for those institutions and their communities; and

WHEREAS, Mr. Mahurin's achievements in business were well known, only to be outshined by his generosity and support for education, resulting in recognitions by Lindsey Wilson College and Western Kentucky University's Philanthropist of the Year in 2011; and

WHEREAS, Mr. Mahurin's business expertise and acumen were well recognized and were sought by many, including those institutions he served as a director: the Tennessee Valley Authority, Houchens Industries, Cecilia Bancorp, Jackson Financial and Gray Construction. His counsel and leadership as Chairman of Albany Bancorp and as a director of First & Farmers National Bank was a dominant factor in the success of those institutions; and

WHEREAS, Mr. Mahurin's devotion to his family, community, and this institution should not pass without recognition, now, therefore,

BE IT RESOLVED, the Board of Directors of First & Farmers National Bank wish to express their profound sense of loss and appreciation for Mr. Mahurin's 28 years of tireless dedication and service to Albany Bancorp as its Chairman, as well as for his service as a Director of First & Farmers National Bank.

BE IT FURTHER RESOLVED, that this resolution shall be entered into the permanent minutes of First & Farmers National Bank, this the 14th day of December, 2021 and shall further be delivered to the family of C. Peter Mahurin, as executed by the directors of the company and a copy be sent and published in the Kentucky Banker, the publication of the Kentucky Bankers Association.

John G. Prather, Jr.

Douglas Sapp, Chairman

Terry A. Pugh

Steve U. Morgan

Robert E. Moore, Jr.

Charles Key, Jr.

Ann Martin

William P. Turpen

KBA Roundtable Discussion Supporting Western Kentucky

On June 9th at the KBA's Roundtable Discussion Supporting Western Kentucky, three special guests joined the over 60 bankers from 6 area banks at the Central City Convention Center: Senator Jason Howell (District 1), Chris Dockins, Ph. D., with the Community Foundation of West Kentucky and Mary Shearer, Executive Director, Kentucky Habitat for Humanity. Each gave their perspective on the ongoing relief efforts in the wake of the December 2021 tornado that tore a path of destruction through the Western Kentucky region.

"With the KBA's leadership, we were able to bring a great group of people together," said Lanie Gardner (Community President of First Southern National Bank), who helped organize the meeting. "They were all here because they want to make a difference. We each can do that on our own, but together we rise up, stand strong and make things happen with a grateful and thankful heart."



Senator Howell (at right) spoke about the passage and implementation of SB150 (Western Kentucky Disaster Recovery), a bill he sponsored. Senator Howell was instrumental in its passage. Signed into law in April, SB150 provides a state fund to assist governments and agencies, utility providers and school districts located in areas named in a Presidential Declaration of Emergency to cover certain expenses suffered as a result of the December 2021 tornadoes. Its function is to help businesses rebuild. Specifically, SB150 provides for a $200M Western Kentucky Risk Assistance Fund which allows Kentucky's depository institutions (defined as a bank or savings association with a physical presence in Kentucky) to make commercial loans to businesses in the areas impacted.

"This was a fantastic accomplishment that we were happy to work tirelessly on during the last days of the Session with Senator Howell," said Debra Stamper, KBA EVP & General Counsel.

COMMUNITY FOUNDATION OF WEST KENTUCKY

Dr. Dockins said her organization, with the guidance of KY Emergency Management, FEMA, and the American Red Cross, has advised that local citizens should establish long term recovery groups across the impacted region, in 14 of the 16 counties declared by FEMA in need of individual assistance.

"The local long term recovery group (LTRG) model has been around for 70 years and is recognized as the gold standard in delivering equitable recovery to individuals impacted by large scale disasters," said Dr. Dockins. "It allows local citizens to engage in the recovery of their community, a process that not only repairs the physical damage, but also heals the emotional trauma of the event."

The groups consist of several committees of local citizens: executive, finance, case management, construction, volunteers, donations, and unmet needs. The case management process reaches out to every individual that applied to FEMA for assistance, as well as others who contact the LTRG for help. A case manager works with the individual or family to develop a holistic recovery plan that intercedes and changes the downward trajectory as a result of the disaster.

"Some survivors may need home repairs or rebuilds, some may need transportation, others employment, mental health, assistance with medical bills, household goods, rent/utility deposits, or other needs," she added. "Once identified in the individual recovery plan, the case manager will connect the survivor with community resources to meet the identified needs."

Each committee has a specific function. The long term recovery group's construction committee coordinates the construction needs identified in the individual recovery plan. Volumes of volunteer groups from across the country are in the impacted counties providing able bodies as they donate time to assist with repair and rebuild needs. Dr. Dockins said they are looking for project-ready tasks to complete.

The volunteer committees work with local organizations to host the volunteer groups by providing a place to stay, shower, food to eat, and good old hospitality; donated materials decreases the cost of the repair/rebuild projects. Dr. Dockins said that it is extremely important due to the increased cost of building material in today's economic climate.

The donation committee oversees the coordination of donated goods to ensure the volunteer repair/rebuild groups have access to the materials needed to complete projects and the survivors have access to the good donated to rebuild their lives.

The finance committee oversees the costs associated with meeting the identified needs from the individual recovery plans. Survivors first use their available resources, followed by the resources available within the community to meet needs. If a financial gap still exists, then the case is presented to the LTRG unmet needs committee to request funding assistance. Dr. Dockins said money is not given directly to individuals; rather, the finance committee pays approved invoices directly to vendors and keeps meticulous records.

"Successful recovery from a disaster on the scale we saw in West Kentucky requires a complex system of hundreds of organizations and thousands of people," she said.



Over 15,000 local citizens reached out for assistance and FEMA has reported over $61 million in total certifiable loss to individuals so far. American Red Cross identified over 2,500 homes destroyed, or majorly damaged. Over 95% of those impacted were uninsured or underinsured.

"There is only one organized way to ensure all who need help, receive help... through the long term recovery groups," Dr. Dockins added. "Why? Because the LTRG will touch every person that answers their phone, verify the need, coordinate the volunteer efforts to meet the need, and ensure the need was met by paying the vendors directly. The LTRG places the plan for individual recovery with the survivor, which brings forth personal healing.

"Ironically enough, the entire process of helping fellow citizens recover from disaster brings forth community healing. It is a daunting process, but one that produces invaluable impact of the community as a whole."

For more information on Community Foundation of West KY you can contact Dr. Chris Dockins at cdockins@cfwestky.org and 270-969-1971 (call/text). Visit their website cfwestky.org.

Kentucky Habitat for Humanity®

Mary Shearer began her presentation with a statewide overview of the current outlook of the housing shortage and poverty rates in Kentucky as of June 2022:

- One quarter of Kentucky's residents need help finding decent, affordable housing that costs them no more than 30% of their income.

- U.S. Census data indicates that nearly 1.2 million Kentuckians do not have access to affordable housing or pay more than 50% of their annual salary on housing costs.

- According to recent statistics from the U.S. Department of HUD, Kentucky has a shortage of more than 80,000 affordable homes which includes both rentals and homeownership opportunities.

- 12% of children in Kentucky live in deep poverty. For children 6-11 years old, the percentage living in deep poverty is 25% according to U.S. Department of HUD.

The December 2021 tornado made worse an already difficult housing and poverty crisis for Kentuckians in the western part of the Commonwealth.

Kentucky Habitat, along with Habitat for Humanity (HFH) of Bowling Green/Warren County, Fulton/Hickman County HFH, Glasgow/Barren County HFH, Marshall County HFH, My New Kentucky Home HFH (Marion County), Ohio County HFH, HFH Pennyrile Region (Christian and Hopkins Counties), are creating stability through building shelters in affected areas and are providing repair and new construction in communities affected (Bowling Green Strong, Pennyrile Blitz Build, Dawson Springs) Shearer said.

Kentucky Habitat has a $27 million, multi-year commitment to long-term recovery in affected areas with their Safe Home Disaster Recovery Initiative.

"We build homes, communities and hope," she said. "We are leveraging key partnerships with long-term, and new supporters, while collaborating with each to ensure efficient delivery of services. We look forward to partnering with the KBA, and Kentucky's banks, now and in the future."

For more information on Kentucky Habitat for Humanity call 502-608-7041 or contact Mary Shearer, Executive Director, mary@kyhfh.org. Visit their website kyhfh.org.


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