

507 S. Grand Ave.

Lansing, MI 48933

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CDARS Update

Two bills making products such as those offered through the CDARS program available to public sector deposits passed the Senate this week. The House will consider the legislation when it reconvenes in early November. The bill could be on the Governor's desk and signed into law by mid-November.

Presently allowed in Michigan as an insurance product for non-public sector deposits, the legislation confirms the use of products like CDARS to insure public funds deposited in Michigan banks. The products provide an additional product for banks by allowing them to provide customers with the opportunity to secure large deposits (from \$10,000 to \$50,000,000) in FDIC insurance coverage at a single bank. Identical deposit amounts would be exchanged among banks. Michigan banks would retain the original amount in deposits but now all deposits would be insured by the FDIC.

The Michigan Bankers Association requested the bill last March. MBA's Policy Director, Joelle Demand, spent many hours educating legislators and attending committee hearings on the bills. In addition, bankers Vicki Davis from Monroe Bank and Trust, Nancy Fox from Capitol National Bank and Steve Davis from Promontory testified at the hearings.

Thanks to Legislators for Emergency Economic Stabilization Act Support

Please take a moment to send a thank you to members of Michigan's congressional delegation who voted for the EESA package. There were several legislators who voted for the bills despite their vulnerability in this year's elections based simply upon request from the ABA. MBA bankers should thank them for their support and faith in the banking industry.

- John Dingell (D)
- Dale Kildee (D)
- Carolyn Kilpatrick (D)
- Carl Levin (D)
- Sander Levin (D)
- Dave Camp (R)
- Vernon Ehlers (R)
- Peter Hoekstra (R)
- Joe Knollenberg (R)
- Fred Upton (R)

Restroom Access Legislation Passes

Legislation requiring public restroom access for individuals with certain medical conditions remains on the Senate floor. While included under this act, banks will not be required to allow customers to access restroom facilities where there would be an obvious security risk to the establishment.

Advocacy Report

FDIC Increase Requires New Signage

On October 3, 2008, FDIC deposit insurance temporarily increased from \$100,000 to \$250,000 per depositor through December 31, 2009.

In the near future, FDIC will provide insured institutions with information regarding any changes to the official FDIC sign (teller station signs) and instructions for ordering new official FDIC signs (if changes are made). In the meantime, insured institutions may post the above statement, or affix a sticker with the above statement, next to the official FDIC sign. Click [here](#) for more information.

MEDC Opportunity

The MBA has been working with the MEDC for the past two years in an effort to get bankers included in the planning stages of some MEDC programs. There is now an opportunity to get in on the ground floor of one program designed to help improve the economy in Michigan.

The MEDC Capital Access Program contains unrestricted dollars that could be used to provide support to complete a small business loan in your bank. The MEDC has requested the MBA to assemble a group of business lenders to discuss potential improvements to small business lending and the Capital Access Program. These changes would reflect the current economy and resulting challenges to small businesses. If you are interested in this opportunity to meet with the MEDC concerning their programs and economic development concepts for Michigan, please contact MBA's John Llewellyn at jllewellyn@mibankers.com or 517-485-3600.

Update on the FIT

The Senate passed legislation that would phase out the MBT and FIT surcharge over three years. This move tees up the MBT for action during the lame duck session. The MBA continues its active engagement with the legislature on this issue.

Financial Literacy Courses Approved

Senate Bill 834 which provides for financial literacy course as a permissible mathematics course under Michigan merit standard for high school graduation passed both houses and awaits presentation to the Governor. This reinforces the importance of adequate financial literacy education for consumers.

MBA and Bankers Educate Michigan Legislators

After a month of strong pressure by ACORN and other community groups, there has been no further movement on mortgage foreclosure moratoriums. Thank you to bankers who have taken the time to educate their legislators on the harmful effects of ill conceived reactions to the mortgage issue. The MBA continues its successful efforts to keep legislators apprised of industry concerns.

MBA Chairman Doug Chaffin Hosts Senate Banking Chairman Randy Richardville for CDARS and Moratorium Discussion



Doug Chaffin and his staff hosted a recent grassroots meeting with Senate Banking Chairman Randy Richardville (R-Monroe) on September 19 at Monroe Bank and Trust. Members discussed upcoming CDARS legislation in the Michigan Senate with Chairman Richardville. Legislation sponsored by republican Senators Tony Stamas and Patty Birkholz would

allow products such as the CDARS network for public funds in Michigan. Bankers also discussed the issue of rising foreclosures and moratorium proposals in Lansing.

Upcoming Grassroots Events

- October 10: Senator Jud Gilbert at Citizens First Bank, Port Huron
- October 10: Congressman Pete Hoekstra at Alpen Rose Restaurant, Holland
- October 20: Senator Jason Allen at Citizens National Bank of Cheboygan, Cheboygan
- October TBD: Representative Andy Meisner at Flagstar Bank, Troy

Mercantile Bank Hosts Mid-Michigan Bankers Discuss With Congressman Mike Rogers



More than 50 banking and business leaders from the mid-Michigan region recently participated in a grassroots meeting with Congressman Mike Rogers. Members from Mercantile Bank, Citizens Bank, Capitol National Bank, Summit Community Bank, The Dart Bank, Comerica Bank, Fifth Third Bank and Flagstar Bank participated in the discussion. Bankers also thanked Congressman Rogers for not supporting the CU expansion bills currently in the U.S. House.

Northwest Michigan Bankers Discuss Financial Elder Abuse With Senator Jason Allen

Bankers from Charlevoix State Bank, Fifth Third Bank, The Bank of Northern Michigan and Citizens Bank recently met with Senator Jason Allen (R) at The Weathervane Restaurant in Charlevoix. Members discussed the local economy, financial elder abuse, identity theft and mortgage related issues.

Bank of Alpena Hosts CDARS and Elder Abuse Legislation Discussion With Senator Tony Stamas

Bankers and board members from the Bank of Alpena, First Federal of Northern Michigan, Flagstar Bank, Citizens Bank and Independent Bank participated in a recent grassroots meeting with Senator Tony Stamas (R) in Alpena. Issues discussed included elder abuse legislation, the FIT, local economy and the MBT.

U.P. Bankers Discuss Consumer Protection Issues With Senator Mike Prusi

Bankers from Wells Fargo Bank, Peoples State Bank of Munising, Citizens Bank, Range Bank and River Valley State Bank participated in an MBA grassroots meeting with State Senator Mike Prusi. Members discussed a variety of issues including financial elder abuse, consumer information protection and the FIT.

New Liberty Bank Hosts Meeting With Congressman Thad McCotter

Bankers from New Liberty Bank, Main Street Bank, Huron Valley State Bank, Flagstar Bank and other institutions from the region participated in a grassroots meeting with House Financial Services Committee member Thad McCotter (R). Topics of discussion included the Michigan economy, consumer protection issues, regulatory challenges and sovereign wealth funds.

Isabella Bank Hosts Meeting With Representative Tim Moore

Bankers from Isabella Bank, Firstbank and Flagstar Bank recently participated in a discussion with House Banking Committee member Tim Moore (R-Farwell). Topics included the FIT/MBT, foreclosures, the local economy and regulatory challenges.