

ABA Total Business Solutions: Innovative Products and Profitable Solutions

By Bill Kroll

Every day ABA Total Business Solutions, a subsidiary of ABA, works on your behalf to help your bank compete and win by offering prescreened, value-added business solutions in the areas of mortgage, card, capital markets and commercial banking. 2009 has been a strong year for ABA Total Business Solutions. We have launched new products, expanded our solutions and produced exceptional results for ABA member banks of all sizes.



Our programs will save you money, increase your bottom line and, in many cases, offset your ABA dues. At ABA Total Business Solutions, it is our mission to provide value for your membership.

Mortgage Solutions

ABA Total Business Solutions delivers a full menu of competitive mortgage solutions. We negotiate partnerships with key mortgage finance players for the benefit of association members. Banks that participate in one or more of these mortgage solutions programs enhance their execution options and gain access to the industry's leading products, services and technology, all of which improve their ability to compete in their markets and save money.

Recently, ABA member banks exceeded the \$100 billion mark for loans sold through ABA Mortgage Solutions secondary-market partnerships, making them the most successful in the community bank market. In 2008, an average active participant in the Mortgage Solutions secondary-mar-

ket programs saved \$22,000 through these negotiated price benefits. Our partners include **Fannie Mae, Freddie Mac, Farmer Mac, Bank of America Home Loans Correspondent Lending, Citi-Mortgage and Genworth Financial.**

In addition to our six partnerships that are free to all ABA members, ABA Total Business Solutions co-owns **Community Bank Mortgage LLC** with 48 ABA member banks. The goal of Community Bank Mortgage LLC is to leverage the aggregate credit quality and volume of community banks into better secondary market terms.

Typically, Community Bank Mortgage LLC makes most economic sense for banks that sell more than \$50 million a year in residential mortgage loans. Participants receive a monthly bonus that is a function of the aggregate delivery volume of LLC owners. The more LLC owners deliver to the LLC investors, the higher the bonus. In addition, LLC owners are eligible for periodic profit distributions based on their pro rata share of deliveries.

Capital Markets

Our capital markets solutions focus on the needs of our publicly traded members by providing timely market insights within the debt and equity markets, raising investor awareness of publicly traded community banks and providing expertise and guidance on investor relations.

The **ABA NASDAQ Community Bank Index (ABAQ)** is the most broadly representative stock index for community banks. The Index, also known as the "composite index," launched in Decem-

ber 2003 and tracks the performance of the community-based banking sector. As of June 1, the market capitalization of the index was approximately \$100 billion.

The **NASDAQ OMX ABA Community Bank Index (ABQI)** was launched in June 2009 to track the performance of the most actively traded of the approximately 480 community banks listed on the NASDAQ Stock Market. The Index is an important tool in highlighting those community banks with greater market liquidity and serves as the basis for investment products.

The **First Trust NASDAQ ABA Community Bank Fund (QABA)** was developed exclusively to track the performance of community banks. Launched in July 2009, the Fund seeks investment results that correspond generally to the price and yield of the NASDAQ OMX ABA Community Bank Index. The Fund is sponsored by First Trust Advisors LLC.

Our **Community Bank Investor Conferences** feature investor presentations from the component banks of the ABAQ and ABQI indices. The conference is an excellent opportunity for bankers to increase their investor outreach and cultivate new shareholders. The **Investor Relations Boot Camp** reviews the fundamentals of effective investor relations programs. Led by investor relations and securities industry experts, the boot camps provide bankers with that extra edge to navigate difficult market conditions with ease. You can register for the next conference and boot camp now (Feb. 17-18, 2010, in New York City) at www.aba.com/events/irc.

The ABAQ Annual Reports and 10K Service is a free program that allows publicly traded members to post their annual reports and 10Ks on an exclusive Web page for investors to download.

Value: The Community Bank Wall Street Report, our free ABA members-only e-mail bulletin, focuses on capital markets issues of interest to publicly traded community banks and those that are contemplating going public.

Card Solutions

Through our affiliation with leading card-program providers, ABA members can offer their commercial and retail customers top-notch card solutions—all on advantaged terms. Offering credit card products helps you expand your market area, build relationships and grow revenue for your bank.

Allpoint Network is America's largest surcharge-free network, with 35,000 surcharge-free ATMs nationwide. Allpoint ATMs are located in convenient national and regional retail locations, providing financial institutions with a tool to compete more effectively for customers. Allpoint is a complete, cost-effective solution for ABA members seeking to attract and retain retail deposits by providing customers with the convenience and access they demand.

Fidelity National information Services Inc. (FIS) is a longtime leader in the financial services industry, with services that include core processing, item processing and card services. Through FIS, ABA members receive a full-service Visa and MasterCard program including credit, debit and merchant card processing.

Our program with **First Bankcard** (formerly InfiBank) is designed for community banks with assets of \$500 million or greater. It provides your bank, your customers and your prospective customers with a broad array of competitive and compelling credit card products. If you are interested in selling your credit card program without selling your customer relationships, First Bankcard is also interested in purchasing quality credit card portfolios.

TIB-The Independent BankersBank Associate Credit Card Solution is a turn-key, risk-free credit card solution for ABA members with assets less than \$500 million. This advantageous offering provides you with new income opportunities, while enhancing your visibility through cards featuring your bank's name. TIB can partner with your bank to purchase an existing credit card portfolio, enabling you to reallocate resources, eliminate credit and fraud risk and provide a meaningful revenue stream. In addition, TIB offers an agent merchant services program.

Center for Commercial Lending and Business Banking

The Center for Commercial Lending and Business Banking was established in May 2008 to provide a gateway to the information, education and training, advocacy and products and services that can help ABA members compete and win in their targeted commercial market segments.

The Community Bank Advantage enjoyed great success. Audio recordings and presentations are available on our Web site. Our current series, **Minimizing Commercial Loan Losses...Tools and Solutions You Need**, provides members with the solutions and tools their banks need—from identifying and preventing problem loans to examining the options for managing them effectively.

In July 2009, we launched the **ABA Commercial Network**. This ABA members-only professional networking site is dedicated solely to commercial banking professionals. It is an excellent way for commercial bankers to connect online with peers, share ideas, collaborate on new initiatives and get answers to their commercial banking queries. Visit <https://commercialnet.groupsites.com/join> to request access.

ABA Total Business Solutions, working with the ABA member banks on our board, is proud to offer vetted, value-add-

Our programs will **save you money**, increase your bottom line and, in many cases, offset your ABA dues.

Commercial Insights, our free e-mail bulletin, brings the latest commercial information and ideas straight to your inbox. There are regular monthly columns on understanding and using market research, strategy development and execution, risk management and legislative and regulatory issues that affect ABA members' commercial operations. With more than 3,000 subscribers, the bulletin should be on every commercial relationship manager and credit manager's must-read list.

The center has designed several commercially related teleconferences and webinars with ABA's Professional Development Group. In March 2009, our four-part webinar series on Capturing and Retaining Profitable Small Business Relationships:

ed business solutions to all ABA members. With the banking industry constantly changing, ABA changes with it—adding new and innovative products such as the QABA and ABA Commercial Network, as well as strengthening existing partnerships in our mortgage and card solutions programs. Remember, our success is your success. We strive to provide products and services that will help you grow, save money, develop customer relationships and, most important, compete and win in your markets. **b**

Bill Kroll is president of ABA Total Business Solutions. He can be reached at 202-663-5574 or bkroll@aba.com.

