

## NDBA Live April 8, 2026

---

### Topics Covered:

- Special Guest: Heidi Schumacher | Fraud Manager, Border Bank
- [Member Questions](#)
- [Washington Summit Rewind](#)
- [BND Financial Relief Programs Update](#)
- [Tax Relief for Farmers, Ranchers, and Producers \(the Working Families Tax Cuts Act\)](#)
- [Financial Stability Oversight Council Seeking Public Comment on Nonbank Designations Guidance](#)
- [FCC Acts to Protect Consumers from Bank Impersonation Scams](#)
- [U.S. Banking Agencies Propose Modernization of Regulatory Capital Framework](#)
- [GENIUS Act Regulations: Notice of Proposed Rulemaking | OCC](#)
- [SEC and CFTC Release Interpretive Guidance for Crypto Assets](#)
- [Decentralized Finance](#)
- [Deposit Tokens](#)
- [Stablecoin Cards](#)
- [ABA Women Bankers Resource Group](#)
- [Your Direct Line Webinars](#)
- [Upcoming Events](#)
- [Loan File Document Retention](#)

DISCLAIMER: THESE MATERIALS PROVIDE GENERAL INFORMATION AND ARE INTENDED FOR EDUCATIONAL PURPOSES ONLY. THESE MATERIALS DO NOT PROVIDE, NOR ARE THEY INTENDED TO SUBSTITUTE FOR, LEGAL ADVICE.

### **Special Guest: Heidi Schumacher | Fraud Manager, Border Bank**

Please welcome our guest, Heidi Schumacher! Heidi serves as the Fraud Manager of Border Bank and is one of the founding members and primary facilitators of the NDBA Fraud Forum, along with Kim Lazur and Jacob Rued. Heidi will share more about what the Fraud Forum does and what the key issues she sees facing North Dakota banks.

---

### **Member Questions**

---

**Question 1:** Can a local organization open a benefit account for an individual under the organization's EIN? We had a situation where a school wanted to open a benefit account for one of its employees who was having health issues. Is it okay for the school to open this benefit account under the school's EIN? The account owner is the school and the account has a "tag" line of John Doe Benefit Account.

**Response:** Yes, the bank can open an account where the school is the legal owner of the account and the beneficiary name is only a descriptive reference. The account would be opened under the school's EIN, and the school would control the account. The key consideration is ensuring that the school is clearly identified as the customer and account owner, and that the beneficiary reference is treated as descriptive rather than evidencing ownership or creating a fiduciary relationship. Account documentation should be clear to prevent ambiguity regarding ownership or fiduciary responsibilities.

Please note that this statement is provided from the bank's perspective and does not express any opinion regarding the school's legal, tax, or regulatory obligations.

---

**Question 2:** We are considering going fully online for our loan files. As of now, we have a paper loan file and an electric loan file for every loan. We'd like to move to only have electronic files, and I'm wondering what documents we're required to have originals of to comply with ND state law. Obviously, we'll need to keep the original titles, but other than that, is there anything else we must keep a physical copy of (promissory notes, security agreements, etc.)?

**Response:** I'm still in favor of paper loan documents, and would at minimum require that the original promissory note be retained. The party enforcing a contract will have the burden of proof that the signatures are valid and electronic promissory notes are not negotiable instruments unless they meet specific legal requirements. For more information, see attached paper on [Loan File Document Retention](#).

---

### **Washington Summit Rewind**

Here's a link to a recap of the ABA Washington Summit, which includes session highlights, speaker insights, and key takeaways from the conference:

[Summit Rewind | Washington Summit | American Bankers Association](#).

---

### **BND Financial Relief Programs Update**

The North Dakota Industrial Commission has approved significant updates to two major relief efforts, expanding agricultural support while also reinstating assistance for furloughed federal employees.

#### **Farm Stabilization Programs**

At the end of 2025, the Commission directed the Bank of North Dakota to implement the 2026 Farm Financial Stability Program and the 2026 Grain Inventory Program, with \$300 million dollars allocated to the Farm Financial Stability Program and \$100 million allocated to the Grain

Inventory Program. Since opening the programs, there has been large demand for the Farm Financial Stability Program, but limited request for the Grain Inventory Program.

The Commission has increased funding for the 2026 Farm Financial Stability Program by an additional \$100 million and reallocated approximately \$11 million from the underutilized Grain Inventory Program, which has now been closed. With these changes, total agricultural disaster funding rises to \$500 million, with roughly \$491 million now directed toward the Farm Financial Stability Program. The program application deadline is June 30, 2026, but it is anticipated it will close much sooner based on the significant demand.

### **Furloughed Federal Employee Relief Program**

In a separate action, the Commission also moved to reopen the Furloughed Federal Employee Relief Program (FFERP) in response to the ongoing partial federal shutdown affecting the Department of Homeland Security. Agencies most impacted in North Dakota include the Transportation Security Administration (TSA) and U.S. Customs and Border Protection (CBP). The relief program, reopening March 19, will offer eligible employees up to six months of financial advances with a three-month repayment period.

---

### **Tax Relief for Farmers, Ranchers, and Producers (the Working Families Tax Cuts Act)**

The Working Families Tax Cuts Act includes several provisions supporting family farms, ranches, and small businesses. The legislation includes major investments in farm safety net programs—such as \$54 billion to modernize Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC)—along with expanded crop insurance support and funding to strengthen export market access for U.S. producers. It also incorporates a large portion of the pending Farm Bill and includes updates aimed at improving conservation programs, credit access, and rural development.

The legislation makes several tax provisions permanent or more accessible, including the Death Tax exemption to help keep family farms intact, the Section 199A small business deduction, and 100% immediate expensing for equipment and research investments. Additional measures are designed to lower borrowing costs for agricultural land, encourage rural manufacturing investment, and support farm transitions by allowing deferred tax payments on farmland sales to active producers. The legislation also enhances disaster assistance for livestock producers, extends support for sugar programs, and expands incentives for investment in rural Opportunity Zones, with the overall goal of strengthening long-term economic stability in rural communities.

---

### **Financial Stability Oversight Council Seeking Public Comment on Nonbank Designations Guidance**

The Financial Stability Oversight Council (FSOC) is seeking public comment on proposed interpretive guidance on nonbank financial company designations. The proposed interpretive guidance approved by FSOC emphasizes assessing risks through an activities-based lens, integrating considerations of economic growth and security into the FSOC's analysis of risks to financial stability, and strengthening the analytical process by including a formal cost-benefit

review before any designation. It also introduces a pre-designation “off-ramp” and aims to improve transparency in decision-making.

Lise Kruse, North Dakota Department of Financial Institutions Commissioner and FSOC State Banking Supervisor Representative Lise Kruse, highlighted that the public comment will provide important feedback on whether the FSOC’s approach achieves a proper balance between flexibility and predictability.

The public comment period lasts 45 days after publication in the Federal Register.

[\[Link\]](#)

---

### **FCC Acts to Protect Consumers from Bank Impersonation Scams**

The Federal Communications Commission (FCC) has proposed a \$4.5 million fine against Voxbeam Telecommunications for allegedly accepting suspicious call traffic from a foreign provider that is not listed in the FCC’s Robocall Mitigation Database (RMD). An investigation found that tens of thousands of robocalls impersonating U.S. financial institutions were transmitted to consumers through non-compliant and dormant accounts, putting them at risk of fraud.

Voice service providers like Voxbeam are prohibited from accepting call traffic from providers that are not listed in the RMD due to the higher risk of unlisted providers carrying illegal robocalls. Voxbeam is required under FCC rules to block traffic from unlisted providers and take steps to prevent scam robocalls, but it apparently failed to do so.

FCC Chairman Brendan Carr emphasized that gateway providers have a responsibility to prevent illegal traffic from entering U.S. networks and that the Commission is committed to protecting consumers from robocall scams. The proposed action, a [Notice of Apparent Liability for Forfeiture](#), contains allegations and a proposed fine. Voxbeam will have the opportunity to respond before the Commission makes a final determination. [\[Link\]](#)

---

### **U.S. Banking Agencies Propose Modernization of Regulatory Capital Framework**

On March 19, 2026, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and Federal Deposit Insurance Corporation jointly issued two notices of proposed rulemaking revising regulatory capital requirements. The Federal Reserve also separately proposed a revision to the calculation of the capital add-on for global systematically important banking organizations (GSIBs).

#### **U.S. Standardized Approach Proposal**

The notice [Regulatory Capital Rules: Regulatory Capital and Standardized Approach for Risk-weighted Assets](#) revises the regulatory capital requirements applicable to banking organizations that are not Category I or II banking organizations. According to the agencies, the revision will improve the calculation of risk-based capital requirements to better reflect the risks of these banking organization’s exposures and facilitate more effective supervisory and market assessments of capital adequacy.

### **Expanded Risk-Based Approach Proposal**

The notice [Regulatory Capital Rule: Category I and II Banking Organizations, Banking Organizations with Significant Trading Activity, and Optional Adoption for Other Banking Organizations](#) provides for a new expanded risk-based approach (“ERBA”) applicable to Category I and II banking organizations. Non-Category I and II banking organizations subject to the U.S. Standardized Approach Proposal would have the option to use ERBA instead.

### **GSIB Surcharge Proposal**

The notice [Regulatory Capital Rule \(Regulation Q\): Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies; Systemic Risk Report \(FR Y-15\)](#) would revise the methodology for determining additional capital requirements for GSIBs.

Comments on all three proposals are due by June 18, 2026.

---

### **GENIUS Act Regulations: Notice of Proposed Rulemaking | OCC**

The Office of the Comptroller of the Currency (OCC) has issued a comprehensive Notice of Proposed Rulemaking to implement the GENIUS Act, available here:

<https://www.occ.treas.gov/news-issuances/bulletins/2026/bulletin-2026-3.html>.

Comments are currently due May 1, 2026.

---

### **SEC and CFTC Release Interpretive Guidance for Crypto Assets**

On March 17, 2026, the Securities and Exchange Commission (“SEC”) and the Commodity Futures Trading Commission (“CFTC”) released [interpretive guidance](#) clarifying when transactions in crypto assets are subject to regulation under federal securities laws.

The release classifies crypto assets as (1) digital commodities, (2) digital collectibles, (3) digital tools, (4) stablecoins, and (5) digital securities. Digital commodities, digital collectibles, and digital tools are not themselves securities. Stablecoins “may or may not be securities depending on their characteristics.” Digital securities are securities.

Digital commodities are defined as crypto assets that are intrinsically linked to and derive value from the programmatic operation of a crypto system that is “functional,” as well as supply and demand dynamics, rather than from the expectation of profits from the essential managerial efforts of others. Examples provided include Aptos, Avalanche, Bitcoin, Dogecoin, Ether, and Litecoin.

Payment stablecoins are not securities after the effective date of the GENIUS Act, while other stablecoins may meet the definition of a security.

Digital securities (or “tokenized” securities) are defined as financial instruments enumerated in the definition of “security” that are formatted as or represented by a crypto asset, where the record of ownership is maintained in whole or in part on or through one or more crypto networks.

---

## **Decentralized Finance**

On March 16, 2026, the Congressional Research Service released a report providing [an overview of decentralized finance \(DeFi\)](#). DeFi refers to financial activities and services built on cryptocurrency and blockchain technology that operate with minimal or no reliance on traditional financial intermediaries such as banks or brokerages. These services use smart contracts — software that autonomously executes transactions when conditions are met — to offer functions including lending, borrowing, and trading without conventional underwriting requirements and intermediated credit processes. As of March 2026, the total value locked across DeFi protocols is estimated at about \$98 billion, illustrating notable growth while remaining small relative to traditional finance.

The report highlights key differences between DeFi and traditional financial systems, including DeFi's reliance on collateral instead of credit histories, its permissionless nature, and the direct participation of individual users. It also underscores ongoing regulatory uncertainty and policy challenges, including questions around compliance, anti-money-laundering safeguards, and the potential for regulatory arbitrage. The analysis notes that existing crypto legislation largely focuses on broader cryptocurrency market structure and may not directly address many DeFi activities, potentially leaving gaps in oversight. As DeFi evolves, its interaction with tokenized traditional financial products and broader financial markets could expand the scope of regulatory and policy debates.

---

## **Deposit Tokens**

Stablecoins helped enable the first phase of on-chain money by providing blockchain-native liquidity, but the future of digital money at scale may be shifting toward tokenized bank deposits, a concept detailed in a [Deposit Tokens](#), a new paper by Oliver Wyman and J.P. Morgan.

Those tokens represent traditional bank deposits on a blockchain, backed by regulated institutions and recorded on distributed ledgers. Because they are issued by banks and sit within the existing regulatory perimeter, deposit tokens offer the legal and operational stability of bank deposits while adding blockchain capabilities such as programmability, instant settlement, and interoperability with tokenized assets.

Unlike many stablecoins—often privately issued and not subject to standard banking regulations—deposit tokens maintain the same economic nature and regulatory framework as traditional deposits but can be used in blockchain-native transactions. This makes them particularly suited for institutional use cases like cross-border payments, settlement of tokenized assets, and on-chain liquidity management. As institutional requirements evolve, factors such as regulatory clarity, integration with existing banking rails, and financial stability considerations may increasingly favor deposit tokens over stablecoins at scale.

For banks, this suggests digital money may not disintermediate traditional players so much as upgrade them. Deposit tokens extend banking functions into tokenized ecosystems while preserving lending frameworks, policy transmission mechanisms, and trust structures, making banks potential providers of the default money layer in a tokenized economy. [[Source](#)]

### **Stablecoin Cards**

Stablecoin-based cards are rapidly evolving from simple wallet-to-payment bridges into a fully functioning digital payment rail, with monthly transaction volumes projected to grow from \$100 million in 2023 to \$1.5 billion by 2025. The technology supports institutional adoption and wider retail usage, but the landscape is more complex than it appears.

The architecture behind these cards varies widely. While some models are marketed as “self-custody,” many implement multi-party computation, co-signers, or session keys, introducing layers of control that blur the line between true self-custody and custodial solutions. These differences have material implications for ownership, security, and regulatory treatment.

Regulatory compliance is currently the biggest constraint, not technology. Licensing requirements (such as MiCA and PSD2), anti-money laundering obligations, Travel Rule compliance, and foreign exchange mechanics make the backend far more complex than the user interface suggests. Successful stablecoin card providers must balance user experience, legal structure, and regulatory compliance, positioning these cards as a major driver of crypto adoption while preserving legal and operational safeguards. [[Source](#)]

---

### **ABA Women Bankers Resource Group**

On March 31, 2026, the American Bankers Association (ABA) launched a new Women Bankers Resource Group. The group is focused on building stronger connections, advancing leadership capabilities, and encouraging shared learning among women in banking and their peers. The kickoff event brought together participants from institutions nationwide to exchange perspectives, discuss approaches to mentorship and sponsorship, and consider how day-to-day responsibilities can contribute to broader organizational impact. Christie Huber Obenauer, President & CEO of Union State Bank, participated as an executive sponsor and speaker, adding a valuable local perspective to the national conversation. The next Women Bankers Resource Group Event will be held on June 24, 2026, at 3:00 PM ET. [Register here](#).

---

### **Your Direct Line Webinars**

The Bank of North Dakota hosts a monthly webinar series called Your Direct Line, which features topics addressing agriculture, industry, commerce and Fintech needs in North Dakota. The next session will be held on April 21 from 11-11:30 AM and will focus on mental health resources for bankers and distressed customers.

---

### **Upcoming Events**

NDBA has many exciting and informational events planned. Below are some special dates to mark on your calendars!

- **Opening New Accounts Seminars** | April 22 & 23, 2026
- **Tri-State Trust Conference** | April 27-29, 2026 | Holiday Inn, Fargo
- **FDIC Directors College** | May 19, 2026 | Radisson Hotel, Bismarck
- **Dakota School of Banking** | May 31 – June 5, 2026 | University of Jamestown, Jamestown, ND
- **NDBA/SDBA Annual Convention** | June 15-17, 2026 | Bismarck, ND | [Registration Link](#)
- **National School for Beginning Ag Lenders** | June 22-25, 2026 | Spearfish SD
- **NDBA Ag Credit Conference** | October 1-2, 2026 | Hilton Garden Inn, Fargo

## Loan File Document Retention

*This paper summarizes federal and state guidance relevant to retaining paper loan documents electronically. It is intended for informational purpose and not legal advice.*

### **ESIGN and UETA**

Both the federal [Electronic Records and Signatures in Global and National Commerce Act](#) (ESIGN) and the [Uniform Electronic Transaction Act](#) (UETA), the latter of which has been adopted in North Dakota as [Chapter 9-16, N.D.C.C.](#), provide that record retention requirements can be met by retaining an electronic record of the information in the record that accurately reflects the information set forth in the record and remains accessible for later reference. See [15 U.S.C. § 7001\(d\)](#) and [N.D.C.C. § 9-16-11](#).

Neither ESIGN nor UETA apply to contracts or other records governed by Articles 3 and 4 of the Uniform Commercial Code (which would include promissory notes and security agreements). See [15 U.S.C. § 7003](#); [N.D.C.C. § 9-16-02](#).

Promissory notes are a special concern under both ESIGN and UETA. To have a valid electronic promissory note, there are several specific “transferable record” requirements which would have to be met. See [15 U.S.C. § 7021](#); [N.D.C.C. § 9-16-15](#).

### **Interagency Guidelines Establishing Standards for Safety and Soundness**

The Interagency Guidelines Establishing Standards for Safety and Soundness ([12 C.F.R. Appendix A to Part 364](#)) provide in part that an institution should establish and maintain loan documentation practices that ensure that any claim against a borrower is legally enforceable.

### **North Dakota Rules of Evidence**

As part of the foregoing, financial institutions should consider whether an electronic copy of a paper original would be admissible in court.

[Rule 1001 of the North Dakota Rules of Evidence](#) defines “original” and “duplicate” as follows: “An ‘original’ of a writing or recording means the writing or recording itself or any counterpart intended to have the same effect by the person who executed or issued it.” [N.D. R. Evid. 1001\(d\)](#). “For electronically stored information, ‘original’ means any printout, or other output readable by sight, if it accurately reflects the information.” [N.D. R. Evid. 1001\(d\)](#). “A ‘duplicate’ means a counterpart produced by a mechanical, photographic, chemical, electronic, or other equivalent process or technique that accurately reproduced the original.” [N.D. R. Evid. 1001\(e\)](#).

Under [Rule 1002 of the North Dakota Rules of Evidence](#), “[a]n original writing, recording, or photograph is required in order to prove its content unless [the North Dakota Rules of Evidence], another rule adopted by the North Dakota Supreme Court, or a statute provides otherwise.”

Under [Rule 1003 of the North Dakota Rules of Evidence](#), “[a] duplicate is admissible to the same extent as the original unless a genuine question is raised about the original’s authenticity or the circumstances make it unfair to admit the duplicate.”