

CaliforniaBanker

QUARTER 1 2026

A PUBLICATION OF CALIFORNIA BANKERS ASSOCIATION



WHAT'S INSIDE:

6

A Conversation with
Steve Miller, New CBA
Board Chair

12

A Conversation with
KC Mohseni, DFPI
Commissioner

20

Closing the Data Readiness
Gap: Building the
Foundation for Effective AI



SWGSB
at **SMU Cox**

Exceptional Executive Education

The SW Graduate School of Banking at SMU Cox strengthens careers, organizations, and communities. *We are a nationally recognized leader* in banking and commercial lending education, bank management training, and bank director training programs.



UPCOMING PROGRAMS *for* CALIFORNIA BANKERS ASSOCIATION MEMBERS



MAY 26–JUNE 5, 2026
SW Graduate School of Banking
at SMU Cox



SEPTEMBER 3–6, 2026
Assembly for Bank Directors
Vail / Beaver Creek, Colorado



OCTOBER 19–21, 2026
National Community Bank Director's
Program at SMU Cox

Learn more and register now at swgsb.org



*Proud member of
and partner with*



SW Graduate School of Banking (SWGSB) is registered with the National Association of State Boards of Accountancy (NASBA) as a continuing professional education (CPE) sponsor on the National Registry of CPE Sponsors. Each in-person session qualifies for the following maximum CPE credit hours: Assemblies for Bank Directors (15), Commercial Lending School (44), and SW Graduate School of Banking (55). Learn more at swgsb.org/programs. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors at NASBRegistry.org. SMU/SWGSB do not discriminate based on race, color, national or ethnic origin, sex, sexual orientation, age, or disability. For information on policies, complaints, and refunds, call 214-768-2991.



FEATURES

- 6 A Conversation with Steve Miller, New CBA Board Chair
- 10 State Legislative Update
- 12 A Conversation with KC Mohseni, DFPI Commissioner
- 15 CBA Welcomes New Communications and Marketing Manager
- 16 CBA Annual Visit to Washington
- 18 California Banking Perspectives
- 20 Closing the Data Readiness Gap: Building the Foundation for Effective AI

DEPARTMENTS

- 4 Association Update
- 23 Event and Education Calendar
- 23 Advertising Index



View this issue and past issues of CaliforniaBanker online any time at www.CalBankers.com

©istock.com: PictureLake; Sundry Photography; ksteffens; Alexander Sikov

CaliforniaBanker is the official publication of California Bankers Association.

California Bankers Association, 1303 J Street, Suite 600, Sacramento, CA 95814, P: 916-438-4400/F: 916-441-5756, Email online at www.CalBankers.com.

©2026 California Bankers Association | NFR Communications, Inc.. All rights reserved. CaliforniaBanker is published four times each year by NFR Communications, Inc. for California Bankers Association and is the official publication for this association. The information contained in this publication is intended to provide general information for review, consideration and member education. The contents do not constitute legal advice and should not be relied on as such. If you need legal advice or assistance, it is strongly recommended that you contact an attorney as to your circumstances. The statements and opinions expressed in this publication are those of the individual authors and do not necessarily represent the views of California Bankers Association, its board of directors, or the publisher. Likewise, the appearance of advertisements within this publication does not constitute an endorsement or recommendation of any product or service advertised. CaliforniaBanker is a collective work, and as such, some articles are submitted by authors who are independent of California Bankers Association. While California Bankers Association encourages a first-print policy, in cases where this is not possible, every effort has been made to comply with any known reprint guidelines or restrictions. Content may not be reproduced or reprinted without prior written permission. For further information, please contact the publisher at 952.835.2275.

Association Update



» We are actively meeting with lawmakers, regulators, coalition partners, and key stakeholders to ensure your voice is heard at every opportunity. »

Mid-Year Progress: Building a Stronger Future for You

With the first half of the year now behind us, we are proud to share highlights from our association that reflect the strength, collaboration, and impact of our association, as well as the meaningful progress we continue to make together.

Government Relations at Work

As we close out June, the California Legislature is entering one of the most consequential stretches of the 2026 legislative session, and our government relations team remains fully engaged on the issues that matter most to our industry. While the number of bills introduced this year may be smaller than in some past sessions, the scope and significance of the legislation affecting our industry have been substantial. CBA remains at the table. We are actively meeting with lawmakers, regulators, coalition partners, and key stakeholders to ensure your voice is heard at every opportunity.

We are taking a leadership role on measures that impose burdensome requirements on banks whose customers authorize transactions that result in financial fraud, mandate extended mortgage forbearance in a way that puts a mortgage servicer in conflict with loan investors and study the feasibility of a state-run bank.

At the federal level, the pace has been no less demanding. Regulatory agencies and policymakers continue to examine several issues with long-term implications for our members. From regulatory rulemakings on capital to follow-on federal legislation on stablecoin market structure, there is no lack of issues to keep us busy.

Our advocacy efforts remain active on all fronts. We will continue working to ensure policymakers understand both the challenges California banks face and the critical role financial institutions play in supporting financial stability, economic growth, and community investment.



Advocacy in Action

We had the privilege of hosting the National Association of Bank Advocates at the end of April. This meeting brought together CEOs and government relations teams from Western state banking associations, along with government relations representatives from banks doing business in these states. We shared our experiences on public policy impacting our members and thinking strategically about issues on the horizon. These conversations remind us that, while our work is rooted in California, we are part of a broader national movement advocating for policies that allow banks to do what they do best — serve customers and strengthen communities.

We are also delivering on our commitment to share our industry's story and weave that into our advocacy efforts. In May, we published an article in *The Business Journals* that called on legislators to reflect on the overregulation of the mortgage market and to develop a better way to balance accessibility and consumer protection. Additionally, in May, during California's Older Californians Month, we called on state leaders to modernize protections against financial fraud for older adults. These are not isolated efforts. It's the start of a deliberate communications strategy to make sure the banking industry's voice is heard and valued.

Samantha DeMelo joined the team as our Communications, Marketing, and Media Relations Manager. She brings a wealth of experience and expertise to our association, and we are confident that her skills will build on this communications strategy to further our advocacy efforts. (We have a profile of her in this magazine on page 15 if you want to learn more about her.)

Education & Professional Development

This spring and early summer have also showcased the tremendous value of coming together as an industry. In May, members gathered for our Annual Conference & Directors Forum. We carried that momentum into June with our Women in Banking Forum. Look for a recap of these events in our next issue.

Looking ahead, the second half of the year will offer additional high-quality educational opportunities: the 2026 FDIC Community Bankers Workshop (July 21) and 2026 Lending & Credit Conference (Nov. 3-5). We hope you will take advantage of these premier fall programs.

Welcoming Our Newest Members

We are pleased to continue strengthening our association by adding new members. Join us in welcoming American Plus Bank, California Business Bank, KeyBank, Legacy Bank, Neighborhood National Bank, and Sunwest Bank. We look forward to building strong relationships and advancing our shared mission together.

Our Ongoing Commitment to Members

The second half of the year will bring continued challenges but also meaningful opportunities. We know that banks are essential to the communities you serve. Our team remains committed and focused on amplifying the voice of our industry and building a stronger future for banking in California. >>

Bringing members together. Making our banks better.

Kevin Gould
President & CEO, California Bankers Association



A Conversation with Steve Miller, New CBA Board Chair

Q: Tell our readers a little bit about you and your bank, FFB Bank.

A: I am a California native, born and raised in Southern California, in the great city of Orange. I was very fortunate to grow up in the 80's in Orange County. Then, I went to college in New York City — opposite ends of the spectrum one would say. This was pre-Giuliani clean-up, so I had a great education and got my street smarts from going to school near South Harlem.

During my time in New York City, I interned at a bank, MBNA America. Like many of my peers, I participated in an old-school management program that lasted 18 months. This program allowed me to experience every aspect of the bank, which functioned primarily as a consumer finance company focused on affinity credit cards. After completing the program, I worked there for 12 years, held 11 different positions, and lived in five different states.

After 12 years at the company, it was acquired by one of the Big Four banks. I was engaged to my first wife, CC, who I had met at work. She had already accepted a severance package, and I decided to take one as well because I didn't want to work for a larger institution. Through several connections, I was offered an opportunity to go overseas, which led to an 18-month assignment in Taiwan. That assignment evolved into a decade-long experience, during which I covered North and Southeast Asia. I spent a year in Taiwan, three years in Indonesia, and six years in Malaysia. While overseas, I transitioned from consumer-focused banking in the U.S. to commercial banking with an emphasis on supporting primarily Chinese-owned small businesses in the region.

After settling back in the U.S., I was recruited by Fresno First Bank in 2015. We rebranded to FFB Bank, focused entirely on commercial banking with a unique model featuring one branch in Fresno and Loan Production Offices (LPO) in San Ramon and Cerritos. Our high-touch relationship approach supported by technology enables our nearly 200 staff across 17 states to “bring the bank to our customer.” At our core, we are a traditional community bank supporting the small business market. We are also an acquiring bank in the payments space and believe that further developing our payments acumen is critical to our success moving forward.

Q: What inspired you to accept the role of chairman for the California Bankers Association?

A: I became good peers with Jim Ford, who was on CBA's Executive Committee and really involved in CBA. We would talk a lot about the role of the association and he encouraged me to get involved. I joined the board, got involved in various committees, and participated in other activities. Around the time of COVID, Stan Ivie suggested I consider joining the executive committee. I took his advice and have truly enjoyed the experience. Obviously, I have had great leaders to follow during my tenure on the board, such as Stan Ivie, James Beckwith, Krista Snelling, and Marty Plourd. They assured me that it's not that crazy to take on this role.

Q: How does leading in a nonprofit setting differ from leading a bank as the CEO?

A: Being on the board of a bank-related nonprofit is similar to serving on a bank board in my current CEO role. I'm not in charge of

CONTINUED ON PAGE 8

CONTINUED FROM PAGE 7

the bank board. I have to navigate politics, egos, manage different personalities, and make sure that I am building consensus along the way.

The good thing is that all of us have more in common than we might think. Everyone's hearts are aligned for the betterment of the banking association and the industry. I think that North Star, as we say in strategy, is what we all have in common.

Q: What is your vision for CBA during your time as chairman, and where do you see the greatest opportunities for impact over the next few years?

A: CBA's strength has always been advocacy. That should always be front and center, especially if you look at the current political and legislative climate at the state and federal level. Making sure our association is really driving things in Sacramento, communicating directly with other state associations, and supporting the national banking agenda in Washington, D.C., are critical goals.

We've also been assessing the general value proposition outside of advocacy. Whether that's education, training, or revenue opportunities. I am encouraged about the direction of these efforts as well. As an example, we know technology is moving faster than normal, and artificial intelligence (AI) will be front and center during my tenure as chair. So how does CBA use a tool like this for its own operations? How do we help our members navigate this landscape from a training/education angle? And then, how do we ensure the rules are set effectively for the long-term through advocacy efforts?

Many of the ideas being proposed in Washington, D.C., are good for the industry, especially for community banks. But arguably, the most important thing is how we protect the industry from the pace of negative legislation, and advising state and federal leaders on the best way to manage new technology and bank-related product development. These days, that's top of mind.

One of the association's big responsibilities is to ask how we can improve our engagement with CEOs and their senior teams, including credit heads, finance, and risk. We need to make sure we are bringing strong, relevant content and programs to help develop that next generation of banking leaders. My hope is that our programs aren't just affecting the CEOs; they're also impacting all the other staff at the wonderful banks that make up the association.

Q: What kind of culture would you like to foster within the board and the association?

A: Our bank works with a group called the Table Group. Patrick Lencioni wrote the book *The Five Dysfunctions of a Team*. Most organizations don't have healthy conflicts. Most companies are very "smart," but it is the softer, healthy side where people get into trouble. I want to ensure that, as a board and as an organization, we're in very good health. And that means trusting each other so that we can have really open, candid conversations.

If we're pulling our punches or not speaking our minds, then you're cheating the organization. You're not presenting the best ideas or viewpoints, and therefore, the board committees are not making the best decisions. That might not hurt us in the short term, but it could really hurt us in the long run. That's the most important thing for me: to make sure we have good discussions so we can be effective in moving the association forward for our members.

Q: What would you say to your peers to encourage their engagement with CBA?

A: I would say, "If you have an opinion, great, but you can't have an opinion unless you show up, participate, and try to make change." Everyone can show up in different ways. I want people to vote by showing up, really participating, and getting creative. We need to make sure more people at our member banks get involved. I'm very passionate about that. It means you've got to dip down into your organization and leverage the association to help develop your talent. At CBA's Bank Presidents Seminar in January of this year, several banks made an effort to invite their 1-down leaders. The feedback from this group was very positive. We owe it to the industry to develop the next set of leaders. I think there's a lot more we can do there.

Q: What do you find personally rewarding about working with the association?

A: I learn a lot about the industry from people. I love listening to people's war stories, and you learn from people's mistakes or victories. To me, that's the engagement and camaraderie piece. That's something I really enjoy, which is why I like to attend the events in person.

I've never done tons of advocacy with the association. I went to Washington, D.C., last year for the first time and really enjoyed it — almost too much. As board chair, I want to make sure we can encourage everyone to take a step this year to just do "one extra" event, because we can make an impact by just showing up.

Q: What legacy would you like to leave as chairman? A year from now, what do you hope you have left as your stamp?

A: As long as people like what I did better than what Krista Snelling did, I think that's all I care about.

Q: Permission to print that?

A: Yeah, sure, that'd be great.

In all seriousness, like anyone else, I want to leave the association in a better place than when I came in. It's been a rough go the last five to ten years for the industry. I don't see that changing. That's the reality of our situation. That means the association has to stay on our toes and be able to respond to our members. We have a great professional team running CBA and the board must work closely with them to stay focused.

I want to do my best to make sure that we're talking about the right things. We're not going to be able to solve

every problem. But if we seek clarity, I think we can deliver for our members. It's going to always be about advocacy, engagement with members, our value proposition, and training. But we need to ask people for their opinions and have honest dialogue.

I think there have been some really positive developments over the last several years that the executive committee and the board have agreed on regarding the association's strategic direction. They took the lead on where we were going, and that new strategy has been in place for a couple of years. I agree with it wholeheartedly. And I just want to continue with what's next on the list and recognize that although we can't change things overnight, we must still be prepared to fight for our members and the banking industry as whole. Sometimes this means taking unpopular positions or investing in the long-game. >>



LEAD THE FUTURE OF BANKING

For more than 85 years, PCBS has empowered bankers to grow, innovate, and lead with confidence. In collaboration with the Foster School of Business at the University of Washington, our three-year program offers a premier graduate-level experience designed to accelerate your career.

**Don't just plan for the future—
be ready to shape it.**



Session Dates: August 23 – September 4, 2026
Location: University of Washington
Seattle, WA

To learn more about PCBS or to apply to the program, visit
www.thePCBS.org
or call:
(425) 278-0250

PCBS admits students of any race, color, sexual orientation and national or ethnic origin.



State Legislative Update

Since the start of the session, the Government Relations team has secured several early wins that have materially improved key legislation or prevented high-risk proposals from advancing. These outcomes reflect a strategy centered on early engagement, technical feedback, and sustained dialogue with authors and committee staff.

Most notably, AB 2674 (Schiavo), a bill that requires banks to intervene to thwart fraudulently-induced transactions, has been significantly improved. Earlier versions

imposed broad liability and reimbursement requirements that would have effectively required institutions to cover fraud losses tied to authorized transactions. Those provisions — along with a framework that created near-automatic liability and incentivized litigation — have been removed. The bill was also amended to eliminate a duty-to-investigate standard tied to consumer complaints. While these changes are meaningful, remaining provisions still raise operational concerns, and further refinements are being pursued.

Financial institutions typically lack visibility into the external communications driving transactions, making real-time fraud determinations inherently difficult and operationally inconsistent.

AB 801, which originally proposed a California-specific Community Reinvestment Act framework, will no longer advance in that form. The initial proposal would have created a duplicative state examination regime layered on top of federal CRA requirements. Through engagement, the bill has been redirected to instead require the Department of Financial Protection and Innovation to conduct fair lending examinations — avoiding a parallel regulatory structure.

Progress was also made on AB 1842 (Harabedian). The bill's scope has been narrowed from properties of up to 10 units to 1–4 unit residential properties, aligning more closely with traditional mortgage frameworks. The private right of action has also been removed, significantly reducing litigation exposure and keeping enforcement within existing regulatory channels.

CBA additionally secured the shelving of AB 2145, which would have allowed mortgage portability for certain borrowers. While framed as a consumer benefit, the proposal raised serious concerns related to underwriting, secondary market compatibility, and operational feasibility. Early engagement ensured the bill would not advance this year.

Collectively, these efforts have reduced legal exposure, preserved alignment with federal frameworks, and narrowed the scope of several high-impact bills.

Legislative Priorities

AB 2674 (Schiavo), despite improvements, still requires institutions to identify and respond to “suspect transactions” based on subjective indicators. Financial institutions typically lack visibility into the external communications driving transactions, making real-time fraud determinations inherently difficult and operationally inconsistent.

AB 1842 (Harabedian) establishes a statewide mortgage forbearance framework but continues to raise concerns regarding conflicts with federal servicing requirements and investor guidelines. Similarly, AB 1847

(Harabedian) would extend forbearance up to three years, creating long-term risks for borrowers who may face higher payments or large deferred balances upon exit, while also introducing potential legal conflicts.

SB 1041 (Arreguín) expands Property Assessed Clean Energy (PACE) financing to wildfire safety improvements. However, PACE's first-priority lien structure continues to impede refinancing and home sales, often forcing borrowers to pay off balances upfront and limiting access to affordable credit.

AB 1675 (Lee) and AB 2465 (Ortega) reflect a broader trend of using tax policy and state benefits to influence corporate behavior. Both bills are broad and lack clear definitions, potentially capturing companies with only indirect connections to targeted federal activities. For banks, even routine relationships with public entities could jeopardize eligibility for tax credits, creating significant compliance uncertainty and economic risk.

AB 2243 (Haney) proposes the creation of a state bank commission and advances the concept of a public bank. While framed as exploratory, the proposal raises concerns about long-term fiscal risk, governance challenges, and potential diversion of deposits from community banks — reducing liquidity available for local lending.

Finally, AB 2064 (Sharp-Collins) and AB 2095 (Lee) create direct conflicts with federal law, particularly Section 19 of the Federal Deposit Insurance Act. These measures restrict how employers consider criminal history, placing banks in an untenable position between complying with federal mandates and avoiding state liability.

Taken together, these proposals reflect a legislative environment increasingly willing to test the boundaries of traditional financial regulation. The Government Relations team will continue to advocate for workable solutions, oppose measures that introduce undue risk, and ensure alignment with existing legal and operational frameworks. >>



A Conversation with KC Mohseni, DFPI Commissioner

Khalil “KC” Mohseni was appointed in 2025 as Commissioner of the California Department of Financial Protection & Innovation (DFPI), the State’s financial regulator. He previously served as DFPI’s Chief Deputy Commissioner. As Governor Gavin Newsom’s term comes to an end, Mohseni sat down with *California Banker* for a look back at the past several years, plus future challenges the next administration should make a priority.

Q: Governor Newsom rebranded your department in 2020. Beyond the name change, how did the California Consumer Financial Protection Law shift your mandate?

A: Prior to our current incarnation as DFPI, our authority largely extended to specific licensing programs. We now have broad oversight of consumer financial products and services. Included in that authority is our UDAAP authority — our ability to enforce against unlawful, unfair, deceptive, or abusive acts or practices. The law also established a registrant framework, which is a key tool for the department to deepen its understanding of emerging products and services. To date, we’ve established four registrant categories, including income-based advances (otherwise known as earned wage access), debt settlement services, student debt relief services, and private post-secondary education financing.

Q: You’ve faced several emergencies including the COVID pandemic and repeated wildfires. What did your team learn that will help with the next disaster?

A: It is incumbent upon government to meet the moment. As the Governor said in his state of the state address, “California has been a marvel of invention and reinvention, disaster and recovery, grit and ingenuity. We have found a way to build the future over and over.” Specific to DFPI, we need to maintain a flexible framework — what we’re calling our DFPI Disaster Response Playbook. Central to that strategy is a white-glove approach to managing consumer complaints. We’ve developed a strategy to address their needs, link

them with helpful resources even outside of DFPI’s regulatory purview, and intervene on behalf of victims with licensees we do regulate.

During times of disaster, we see an uptick in fraud and scams from bad actors looking to take advantage of the crisis. We’ve leaned into messaging about fraud and scams, consumer alerts, and distribution of print materials at disaster recovery centers to make sure people know there are those who would take advantage of them.

Mortgage relief has been central to the state’s disaster response. Last January we approached a number of financial institutions and asked them to voluntarily opt into providing a suite of mortgage relief elements. We received commitments from over 420 financial institutions, and we’re very proud of that. We continue to work with our licensees to help ensure that consumers impacted get the relief they need.

Q: How are consumers better off because of all these changes at DFPI?

A: A lot centers around DFPI’s mission to promote responsible innovation. It’s important to have a cop on the beat with our expanded authorities to make sure those providing consumer financial products in the state are following the rules of the road. But it’s equally important to promote an environment of innovation — ensuring that companies with products and services Californians want have the regulatory clarity to come into the state and offer them.

We’re proud of our ability to lead in innovation while promoting safety, soundness, and consumer and investor protection principles.

Q: What types of consumer complaints make you wish regulators could do more?

A: Right now we’re focused on the threat posed by what we’re calling the industrialization of fraud. Fraud and scams have skyrocketed, and Californians are particularly targeted because of the wealth and size of our

CONTINUED ON PAGE 14

CONTINUED FROM PAGE 13

economy. The individual stories are heartbreaking. Over the past several months, we've been focusing on a compliance push with crypto kiosks in particular. These kiosks have become a vector for scammers perpetrating a wide variety of confidence schemes and romance scams, particularly targeting the elderly. To date, we've received over \$1 million in penalties and restitutions for victims as part of this push. We're proud of this work, but we know we need to do more — and a lot of it will require enhanced partnerships with law enforcement, the private sector, and civil society at large.

Q: With the federal government scaling back regulation, how has California leaned in to protect consumers?

A: The department is a member of the Governor's Innovation Council, launched last November, and we are convening a task force focused on countering the rising threat of tech-

enabled fraud. We've also started to see the real impact of our new authorities and resources. In 2025 alone, we saw a 240% increase over forecasted numbers in our penalties, as well as an almost 500% increase in restitution returned to victims over the prior year.

We've achieved critical milestones implementing the Debt Collection Licensing Act — we now have over 1,200 licensees under that regime. And we launched the application portal for California's Digital Financial Assets Law for crypto-related business activities.

Q: The Silicon Valley Bank and First Republic failures of 2023 were a massive test — what is the No. 1 "blind spot" your team has successfully closed?

A: We wanted to focus on transparency and long-term response to the risks those episodes exposed. The department published its report on

Silicon Valley Bank, which is available on our website. We know these failures were not caused by one issue, but by a confluence of issues. Key to our response has been enhanced supervision plans focused on interest rate risk and concentration risk within large institutions, regular offsite monitoring of large banks between examinations, revamped procedures for uninsured deposits, and requiring our banks to assess their own susceptibility to social media risks. One of the key drivers of the Silicon Valley Bank failure was the speed at which information flowed through social media and messaging — that's a new threat the banking industry has never had to deal with before.

Q: What projects are you trying to wrap up before Governor Newsom leaves office?

A: Our convening role in launching the Countering Tech Fraud Task Force under the Governor's Innovation Council will focus on best practices in countering tech-enabled fraud, best practices in data collection and sharing to increase awareness among financial institutions and other players, and addressing victim support.

Q: What is one emerging risk the next Administration should prioritize?

A: First, economic uncertainty. Second, the rise of tech-enabled fraud — threat actors are becoming increasingly sophisticated in phishing, identity theft, and payment scams. Third, evolving cybersecurity threats to financial institutions and the consumers they serve, ranging from monetary impacts to data privacy breaches. >>

WE CAN DO IT!

Nationwide Can Do It

Timely Reporting
Flat Rates • Live Phones
Easy Online Ordering

800-528-7803
nationwidecompliance.com

Nationwide
REAL ESTATE TAX SERVICE, INC.

NFDA
NATIONAL FLOOD DAMAGE PREVENTION ASSOCIATION
CERTIFIED COMPANY

CBA Welcomes New Communications and Marketing Manager

The California Bankers Association (CBA) is pleased to welcome Samantha DeMelo as our Communications, Marketing and Media Relations Manager. Samantha joins CBA with nearly 20 years of experience leading communications, marketing, and public affairs across some of California's most prominent organizations.

Most recently, she served as Public Affairs Manager at the California Office of Traffic Safety — where she also stepped into the role of Acting Deputy Director of Communications and Public Affairs — overseeing the agency's outreach and media strategy at the state level. Her career spans the corporate, nonprofit, and public sectors, including nearly a decade as Director of Communications and Marketing at the Community College

League of California and 4 1/2 years as Manager of Corporate Communications at Blue Diamond Growers.

Samantha brings to CBA a deep commitment to strategic storytelling, media relations, and mission-driven communications. Her expertise in public affairs and government communications also positions her as a valuable asset to the association's advocacy efforts, helping to amplify CBA's voice on key policy issues affecting California's banking industry.

Samantha holds a bachelor's degree in government-journalism from California State University, Sacramento >>



Built for Banks of All Sizes



(L-R): ▶ Meredith Strieff, Horicon Bank, Horicon, WI ▶ Kenneth Kelly, First Independence Bank, Detroit, MI
▶ Twana Billeaudeau, The Bank and Trust, Del Rio, TX ▶ Ricky Ching, Hawaii National Bank, Honolulu, HI
▶ Jonathan Higgins, Founders Bank, Washington, DC

Every community bank has unique goals and challenges.
ABA Membership is built to support yours.

JOIN NOW!

[▶ aba.com/BuiltForYou](https://aba.com/BuiltForYou)



CBA ANNUAL VISIT TO WASHINGTON

MARCH 9-11, 2026 — WASHINGTON, D.C.

CBA joined more than 18 California Bankers for the Annual Visit to Washington, D.C., and the American Bankers Association Washington Summit. Members had an opportunity to meet with Cali-

fornia representatives and regulators and shared their insights on key banking issues, advocating for policies that support the financial industry and promote economic growth. >>



AUTOMATE YOUR COMPLIANCE PROCESS WITH RISK MANAGER



Regulatory compliance and the associated impact on resources is the number one concern of management across the industry. Strunk can help lighten your risk management load through use of our best-in-class GRC solution Risk Manager which includes:



RISK ASSESSOR – helps you prepare comprehensive risk assessments consistent with regulatory or other requirements, in days, not weeks.

NEW Cyber Risk Security Assessment functionality!



POLICY MANAGER – organizes all your policies into a single database, mapped to the relevant standards and control procedures.



CONTROLS MANAGER – schedules tests of policy compliance and tracks test results.



ISSUES MANAGER – is a centralized database for tracking all compliance issues and incidents across your entire organization.



VENDOR MANAGER – a specialized tool for managing vendor risk that standardizes risk assessment methodology and organizes all vendor related documentation.



BUSINESS CONTINUITY – outline the strategies and procedures that ensure essential business functions continue during and after disruptive events.




California Banking Perspectives


By Kevin Gould, President & CEO, California Bankers Association

In the aftermath of the Great Recession, policymakers at the state and federal levels advanced new laws and regulations to strengthen consumer protections and avoid similar economic events. While some of these laws were well-intentioned, it has gone too far. While there is a growing recognition of the overreaction at the federal level, California legislators continue to advance burdensome new laws.

Protecting consumers is essential. But so is striking a balance. Laws and regulations that drive out industry segments reduce competition and hurt consumers. In February, Federal Reserve Board Governor and the Vice Chair for Supervision Michelle Bowman delivered a speech indicating that, “In 2008, banks originated around 60 percent of mortgages and held the servicing rights on about 95 percent of mortgage balances. ... As of 2023, banks origi-



Protecting consumers is essential. But so is striking a balance. Laws and regulations that drive out industry segments reduce competition and hurt consumers.



nated only 35 percent of mortgages and serviced about 45 percent of mortgage balances.”

What caused the withdrawal of banks from the mortgage market? Increases in the amount of bank capital that must be set aside when servicing mortgages, complicated rules connected to loan origination and mortgage servicing, impediments when trying to recover collateral when a borrower stops paying, heightened legal liability, and intense regulatory scrutiny and unforgiving enforcement actions are all contributing factors.

To tackle the housing challenges facing American families and making the dream of homeownership accessible, President Trump signed an executive order calling for a comprehensive review of “regulatory burdens that have driven up mortgage costs, limited access for creditworthy borrowers, and weakened community bank participation in lending.” We applaud the President and federal regulators, like Governor Bowman, for undertaking this review. It is good practice to revisit whether laws are having their intended effect and adjust accordingly.

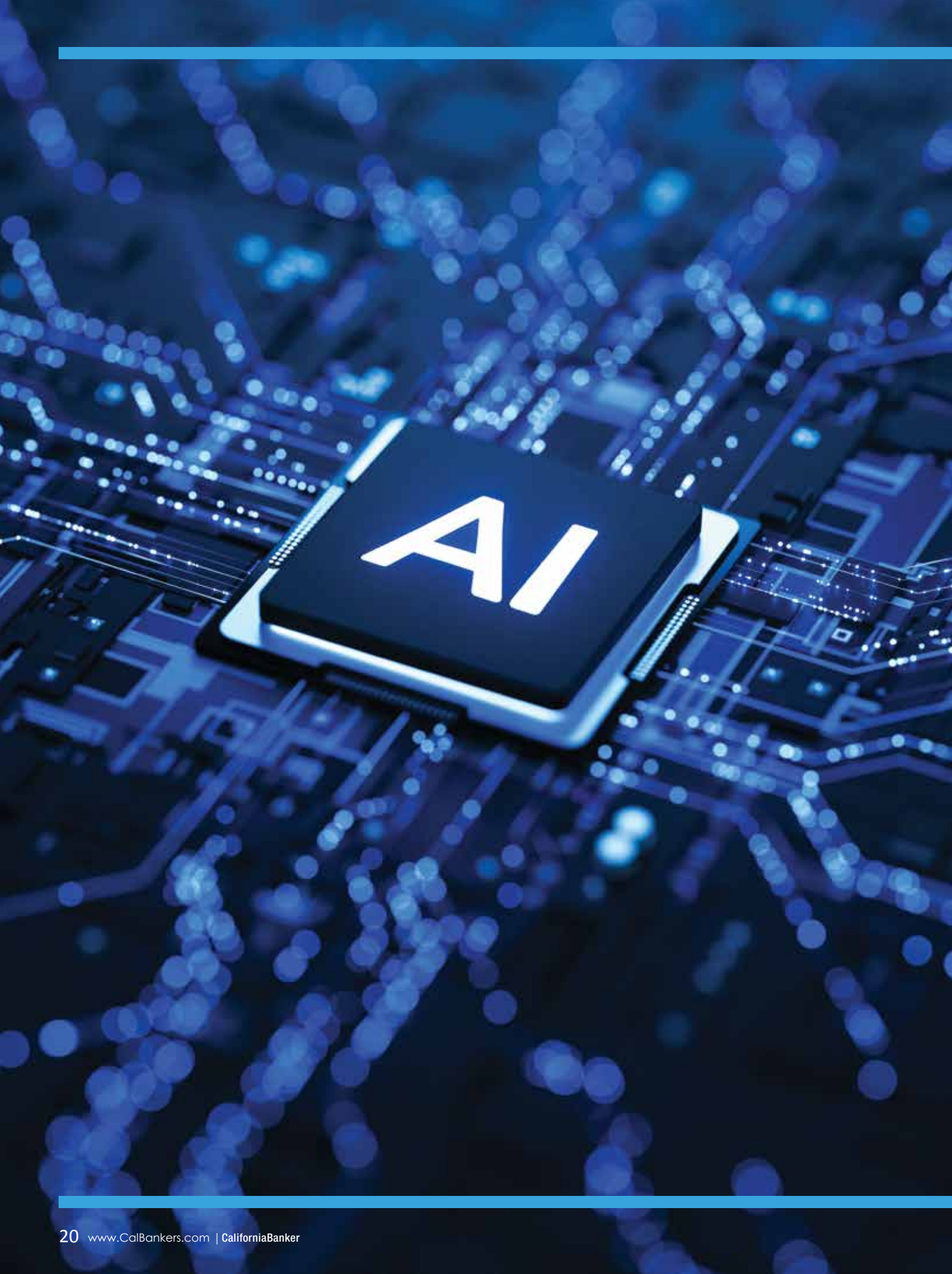
California should do the same for the laws it has enacted. But instead, the Legislature keeps piling on. Last year, substantive policy was embedded in a budget trailer bill that discourages making subordinate mortgage loans. These loans, which can provide downpayment assistance, unlock equity to build an accessory dwelling unit, or help pay for college or medical expenses, are vital in a high-cost state where the American Dream is out-of-reach for too many.

The California Association of Realtors Housing Affordability Index measures the percentage of households that can afford to purchase a median-priced, single-family home in California. Only 18 percent of households can afford a home, according to their data. While adequate supply continues to plague the state, policymakers should encourage a business climate that incentivizes access to credit for those who are ready.

Unfortunately, the opposite is happening. Two pending measures allow borrowers to stop paying their mortgages. AB 1842 establishes a framework allowing borrowers to defer their mortgage for up to 12 months when the governor declares a state of emergency. While the industry is conceptually fine with this framework, the bill includes a private right of action that will lead to frivolous litigation and benefit trial attorneys. The second measure, AB 1847, allows those impacted by the Los Angeles wildfires to not make mortgage payments for up to 36 months. The measure’s three-year payment pause is something that can’t be achieved and places a mortgage servicer tasked with collecting mortgage payments in a conflict between the borrower and owner of the loan.

Connections between bankers and their communities run deep. They want to help those suffering from a natural disaster. The industry stepped up well before government officials introduced bills responding to the Los Angeles wildfires and legislative efforts were not enacted until many months after bankers provided relief. Nevertheless, we have offered compromise language on both measures. We hope the Legislature will take these counterproposals seriously and avoid cramming down a law that exacerbates the current trend of discouraging bank participation in mortgage lending.

Our association historically avoids claiming the sky is falling based on any single measure. But cumulatively, as evidenced by the statistic shared by Governor Bowman, the weight of legislation and regulation is having a real impact – it is not good for consumers. It is time for California legislators to take a moment to reflect, particularly since they have identified affordability as a major obstacle to financial success and wealth-building for Californians, their constituents. If legislators genuinely care about affordability, they will examine whether existing laws and those presently under consideration are having their intended impact and avoid piling on. >>



Closing the Data Readiness Gap: Building the Foundation for Effective AI

Artificial intelligence is quickly transforming financial services. For community banks, this shift brings both opportunity and challenge. It can strengthen fraud prevention, improve efficiency, and deliver deeper customer insight. At the same time, it is accelerating AI-driven fraud and social engineering threats.

Adopting AI isn't just about adding new tools. To truly benefit and stay protected, banks need to address underlying data readiness gaps.

Understanding the Data Readiness Gap

Despite having access to vast amounts of data, many institutions struggle to generate timely, reliable insights. Fragmented systems, inconsistent data quality and legacy infrastructure limit their ability to use data effectively. As a result, AI initiatives frequently stall before delivering meaningful results.

This challenge is especially pronounced for community and regional financial institutions, which often operate with leaner teams and fewer data resources while facing growing competition from fintechs and larger banks investing heavily in AI.

At the core is the growing volume of data. While it should enable better decisions, many organizations lack the foundation to make it usable. Without unified, well-governed data, even strong strategies fail to translate into actionable insight.

Several common obstacles contribute to this gap:

- **Siloed systems across departments**
Disconnected platforms prevent a unified view of customers and transactions, limiting visibility across the organization.
- **Inconsistent or poor-quality data**
Inconsistent formats, duplicate records and incomplete fields reduce reliability and undermine confidence in analytics.

- **Legacy core infrastructure**
Older systems limit integration and data sharing, making it harder to support modern applications and real-time access.
- **Lack of clear data ownership and governance**
Lack of ownership leads to inconsistent standards, reducing trust in data and complicating compliance.

These challenges collectively create the data readiness gap, and without the infrastructure needed to connect and structure this data, institutions will struggle to unlock its full value.

A Strategic Framework for Building AI-Ready Data

To compete in a data-driven landscape, institutions must close the data readiness gap. This starts with understanding how data flows across the organization and identifying where visibility is limited.

1. Start With Visibility: Understand Where Insight Breaks Down

Before ramping up AI initiatives, identify where the data is being roadblocked.

Mapping data flows across systems and departments helps uncover integration gaps and bottlenecks, allowing organizations to prioritize high-impact improvements.

Putting this into practice starts with a few essential actions:

- **Integrate siloed systems**
Disconnected systems fragment the customer view. Integrating them through APIs or modern platforms helps unify data into a consistent, usable view.
- **Modernize data pipelines**
Outdated pipelines slow data movement, limiting responsiveness, while modern tools streamline

CONTINUED ON PAGE 22

CONTINUED FROM PAGE 21

data flow between systems to improve speed and reliability.

- **Align analytics with business workflows**
Tie insights to clear actions and owners so they drive daily processes, not just sit in dashboards.

Understanding these friction points helps prioritize improvements that will deliver measurable business value while creating a clearer path toward unified, decision-ready data.

2. Establish Strong Data Governance

Once visibility into data flows is established, the next step is implementing strong data governance. However, many institutions are still working to mature these capabilities. According to CSI's 2026 Banking Priorities Executive Report, only 11% of community banking leaders rate their data strategy as highly effective, highlighting the need for stronger governance and data management practices.

To strengthen governance, institutions should focus on several key areas:

- **Establish operational data governance**
Effective governance means each critical data element has a business owner, a technical owner, a clear definition, a defined lineage path, a quality expectation, and an access policy.
- **Implement data quality monitoring and controls**
Regular validation catches errors early. As banks adopt AI through partners, this also requires strong vendor governance, data-sharing controls, and ongoing monitoring.
- **Embed compliance and security from the start**
Strong governance ensures data meets regulatory and cybersecurity requirements.

Strong governance improves data quality but also builds the trust necessary to confidently adopt AI-driven insights.

3. Establish Semantic Context for AI

Beyond governance and consolidation, institutions must also ensure that their data carries meaningful context.

AI systems interpret data based on the information they are given. If data elements lack clear definitions or rela-

tionships, AI models may struggle to understand how different data points connect to real-world outcomes. Establishing semantic context helps solve this problem.

Semantic context becomes critical when AI must interpret business meaning rather than just process raw data. For instance, in lending, statuses such as “past due,” “deferred” and “restructured” may appear similar across systems but reflect very different levels of risk. Without clear semantic definitions, AI may misclassify borrowers and trigger the wrong actions. By defining what these terms mean, how they relate and where they apply, institutions enable AI to generate more accurate risk insights and support more effective decision-making.

With clear semantic context in place, institutions are better positioned to translate data into insights that drive more confident, consistent decisions.

Where to Start: Practical First Steps for Growing Teams

For community banks with limited staff and tight budgets, closing the data readiness gap doesn't require a large-scale transformation. The key is to start focused and intentional. A successful AI-readiness effort begins with a clear use case, defined ownership, measurable outcomes, and strong controls for data quality and access.

Rather than trying to modernize everything at once, banks can prioritize a high-impact use case, connect only the systems that support it, and standardize a small set of critical data. This targeted approach allows institutions to demonstrate value quickly while building a foundation to scale over time.

Unlock AI's Potential Through Data Readiness

Artificial intelligence offers financial institutions significant opportunities to improve decision-making, efficiency and customer experience. However, capturing this value requires data that is unified and ready for action.

For deeper insights into the technology priorities shaping the industry, explore the 2026 Banking Priorities Executive Report. >>

This article contributed by Ajay John, Vice President of Data Science and AI, and Computer Services, Inc. (CSI). CSI is an Associate Member of the California Bankers Association. If you are a CBA member and would like to contribute an article, please contact communications@calbankers.com.

Events and Education Calendar

FDIC Community Bankers Workshop
 July 21, 2026
 Long Beach, CA

Annual Fall D.C. Visit
 Sept. 15-17, 2026
 Washington, D.C.

ABA Women Lead Symposium
 July 30, 2026
 Virtual

Risk & Compliance Conference
 Sept. 29–Oct. 1, 2026
 Palm Springs, CA

Kentucky Bankers Association Fraud Academy
 Aug. 18, 2026
 Lexington, KY and Virtual

Lending & Credit Conference
 Nov. 3-5, 2026
 Newport Beach, CA

For more information about CBA events and education, and sponsorship opportunities, visit
www.calbankers.com/events-education

2026 CBA Advertiser Index

Deposit Funding/Investments

PMA FinancialPage 24

Education

SW GSBPage 2

PCBSPage 9

Software/IT/Cybersecurity Services

Strunk AccessPage 17

Tax and Flood Service

Nationwide Real EstatePage 14



www.CalBankers.com



For advertising
<https://bankbeat.biz/advertise/>



Connecting Community Banks and Local Governments.

PTMA Funding helps community banks meet liquidity goals through flexible, institutional deposit solutions. With decades of expertise serving thousands of public entities, we empower banks to achieve stable funding—even in volatile markets.

WHEN TO CONTACT PTMA:

- **Need for deposits**
 - ▶ Meet liquidity demands quickly.
- **Diversified funding**
 - ▶ Explore alternatives to FHLB advances, brokered CDs, and rate boards—without disrupting core deposits (Quiet Funding).
- **Optimized strategy**
 - ▶ Build primary and contingency options to accommodate market fluctuations.

Short or long-term. Collateralized or not. Small or large block deposits—we tailor solutions to your needs.

PTMA is more than a depositor—we' re your funding partner.

For important disclosure information, visit www.ptma.com/disclosures.

The PMA companies and Public Trust Advisors, LLC have combined to create an integrated financial services firm serving over 14,000 local governments and 1,000 financial institutions from coast to coast. The combined company, PTMA Financial Solutions ("PTMA"), honors the rich history of the merging companies, reflecting the values and traditions that have shaped their journey together.