



Mr. Hills Goes to Washington (Along with 14 other Kansas Community Bank Leaders):

ICBA Capital Policy Summit Trip Includes Top Voices
at the Table, Including President Trump

Recently CBA President Shawn Mitchell and 14 Kansas community bank leaders traveled to the ICBA Capital Policy Summit in Washington, D.C. Take a moment to read Shawn's description of this powerful trip, including reactions from President Trump and Congressmen as the group shared the importance of Kansas community banking in-person.



And Then There Were Three (Three New Voices on the Journey):

Three others joined us, making the journey that much more meaningful: Newly appointed Kansas Bank Commissioner Miki Bowman; Mr. Jim Wayman and Mr. Tim Hills.

While new to our Policy Summit trip, Miki Bowman is no newcomer to Kansas community banking or Washington politics. It was great having the opportunity to spend quality time with our new commissioner and learn first-hand how much she truly knows about and cares for our community banking industry ... and our state. I look forward to working with Miki in the future, as well as building upon our relationship with the Office of the State Bank Commissioner (OSBC).

Another new guest on the trip was Mr. Jim Wayman, ESB Financial in Emporia, Kan. Jim is a seasoned (not old, just experienced) community banker that is relatively new to our CBA family. He shared some great insights during our Hill visits. Our last newcomer on this adventure was Mr. Tim Hills from Howard State Bank in Sedan, Kan. Tim is currently CBA's Chairman-elect and preparing to become CBA's 39th Chairman on July 21, 2017, at our convention in Overland Park, Kan.

Let's make our community banking industry great again. In fact, we're well on our way. Are you in?

Earlier this spring, from April 30 through May 3, a group of dedicated Kansas community bankers traveled to Washington, D.C. to attend ICBA's Capital Policy Summit. Our goal was to climb those steps and deliberately push for meaningful change for our community banking industry. Each member of this group was a seasoned banker with years of experience – and several in the group have additional experience in the ways of Washington politics.



During one of my conversations with Tim I discovered that it had been a “few” years since his last visit to Washington – approximately 48 years. When he asked me if much had changed, my response was “well, only ten Presidents.” It was genuinely enjoyable to explain to Tim how our legislative process truly works, and just how important it is to visit Washington and remind people there that community banks matter. We must be present to tell them one-on-one that we care about not just our industry, but our friends and neighbors back home.

Community Bankers at the Table with President Trump (and Related Adventures):

While in Washington, our Kansas group had several unique experiences I’d like to take credit for. However, they happened due to our great Kansas Congressional delegation and our strong relationship with the Independent Community Bankers of America (ICBA).

On Monday, May 1, more than 100 ICBA community bankers and staff, including Kansas bankers Steve Handke, Everest, Kan.; Galen Pelton, Ulysses, Kan.; and Tanner Johnson, Courtland, Kan., met with President Donald Trump and other top administration officials at the White House. In the exclusive meeting between these bankers and President Trump, Vice President Mike Pence, NEC Director Gary Cohn and Small Business Administration Chief Linda McMahon, Trump said the administration is focused on addressing regulatory burdens to help community banks lend to



small businesses. At the meeting, the ICBA community bankers presented President Trump with a red “Make Community Banking Great Again” cap.

Later that day, our Kansas bankers attended a private dinner and then met up with Kansas Congressman Roger Marshall (KS-1), who escorted our group on an exclusive nighttime tour of the U.S. Capitol Building. The U.S. Capitol is beautiful during the day. To see it at night with no one else except our group, and led by one of our very own United States Congressmen, was absolutely amazing!



Senator Moran Introduces Community Bank Legislation at Breakfast:

After a Monday like that, how do you follow it up? On Tuesday, May 2, we attended a breakfast meeting where we were addressed by House Financial Service Chairman Jeb Hensarling (Texas) who is championing the Financial CHOICE Act (H.R. 10). He makes absolutely no qualms about being an ardent supporter of community banking. We then headed to the Hill, where our first visit was with Kansas Senator Jerry Moran. What awaited us at Sen. Moran’s office? Yet another first-time experience. I’ll let an excerpt from an ICBA press release explain:

Washington, D.C. (May 2, 2017)—The Independent Community Bankers of America® (ICBA) today expressed support for legislation introduced by Sen. Jerry Moran (R-Kan.) to help community banks promote economic and job growth by relieving them of unnecessary regulatory burdens. The CLEAR Relief Act of 2017 (S. 1002)—the companion to House legislation introduced by Rep. Blaine Luetkemeyer (R-Mo.)—includes several provisions from ICBA’s pro-growth Plan for Prosperity regulatory relief platform.

Moran today signed and introduced the bill alongside a group of Kansas community bankers in Washington for the 2017 ICBA Capital Summit, who accompanied Moran in dropping the legislation at the bill clerk’s desk for formal introduction. Senate Banking Committee members Heidi Heitkamp (D-N.D.), Jon Tester (D-Mont.) and Thom Tillis (R-N.C.) are original cosponsors on the bill.



“The CLEAR Relief Act would help community banks meet the needs of their customers and promote local economic growth by providing common-sense relief from many crushing regulatory burdens,” ICBA President and CEO Camden R. Fine said. “ICBA thanks Sen. Moran and strongly urges Congress to advance this bipartisan legislation to enhance economic and job growth in local communities.”

The CLEAR Relief Act promotes regulations tiered to the size and complexity of regulated institutions, including provisions that would:

- exempt community bank portfolio loans from a variety of new mortgage rules, including “qualified mortgage” and escrow regulations,
- exempt community banks with less than \$10 billion in assets from the Volcker rule,
- provide a regulatory safe harbor for good-faith compliance with the TILA-RESPA Integrated Disclosure rule, and
- provide relief from costly and duplicative Sarbanes-Oxley section 404(b) internal control reporting and attestation requirements for community banks with assets of \$1 billion or less.

ICBA looks forward to continuing to work with members of the House and Senate to advance the CLEAR Relief Act and other regulatory relief measures from the association’s Plan for Prosperity.

Congresswoman Jenkins Strives for Community Bank Flexibility for Struggling Farmers:



Next, we left the basement of the U.S. Capitol (where the Senate CLEAR Act bill was just dropped) via the underground Senate subway and headed to a meeting with Kansas Congresswoman Lynn Jenkins (KS-2). Congresswoman Jenkins recently introduced another piece of legislation that is focused on supporting our farmers, ranchers and rural homeowners by providing tax relief for agricultural and rural residential lending.

The Enhancing Credit Opportunities in Rural America Act (the ECORA Act H.R. 2205) would promote access to credit and reduce borrowing costs amid the current environment of weak commodities prices. Under the Enhancing Credit Opportunities in Rural America Act, the interest received on farm loans secured by agricultural real estate would not be taxable. The bill would provide similar relief to interest on loans secured by rural single-family homes that are the principal residence of the borrower in towns with a population of less than 2,500. Together, these provisions will offer community bankers greater flexibility to work with farmers who may have trouble servicing their debt, while giving lenders a strong incentive to remain in the rural farming and housing markets.

Congressman Estes: First Week on the Job is a “Kansas Style” Meeting:



Next we set out to meet with our newest Kansas Congressman Ron Estes (KS-4). Rep. Estes has literally been on the job for one week and is in the process of setting up an office and staffing it as fast as possible. Honestly, I wasn’t even sure if we would be able to set up the meeting with such short notice, but the meeting was set. In true Kansas fashion, Rep. Estes was there in person to talk with our group. He may be new to Congress, but he’s not new to what our Kansas communities need to survive – strong community banks!

Congressman Kevin Yoder: A True Voice You’ll Be Hearing More From:

Now on to the office of Congressman Kevin Yoder (KS-3) and yet another fantastic visit with a Kansas representative who understands what it takes to help our communities thrive. Rep. Yoder has quickly become a very influential force in D.C. politics. Expect big things from this gentleman in the future.



Senior Kansas Senator Pat Roberts: He Just “Gets It”

Last, but surely not least, was a walk back to the Senate side and a visit with our Senior Kansas Senator Pat Roberts. What’s to say, other than Sen. Roberts is Sen. Roberts! He currently chairs the Senate Ag committee and sits on a number of very powerful committees. He utilizes his position to promote and protect his home state of Kansas. Little explanation ever needs to happen when speaking about community banking issues. He just gets it.



That’s Only Part of the Story. You’re the Rest of It ...

There’s the brief description of **what** we did when Mr. Hills went to Washington and **how** we did it. But that’s not the full story, nor is it the end of the story.

Why did this group of Kansas community bankers take a week out of their busy schedules to travel to Washington? They did it to help keep community banking in Kansas alive and well and on the minds of our elected leaders. In the meetings, we addressed the need for tax reform, specifically significant rate relief for individuals, corporations, and pass-through businesses, and not increasing the cost of credit for small businesses by limiting the deductibility of business interest.

We focused on the need to reauthorize the National Flood Insurance Program that expires September 30 to ensure that flood insurance is affordable and readily available to homeowners and business owners. We reviewed the issues of unfair tax exemptions for credit unions and the need to ensure they do not receive any expanded powers. We also urged passage of a new Farm Bill that supports commodity prices, enhances USDA guaranteed-loan

programs and preserves crop-insurance funding. We also noted that the Farm Credit System should be required to return to its primary mission.

What’s the Core Message You Can Share?

The banking system in the United States has evolved in the last couple of decades, due in part to mergers and various regulatory events. However, community banks still play an important factor in Kansas and other states throughout the nation.

Rural communities, which are numerous throughout Kansas, rely on community banks as they supply a substantial share of banking services to these residents. Family farmers and small businesses rely on community banks for their banking services, which are often based on and strengthened by the relationships they’ve built with each other.

Community banks also have a leg up on the bigger banks in some respects, particularly when it comes to small business loan services. When a loan officer at a community bank looks over an application, they can take many things into account to help them guide their decisions. They look at more than just credit scores, and this benefits everyone involved. Larger banks have a focus on large depositors, whereas community banks have a focus on small depositors, which is why community banking in Kansas is so important. Part of our mission was to remind them what we offer.

Community banks offer so much to our community including:

- A focus on the needs of families, farmers and businesses
- Strong involvement in local community affairs
- The ability to use local deposits for loans to local residents
- The ability to consider the character of loan applicants
- Being able to understand the needs of small business owners
- A balance between the needs of employees and shareholders

Community banks welcome any competition that operates in a fair and honest manner under the same rules, regulations and tax treatment as our institutions. Legislation benefiting big banks, credit unions and the farm credit system, at the expense of community banks, is something that must be fought. We will do just that. Community bankers in Kansas have a great record of standing up for what is right for their banks and their communities. That’s the WHY.

Today, consider carefully how you’ll be part of this continuing story. The best chapters are yet to come.

– Shawn

