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**To: Senate Committee on Financial Institutions and Insurance**

**From: Gary J. Walter, President – The Bank, Oberlin, KS**

**Re: Support for Senate Bill 259  
Sustain Local Access to Credit for Kansans**

**Dear Chairman Olson and Members of the Committee:**

I am writing in support of SB 259 because it will help create equal opportunities for credit for every Kansan involved in business lending and for rural housing. Having an equal playing field is important since our bank competes head to head with Farm Credit Bank (FCB) and interest rates are important to borrowers. FCB, not paying income tax on interest income, has a definite advantage. Just last year The Bank had some \$2,000,000 in loans refinance with FCB because of lesser interest rates they were offered. While The Bank could have bought that loan business doing so would require all of the other borrowers be offered those same terms.

Community banks from across Kansas are working collectively through the Kansas Bankers Association (KBA) to accomplish these three objectives through the passage of this legislation:

1. Revitalize rural communities;
2. Benefit borrowers; and
3. Sustain local access to credit.

This bill will benefit borrowers of all business credit – whether it be for agriculture or commercial purposes - as well as help Kansans access credit for housing in rural areas (population 2,500 or less) by allowing community banks the same favorable tax treatment on these loans that other lenders (including Farm Credit and credit unions) already have.

The prosperity of business – whether it be farmers and ranchers or small businesses – in every community is critical to the Kansas economy. Business customers should not be disadvantaged for choosing to do business with their local community bank. Assuring that community banks stay competitive with all other lenders will not only help businesses and those buying homes in rural Kansas by keeping the interest rates competitive, but it will help ensure that community bank leadership remains in the community for the long-term.

*When you are going to the bank, you are coming to see us!*

I respectfully request that when the Committee consider SB 259, they consider it favorably for passage.

Sincerely,



Gary J. Walter, President

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