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Date: January 21, 2020

To: Senate Committee on Financial Institutions and Insurance

From: John P. Engelbert
President/CEO
First State Bank
Norton, KS

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

Dear Chairman Olson and Members of the Committee:

I am the president of a community bank located in four rural communities in North West Kansas. The majority of the Kansas communities we serve have populations of 2,500 or less. We are primarily an agricultural bank, but also offer a full range of consumer products. Our bank is the driving force for of our local economies and a major supporter of revitalizing the communities we serve. Access to credit is essential for the success and well being of our communities. 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.

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:

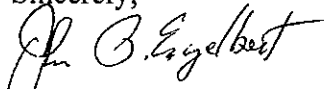
1. Revitalize rural communities;
2. Benefit borrowers; and
3. Sustain local access to credit.

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.

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

Sincerely,

A handwritten signature in cursive script that reads "John P. Engelbert". The signature is written in black ink and is positioned above the printed name.

John P. Engelbert
President/CEO