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May 7, 2018

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Charles E. Schumer  
Minority Leader  
United States Senate  
Washington, D.C. 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

On behalf of the nearly 5,700 community banks represented by ICBA, I write today to express our serious concerns about the Postal Banking Act (S. 2755), introduced by Senator Kirsten Gillibrand. As described in an [American Banker op-ed](#), “Postal banking should be a dead letter,” this is an ill-advised idea fraught with unintended consequences. We urge all Senators not to go down this dangerous path.

The Postal Bank created by S. 2755 would engage in activities such as loan making, deposit taking, and other services that are fundamental to community banks. USPS’s encroachment into these activities, as one of the largest federal agencies, would represent a major, government-sponsored, competitive threat to the ongoing viability of the nation’s thousands of private sector, tax-paying community banks that do an excellent job of serving consumers, small businesses and farmers and ranchers across America.

[According to the FDIC](#), 88 percent of banks offer small-dollar loans and 81 percent offer free counseling to underserved consumers.

We all know that the USPS has serious fiscal problems. The Government Accountability Office last year said the USPS [reported a net loss](#) of \$5.6 billion in fiscal 2016 — its 10th consecutive year of net losses. USPS management should remain focused on bringing the USPS to viability within its *own* industry: the letter, parcel, and package delivery American individuals and businesses depend upon on a daily basis. It would be a serious mistake for the USPS to enter into a highly complex new industry with the potential to ruin itself and its core function and put American taxpayers at risk. Safe and effective banking management requires years if not decades to master. In the era of systems hacking, managing financial data has become that much more challenging. The stakes are simply too high to attempt a misguided experiment in postal banking.

ICBA and America’s community banks urge you to oppose S. 2755 and thank you for your consideration.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

CC: Members of the United States Senate

*The Nation’s Voice for Community Banks.®*

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