**Independent Banker**

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**From the Top**

[big pull quote] “Bank-like credit unions should be subject to the same laws and regulations as banks. It’s as simple as that.”

[byline] Tim Zimmerman

Chairman, ICBA

Tim Zimmerman is CEO of Standard Bank, Monroeville, Pa.

[body]

ICBA is working to address a wide array of advocacy issues as policymakers implement the regulatory relief we achieved earlier this year. While the variety of rules and regulations affecting our industry is vast, ICBA’s position is simple: We support a level playing field.

Community banks are ready, willing and able to compete in a fair and open marketplace. But too often, the regulatory and tax burdens we face don’t apply to government-sponsored competitors. Ironically, their competitive advantage is funded in part by our tax dollars.

For instance, community bankers are united in opposition to the credit union industry’s unwarranted federal tax subsidy. That’s not because we have an innate aversion to these financial institutions, but because they have become virtually indistinguishable from taxpaying banks while enjoying their huge government subsidy and Community Reinvestment Act exemption.

Meanwhile, the National Credit Union Administration has repeatedly shown itself to be an industry advocate rather than regulator. It continuously pushes to advance the powers of the industry it is supposed to regulate. As Senate Finance Committee chairman Orrin Hatch (R-Utah) has pointed out, large credit unions don’t even report financial information required of other tax-exempt institutions. Bank-like credit unions should be subject to the same laws and regulations as banks. It’s as simple as that.

The same goes for the Farm Credit System (FCS), whose lenders enjoy unfair competitive advantages over community banks that serve rural areas. The FCS continues to use its tax-advantaged status to “cherry pick” the best loans, leaving only the more challenging and riskier loans for community banks to make. That jeopardizes the viability of many community banks and, in turn, the economic strength of the communities they serve. Amid its dramatic growth, the FCS is sharply reducing service to family farmers and expanding non-farm lending. ICBA’s position: Reform the FCS to ensure it adheres to its historical mission of serving bona fide farmers and ranchers while preventing it from engaging in selective below-market pricing and non-farm lending.

Finally, ICBA remains concerned with the real and potential inequities of chartering industrial loan corporations and fintech companies, respectively. Because the ILC loophole allows commercial interests to own banks while avoiding the legal restrictions and regulatory supervision that apply to other bank holding companies, ICBA is seeking a moratorium on such charters from the FDIC and a permanent ban from Congress. Meanwhile, ICBA is working to ensure the pending special-purpose national bank charter for fintech firms subjects these companies to the same standards of safety, soundness and fairness as other federally chartered institutions.

These collective inequities are enough to make you want to bang your head against the wall, but there are many ways to rebalance our off-kilter financial services marketplace. ICBA is aggressive and offers numerous resources to help you stand up and make a difference on these and other issues. Read on to learn more.

*Connect with Tim* @TimZimPgh

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**Did you know?**

ICBA’s policy objectives are approved annually by its Policy Development Committee and board of directors.