



Date: January 21, 2020

To: Senate Committee on Financial Institutions and Insurance

From: Gary Yager
VisionBank

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

Dear Chairman Olson and Members of the Committee:

I am Gary Yager of VisionBank. We are a 15-year-old 10 MM unit bank with locations in Topeka and Overland Park, Kansas. 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 lending.

Because of their preferential tax status, the credit union industry has been able to offer lower rates and take some of our products and customers. They are able to price their products up to 30 basis points below most banks. In Topeka, credit unions dominate the consumer automobile and loan business; very few banks arm consumer automobile loan business. And now, credit unions are beginning to dominate the home loan business as well. For example, one credit union in Topeka does more home loans than any bank in our market.

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.

Gary E. Yager
President