

# FIRST NATIONAL BANK *and* TRUST

PHILLIPSBURG LOGAN LONG ISLAND

SMITH COUNTY BANK - SMITH CENTER

SOLOMON VALLEY BANK - BELOIT

KANSAS

January 17, 2020

To: Senate Committee on Financial Institutions and Insurance

From: Greg Saville, CEO  
First National Bank and Trust  
Phillipsburg, 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 CEO of a small rural community bank headquartered in Phillipsburg, KS. We have branches in 5 markets located in Logan, Long Island, Phillipsburg, Smith Center, and Beloit, KS. All of these communities, with the exception of Beloit, have populations of 2,500 or less. However, all serve many townships and cities with populations much less than 2,500. In each community we serve, we are privileged to provide funding and volunteer hours to support the health and vitality of each community.

In addition, we provide access to credit that is essential for the purchase of homes, micro-business financing and, significantly, farm operations. I am writing in support of SB 259 because it will help enhance the affordability of credit for our business and consumer customers.

We recently encountered a situation with a farm customer looking for financing to expand their operation. Although we provided a very competitive proposal, Farm Credit Services (FCS) was selected to provide the funding solely because of the interest rate on the loans. Stated simply, FCS's tax-advantaged status allowed them to offer a lower rate than we can afford. FCS offers products that mirror the products we provide (even accounts that look/feel/act like checking accounts but are actually lines of credit) yet they are provided tax-advantaged status.

The prosperity of business – whether it be farmers, ranchers or small- or micro-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 considers SB 259, they consider it favorably for passage.

Sincerely,



Greg Saville, CEO

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