

Forum: Community banks are safe

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SPRINGFIELD —

Re. Sept. 27 Spotlight letter by Mark Spenny, "Choose wisely when investing money":

CEFCU's president unfairly and self-servingly implies that banks are in trouble and only credit unions can make loans today. That is a complete falsehood.

There are scores of community banks throughout the Peoria area and Illinois that lend money to individuals and businesses every day. They did not cause the current subprime mortgage meltdown. They are well-capitalized, efficiently managed community banks dedicated to serving the financial needs of their respective markets. Many have been in existence for more than 100 years, operating safely and soundly through numerous periods of economic uncertainty.

While many large financial institutions have suffered losses in their mortgage-backed securities, CEFCU's president didn't mention that the large corporate credit unions also have huge portfolios of underwater mortgage-backed securities that are restricting their ability to provide liquidity to the credit union system.

Now is the best time for consumers and small businesses to deposit their money in conservatively managed community banks. The local community banker will make certain deposits are fully protected.

Giant credit unions such as CEFCU operate like banks but have never paid a dime of taxes on their profits. Community banks have always paid their fair share of local, state and federal income taxes as good corporate citizens.

Given the budget deficits confronting our state and nation, perhaps it's time for the Legislature and Congress to require these giant credit unions to get off the gravy train and start paying income taxes.

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