



*One Mission. Community Banks.®*

## Meeting with Federal Reserve Bank of Chicago President Charlie Evans

CBAI member and ICBA leadership banker Greg Ohlendorf (President and CEO, First Community Bank and Trust in Beecher) and CBAI's David Schroeder (Senior Vice President, Federal Governmental Relations) met with senior staff from the Federal Reserve Bank of Chicago including: Charlie Evans (President and CEO), Julie Williams (Executive Vice President Supervision and Regulation), and Richard Brunskill (Vice President Community Banking Organizations). CBAI meets periodically with the Federal Reserve to discuss important issues for Illinois community banks.



*Pictured left to right: David Schroeder (CBAI Senior Vice President, Federal Governmental Relations) Julie Williams (Fed Executive Vice President Supervision and Regulation) Charlie Evans (Fed President and CEO), Greg Ohlendorf (President and CEO – First Community Bank and Trust in Beecher), and Richard Brunskill (Fed Vice President Community Banking Organizations)*

Schroeder and Ohlendorf thanked the Federal Reserve for its recent commitment to implement a real-time payments system. This critical important decision prevents The Clearing House, which is owned and controlled by the nation's largest banks, from capturing a monopoly on faster payments. This undertaking by the Fed will increase competition, reduce concentration and other risks and encourage innovation. The Fed's involvement in faster payments ensures fair and equitable access for all community banks regardless of their size, charter type or location, which will benefit their customers and communities. CBAI looks forward to working with the Fed to swiftly implement their FedNow Service.

Ohlendorf provided an update on the electronic delivery of loan files to facilitate their off-site review during an examination. This multi-year initiative is approaching implementation and Ohlendorf recommended the Fed's program includes the ability for other users of this

information (e.g., all of the regulators, independent loan review, CPA firms and loan participants) to have access so that community banks need only deliver this information once and not multiple times to multiple users.

Schroeder discussed the issue of tax-exempt credit unions acquiring tax paying community banks. These acquisitions are only the latest example of credit unions straying from their founding mission of serving people of modest means and with a common bond. Ohlendorf highlighted credit union predatory lending practices and how a *Federal Financial Analytics* report concluded that credit unions are increasingly serving middle- and upper-income households, and also benefit from less stringent safety and soundness regulations.

Schroeder also commented on the modernization of the CRA. He highlighted the importance of safety and soundness in complying with the CRA and how the high percentage of good examination results is an affirmation of how successfully community banks serve their communities. Ohlendorf emphasized how credit unions and other financial service providers are not (but should be) subject to the CRA. Schroeder offered several recommendations for additional CRA credit which included: increasing the loan and revenue thresholds for small business lending from \$1 million to \$5 million, and giving credit for 1) membership and 2) all activity with a community bank's Federal Home Loan Bank.

Ohlendorf and Schroeder thanked the Fed for this opportunity to discuss community bank issues.

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