



*Revised in OCP#  
1-27-10.  
LEC*

**Consumers National Bank**  
INDEPENDENT COMMUNITY BANKING

January 21, 2010

Senator George Voinovich  
524 Hart Senate Office Building  
Washington, DC 20510

Office of the Board- 1/26/10	
Assign to:	
<del>Strom</del>	
Copy to:	CRP
Strom	
McBeth	
Hoffman	

Dear Senator Voinovich:

I am writing to you today as President and CEO of Consumers National Bank, a \$250 million community bank based in Minerva Ohio. As the leader of a tax paying institution that has, and continues to provide banking services to farmers, small businesses and individuals throughout Stark, Columbiana and Carroll counties, I am concerned about the "Rural Community Investments" expansion proposed by the Farm Credit Administration.

The proposal would permit **tax exempt** lenders to extend practically any credit to businesses in virtually any rural community and permit the Farm Credit System (FCS) to make general business loans by negotiating the credits as private bonds. By calling these credits investments instead of loans, the FCS can get around lending constraints in the Farm Credit Act. FCS lenders would be able to finance nonfarm commercial businesses and residential mortgages, community facilities and other projects in any community of up to 50,000 people. Some Farm Credit System lenders already offer 30 year fixed rate financing for light manufacturing - nonagricultural businesses, housing, multifamily residential, assisted living facilities, dental practices, etc. Taxpaying community banks (Consumers Bancorp, Inc. paid \$725,000 in federal taxes last year) are currently providing access to this credit.

This is the customer base of nearly every community bank in Ohio and across the country. Similar to the proposed expansion of commercial lending limits for **tax exempt** credit unions (HR 3380), this proposal is anti-competitive and will reduce the availability of credit and all banking services in rural areas and small towns as community banks (the institutions lending in the communities) are forced to leave the market because they cannot compete with tax-free pricing.

The Farm Credit Administration is expected to finalize the new "rule" in May. I ask that your office provide opposition to this unnecessary and harmful expansion of authority. Thank you for your time in considering this matter. Please feel free to contact me at 330-868-9035 with any questions about the impact community banks have in the markets we serve.

Respectfully,

Ralph J. Lober, II  
President & CEO

cc: Senator Sherrod Brown

Congressman John Boccieri

Congressman Zack Space

Congressman Charlie Wilson

**Leland Strom, Chairman & CEO, Farm Credit Administration**

Camden Fine, President & CEO, Independent Community Bankers of America

Robert Palmer, President & CEO, Community Bankers Association of Ohio