



# Mutual Alert

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**AMB meets with Senate Banking Committee  
Ranking Minority Member Senator Sherrod Brown;  
Federal Charter National Bank Powers Election Bill  
Reintroduced; No indication that the MCC Bill will  
be revived anytime soon**

AMB Washington representative Doug Faucette attended a small dinner meeting with Senator Sherrod Brown (D. Ohio) where he discussed with the Senator the need for expanded capital access for mutual banks. He explained the disparate impact the limited access to capital is having on Ohio communities and small businesses as sources of lending decline. The Senator was very interested in the impact that regulation of community banks and holding companies is having on the locale economy. He indicated he thought he and Senator Crapo (R. ID.) (as ranking minority as Chairman) work well together on the Banking Committee but that priorities

such as health care and tax reform would take precedence over any major banking legislation. One had the impression that if the Republicans become bogged down with these two measures, it will be some time before regulatory relief for banks and particularly mutual banks can move through the Senate.

Meanwhile, Senators Heidi Heitkamp (D-N.D.) and Jerry Moran (R-Kan.) Representatives. Keith Rothfus (R-Pa.) and Jim Himes (D-Conn.) introduced a Bill, H.R. 1426, to eliminate the "thrift" investment powers limitation for Federal savings institutions by providing a national bank powers election. The Bill has not yet been released so analysis of its language will have to await the weekend. However, it appears that it is very similar to the Bill Congressman Rothfus introduced last Congress to allow federal institutions to elect national bank powers. There is no indication as of yet that Congressman Rothfus or the other backers of the Bill will reintroduce the mutual capital certificate bill which appears to have lost momentum. The charter flexibility bill introduced in the last Congress by Congressman Rothfus would give mutual banks a path to national bank powers without the necessity of forming a MHC or doing a full conversion and converting to a national bank. The OCC opposed authorization of a mutual national bank which would have been a less confining alternative. While this measure, if it becomes law, will benefit federal savings institutions, its chief beneficiaries are some of the largest grandfathered savings and loan holding companies whose stock subsidiaries will be able to exercise the expanded commercial banking powers without causing the loss of their status as grandfathered S&L holding companies. We will keep you informed as we learn more. We continue to call for more capital flexibility for mutual banks as expanded investment powers will bring more risk which requires more capital. The two concepts: expanded powers and expanded access to capital should go hand in glove.