Independent Banker

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From the Top by Preston Kennedy

[pull quote]“In my 41 years as a community banker, this is the first time that the pendulum has swung in our favor.”

**“It is not the critic who counts …** The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly …”

This piece of wisdom, so eloquently articulated by Theodore Roosevelt and popularized by Brené Brown, speaks to our experiences as community bankers over the past decade. Swept up as collateral damage in a financial crisis we didn’t create, we found ourselves uncertain of our next steps and how to continue offering loans with all the regulatory requirements we faced. We weren’t sure how to stay in the arena.

As community bankers, our priority is to serve our customers to the best of our ability. So, we forged ahead cautiously and did what was best for them, even with increased costs. At my bank, paperwork burdens increased tremendously, and we needed more back-office personnel to meet new regulatory requirements. Our training budget also soared to ensure we had the right skill sets for new compliance procedures and workflows. It was a struggle for us—and for other community banks—to work through this onerous process, but we weren’t willing to stop fighting.

While we continue our battle today, new legislative changes offer some light at the end of the tunnel. For example, the passage of the Economic Growth, Regulatory Relief and Consumer Protection Act (S.2155) last year provided some respite. For one, it saved us from having to capture 25 additional data points in Home Mortgage Disclosure Act (HMDA) reporting.

Then, when we look at recent SBA loan legislation, there’s further evidence of a regulatory breather. For those banks that offer these loans, a 2018 law has helped stabilize the SBA 7(a) loan program with a higher cap on funding limits. This makes them a more viable option for those of us who are in the SBA game.

In my 41 years as a community banker, this is the first time that the pendulum has swung in our favor. Everything up until now feels as though it’s been more regulation, controls and procedures, but with this new legislation, the relentless forward motion has ceased. We’ve stopped the momentum of crushing burden, and we can shift our focus to hiring more customer-facing staff to enable us to increase our loan portfolio and expand our presence in the market.

For me, this progress culminates in one crucial call to action—if you’ve benched yourselves or have been holding back, it’s time to reenter the lending arena.

**My Top Three**

These baseball legends were in the arena every game, and they make up my favorite players of all time:

1. Harmon Killebrew, Minnesota Twins

2. Rusty Staub, Houston Colt .45s

3. Gus Triandos, Baltimore Orioles