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National Bank Of Commerce



Altus 1891-1991

October 29, 1991

NOV 01 1991

Representative Mickey Edwards
2330 Rayburn Bldg.
Washington, D.C. 20515

FAX # (202) 226-1193

Dear Mickey:

DOC# 3080
AIDE DA
CATS: 29 REC# 13740
PARA:
COMMENTS:

It is my understanding that the house could vote as early as Tuesday on House Bill 6 which has been referred to as the Banking Reform Bill. It is difficult to believe after all these months of diligent efforts on a lot of our parts that nothing seems to be coming of this bill except for additional restrictive legislation and regulation on banks. I would like to encourage you to vote for recapitalizing the bank insurance fund. As you know, we are not asking for taxpayer money but for a loan from the treasury that will be paid back from the banks FDIC assessments. It is my hope, as well as yours, that the banks will be able to handle this liquidity problem within their insurance fund without any help from taxpayers.

Let me encourage you to continue to vote Yes on "Too Big to Fail". As you are well aware, there is not a bank in Oklahoma that is "too big to fail" as has been proven with the failure of First National Bank of Oklahoma City. Banks in Oklahoma, as well as most of rural America, are in a position of being non-competitive with the extremely large banks that investors perceive to be "too big to fail".

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Let me also encourage you to maintain our current deposit coverage issues although there is some argument of lowering the liability of the FDIC insurance. It is my opinion, that this is not the time to address that particular aspect of FDIC. I understand that an amendment by Gonzales and Wylie limiting the insurance coverage on multiple accounts after 1995 will be brought before the house. Again, this particular aspect of FDIC coverage has not been the problem and will not be in the future. The small banks in Oklahoma, as well as throughout the United States, will be put at an extreme disadvantaged position if this amendment is passed.

Let me also encourage you to vote against the Product and Service Title (also known as Title 4) being pushed by Gonzales and Dingle. This Title will not help Oklahoma banks in any way and in fact could hurt them by taking away some of the current insurance powers that they have now.

In addition, I want to encourage you to vote against any amendment initiated by Representative Joe Kennedy. It seems that his basic banking amendment will not go before the house, but if it does, personally I am violently opposed to this amendment. Our bank has a branch on the Air Force base here and we offer absolutely free government check cashing to customers and non-customers. If we are forced to comply with burdensome federal regulations, then our bank would be forced to apply the maximum allowable fees to cash government checks. It is my belief that most of the banks in Oklahoma serve their community extremely well by offering basic banking products that allow people with limited income and limited access to banking services a vehicle whereby we not only protect their money but provide them a means of safely making payments. As I am sure you will remember, the majority of the banks in Oklahoma, in fact as a vote taken by the Oklahoma Bankers Association, are opposed to unrestricted interstate banking and interstate branching. We still believe that state control is essential and anything that is done to take away the States rights and the powers of the state can not be beneficial and worthwhile to Oklahoma.

You probably are also listening to a lot of the noise made by Representative Joe Kennedy about credit discrimination. This "noise" is based on incomplete HMDA studies. Representative Kennedy is showing his total ignorance of what true business is about and especially his misunderstanding of what small banks are about. It is my understanding that he would ask banks with assets over ten million dollars to be required to include testers or people that would test the discrimination practices of banks.


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If he only realized what a truly small business a ten million dollar bank is, then he would have a better understanding of how they truly serve their community to the best of their ability. They have limited resources to comply with all of the banking laws and regulations that we are already subject to like Equal Credit Opportunity Act, HMDA and CRA. In our little bank in Altus, Oklahoma we were blessed with five full fledged commissioned examiners for five weeks doing a Compliance Examine with emphasis on Community Reinvestment Act. It is inconceivable how a small bank in Altus, Oklahoma can not comply with CRA in a town with only one zip code.

I plan on being in Washington in the early days of November and I look forward to seeing you on November 4, 1991 to further discuss the banking bill.

Sincerely,


C. Kendrick Fergeson
Chairman

CKF:ld

*Mickey
Thanks for your efforts
in contributing to look for
ways to help Oklahoma*

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