

Tucson bank president named to FDIC committee on community banking

By Joe Pangburn
Inside Tucson Business

John P. Lewis, president and CEO of the Southern Arizona Community Bank, is taking community banking concerns to the Federal Deposit and Insurance Corporation.

banks around the nation and the local communities they serve.

"As a banker, this is definitely on my bucket list," Lewis said. "With 43 years in banking, I hope I can bring some common sense to the table."

Lewis said he has sent an e-mail to members of the Arizona Banking Association to ask for feedback of their concerns they would like to see brought up to the FDIC.

One hot button issue is how banks will deal with restructuring troubled debts of a business customer. There are regulations restricting what a bank can do regarding a customer who might be in deeper financial trouble than the bank knows about.

Another issue is the proposed consumer protection act, which Lewis said would add an unnecessary additional layer of bureaucracy on to banks, which he says are already heavily regulated with what they have to disclose to borrowers.

Lewis said other bankers raised issues he had not thought of.

"They have compliance issues, accounting practices they want to see changed and how specific items are treated on financial statements," Lewis said.

He hopes to bring these issues to the table, but he said the first meeting this week will deal with numerous items that the FDIC is putting on the table, including policies and procedures, lending practices, an assessment to replenish FDIC insurance, regulatory compliance and specific obstacles facing community banks that hinder them from growing.

Lewis said he also wants to hear feedback from the FDIC.

"If we as community banks can help make their lives a little easier by fixing something we continually do wrong, we want to address it,"

he said.

There are nearly 8,000 community banks, according to the Independent Community Bankers of America. Assets range from the less than \$10 million to a few billion dollars. Community banks constitute 96 percent of all banks.

"The financial crisis has had a significant impact on community banks," said FDIC Chairman Sheila Bair in a press release. "These banks are essential to the fabric of our country's financial system through their support of business lending and service to the needs of local economies. I look forward to working with the Advisory Committee members on this important endeavor to get valuable contributions and viewpoints to help community banks—large and small—to continue to weather the challenging business environment."

Lewis' trip this week to Washington is his first time back to the nation's capital since he was president of the local chapter of the American Institute of Banking 30 years ago.

"I'm very excited to go back and speak on behalf of the community banks in Arizona," he said. "It is going

to be a wonderful opportunity to sit down and have the ear of the FDIC about our concerns."

Lewis' appointment is for two years and the committee is scheduled to meet twice a year.

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Biz Facts

What is a community bank?

The Federal Deposit Insurance Corp. generally considers a community bank to be one with assets of about \$1 billion or less, though some have assets exceeding \$2 billion. Most have smaller assets, some with less than \$10 million, with an average of \$180 million. Community banks distinguish themselves by focusing on their local communities.

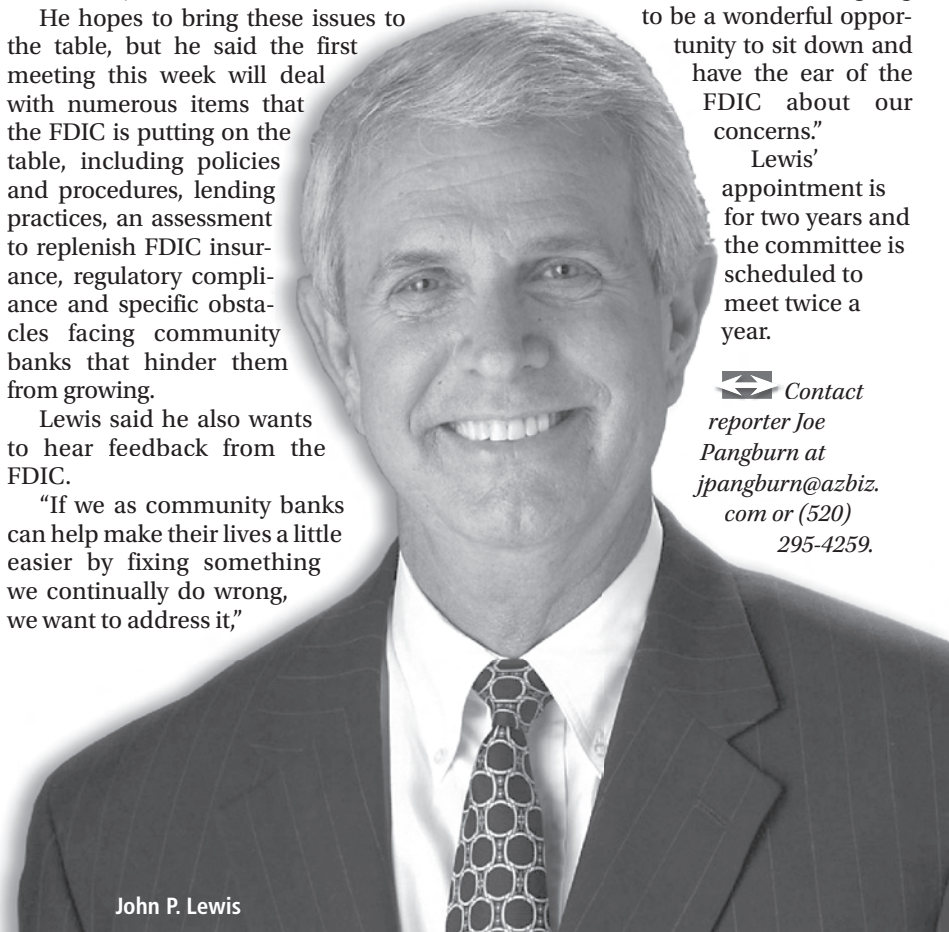
These are some attributes of community banks:

- 35 percent of the total dollar amount of loans to small businesses under \$1 million dollars.
- Boards of directors are made up of local citizens who want to advance the interests of the cities and towns in which they live.
- Most community bank loans are made to benefit neighborhoods where depositors live and work.
- Despite the financial crisis, 98 community banks were chartered in 2008.

Sources: SBA Office of Advocacy, FDIC

Lewis was elected as one of 14 members from around the country to sit on the FDIC's Advisory Committee on Community Banking which will hold its first meeting Thursday (Oct. 15) in Washington D.C. Lewis is the only representative from Arizona.

According to the FDIC, the Advisory Committee will provide the the agency with advice and recommendations on a broad range of policy issues that have particular impact on smaller community



John P. Lewis

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