



CBAI Meets with New Chicago Federal Reserve President and CEO, Austan Goolsbee

On May 29, 2024, Greg Ohlendorf, president and CEO of First Community Bank and Trust in Beecher and chairman of the ICBA's ThinkTECH Selection and Advisory Committee, and CBAI SVP Federal Governmental Relations David Schroeder, met with the new Chicago Federal Reserve Bank President and CEO Austan Goolsbee. Also attending the meeting were the Fed's SVP of Supervision and Regulation Patrick Wilder and VP of Supervision and Regulation Christopher Koopmans. This annual meeting with the Chicago Federal Reserve is an opportunity to inform the most senior Chicago Fed staff about community banks' issues, concerns and opportunities.



Pictured left to right: Greg Ohlendorf (CBAI/ICBA community banker), Austan Goolsbee (Chicago Federal Reserve president and CEO), and David Schroeder (CBAI SVP)

Fed President Goolsbee was thoroughly engaged as Ohlendorf and Schroeder discussed regulatory overreach and how the cumulative effect of the new CRA, small business data collection (Section 1071), consumer access to financial records (Section 1033), and the oppressive and unreasonably regulatory burden placed on community banks by transferring the responsibility of collecting beneficial ownership information to FinCEN.

The unlevel playing field between banks, credit unions and Farm Credit was also discussed. In addition, the unfortunate maligning of banks by the CFPB in characterizing fully disclosed and customer-accepted fees and service charges as “junk fees” was addressed.

Check fraud was highlighted as a major concern for community banks. CBAI members have identified that the root of this problem is the fact that the largest banks and credit unions lack sufficient know-your-customer practices to prevent the opening of fraudulent accounts. CBAI's March 28, 2024, letter to the prudential regulators highlighted the results of the member check fraud survey and their most recent recommendations which were provided as additional information about this pernicious problem.

The state of the industry and consolidation was of particular interest to President Goolsbee. Ohlendorf spoke of how the U.S. differs from other countries and how one in five of our nation's counties is only represented by a community bank. As a result, the importance of community banks to communities and small businesses cannot be overstated and will go far in ensuring their continued relevance and survival. Schroeder spoke about the need for newly chartered banks to counterbalance banking industry consolidation. This lack of de novo banks needs to be addressed by the FDIC, but unfortunately, insufficient progress has been made on that front for well over a decade.

CBAI appreciates this annual opportunity to meet with the Chicago Federal Reserve and looks forward to continuing this tradition.

Community Bankers Association of Illinois (CBAI)

901 Community Drive | Springfield, Illinois 62703 ● www.cbai.com ● P: 217.529.2265 | F: 217.529.9484