Meeting Notes – Oct. 12, 2021

The LaFayette Rotary Club met on Tuesday, October12. Rotarian Philip Gipson was responsible for the program and invited fellow Rotarian and President of Farmers and Merchants Bank, Stanley Tucker, as his speaker. Stanley began by sharing some facts about community banks. There are nearly 50,000 community banks in our country and they comprise 99% of all banks. Community banks employ some 700,000 people. In one out of three counties in America, they are the only physical bank presence. He also shared information regarding some proposed legislation affecting the banking industry and US citizens. One of the more concerning proposals has the IRS reviewing every bank account with a balance above $600.00, or with more than $600.00 in transactions during the year. The reported purpose is to catch wealthy tax dodgers. There are also privacy concerns associated with this proposal.

Another topic of discussion was President Biden’s nomination of Saule Omarova to head the Office of Comptroller of the Currency who is believed to want to federalize the banking system. In an upcoming article in the Vanderbilt Law Review she espouses central bank accounts fully replacing private bank accounts. Stanley mentioned other proposed legislation that would penalize banks from doing business with fossil fuel/oil companies. He also discussed the impact of Alabama Credit Unions and how their tax exempt status affects Alabama financially. Stanley shared with us a chart reflecting the time period of 1984-2020 showing the number of new bank charters (down from 391 to 7), total US banks (down from 14,261 to 4,377) and total US branches (up from 43,194 to 74,924).

Diane Sherriff