



Date: February 17, 2021

**To: House Committee on Financial Institutions and Rural Revitalization
Representative Jim Kelly, Chairman**

**From: Alex Orel, Senior Vice President - Government Relations
Kansas Bankers Association**

Re: Support for HB 2282—Enacting the Kansas Agricultural Loan Guarantee Program

Dear Chairman Kelly and Members of the Committee:

I am Alex Orel appearing on behalf of the Kansas Bankers Association (KBA), organized in 1887 and whose membership includes 98% of the 220 banks and savings & loans headquartered in Kansas. Our membership also includes 19 out-of-state commercial banks operating in Kansas. The Kansas banking industry employs more than 22,000 Kansans that provide financial services in every county across the state. Our organizational mission statement is:

"Together, we support our member banks and bankers with leadership, advocacy, and education to benefit the communities and customers they serve."

Thank you for the opportunity to present testimony today to support HB 2282, which would provide for an agricultural loan guarantee program for the financing of a proposed or current farming operation.

We view this bill as a useful tool as it would allow a bank to provide loans to a farming operation for the working capital of a proposed or current operation or any agriculture-related business purpose, including the purchase of real estate pursuant to an eligible borrower's agricultural loan guarantee plan approved by the State Treasurer. The state's guarantee could be up to 80% of the value of the loan.

The State Treasurer's office would administer the program. We support that provision as we have had several successful working relationships with the State Treasurer's office concerning other types of loan programs.

As stated above, our mission at the KBA is to support the banking industry to benefit the communities and customers they serve. Many Kansas bankers are seeking ways to promote their local communities and keep agriculture thriving there. We support HB 2282 as one means of accomplishing that mission.