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ABA, ACB Announce Merger Plans

The American Bankers Association (ABA) and America's Community Bankers (ACB) have announced merger plans. The boards of the two associations plan to finalize the alliance by the fourth quarter of the year.

The new trade association, called the American Bankers Association, retains Ed Yingling as president and chief executive officer. Diane Casey-Landry, current president and chief executive of America's Community Bankers, becomes executive vice president and chief operating officer of the new organization.

MBA Leads the Way to a Tax Victory for the Industry

The Financial Industry Tax (FIT) passed both the House and Senate last night and is on its way to the governor's desk for her signature. The MBA led the industry with a single and united voice and as a result performed exceedingly well.

The MBA was successful by any measure comparing what was offered and what was enacted as it applies to our industry. With the strength of good data from a solid cross section of the entire industry, an extremely skilled and dedicated team of tax professionals representing all banks, a very skilled legislative team, and top-flight industry communications and grassroots contacts, the MBA crafted a

ABA Chairman Earl McVicker and ACB Chairman Mark Macomber agreed the merger would benefit all members. "Our services to our members will combine the best of what we both offer and be better than what either one of us could achieve independently," said the chairmen in a letter to bankers.

No dues increases are expected as a result of the merger and in fact banks can expect to pay less under the new structure. In addition the alliance affords the industry a strong single voice on issues.

bank-specific tax model and negotiated every detail and application. The united voice of the banking industry was at the table at all sensitive negotiations and our voice was clear and effective

The FIT is based on capital less municipals and taxed at a rate of 0.235 percent. Again, compared to every other option available, this is a huge victory for our industry. More detailed summaries of the legislation will follow soon and the MBA is currently scheduling of member seminars on the new FIT for the fall.

Wal-Mart to Launch Prepaid Money Card and Money Centers

Wal-Mart Stores Inc. is launching a prepaid Visa card called the Wal-Mart Money Card to be marketed to customers who do not have access to a bank account. The card, which will be introduced in partnership with GE Money, a unit of General Electric Co., will expand Wal-Mart's low-income financial services that include low-cost check-cashing and money-transfer services. Wal-Mart also plans on installing money centers that offer check cashing, bill paying and money order services in more than 1,000 stores.

Community Bank Tax Relief Poised for Enactment

The House and Senate recently passed a compromise military spending bill (H.R. 2206) that includes several ABA-backed provisions easing restrictions on Subchapter S institutions. The legislation includes language that would exclude capital gains from passive investment income, improve the treatment of bank director shares, allow the recapture of bad debt reserves, reform the disposition of an interest in a qualified Subchapter S subsidiary, eliminate the earnings and profits attributable to pre-1983 years and expand qualifying beneficiaries of an electing small-business trust.

Grassroots News

Midwest De Novo Bank Conference Scheduled for August

Organizing a new bank can be a formidable experience especially without initial access to the experts on all stages of the process. The Midwest De Novo Bank Conference, August 21-22 at the Hyatt Regency in Rosemont, Ill., brings together experts to address all aspects of organizing and operating a de novo bank.

Attendees will learn what de novos need to know to survive, how to form a de novo bank, capital raising strategies, expansion strategies, Subchapter S capital structure and compensation strategies and concerns. Click [here](#) for the brochure.

Oppose the Credit Union Small Business Lending Act of 2007

Credit Unions are seeking to increase their business lending authority through a new bill introduced in the U.S. House of Representatives. If passed, this bill will further increase unfair competition from tax-exempt credit unions. Click [here](#) to oppose this legislation.

Bankers Needed to Attend Fundraisers

The MBA is looking for bankers interested in attending any of the following MiBankPAC supported political fundraisers. Events include golf or shooting, and all registration fees will be covered by MiBankPAC. Contact Jordan Kingdon at jkingdon@mibankers.com if interested in participating in any of the following fundraiser events:

July 9: Picnic at the Tridge - Midland, Congressman Dave Camp
July 23: Third Annual Gold Outing - Grand Rapids, Sen. Bill Hardiman
July 30: Summer Golf Outing Sanctuary Lake Golf Course - Troy, Sen. John Pappageorge
August 4: Sixth Annual Golf Outing Fieldstone Golf Club - Auburn Hills, Rep. Tim Melton

Payroll Deduction Format Earns Banks 2007 MiBankPAC Greatest Increase Award

Monroe Bank & Trust and Honor State Bank participated in the new MiBankPAC payroll deduction. Both member banks had large increases in their total dollars raised from eligible employees in 2007 and as a result received the MiBankPAC Greatest Increase award for their group in 2007. Thank you to Doug Chaffin and Art Jeannot for making this contribution method available in their banks.

Bankers Needed for Grassroots Meeting With Congressman Dave Camp

The MBA has organized a meeting with Congressman Dave Camp on Monday, July 23 at noon in his Midland district office. Issues for discussion include ILC loophole legislation, competition from credit unions and predatory lending. To date, Congressman Camp has not signed onto the Credit Union Regulatory Improvement Act of 2007 (CURIA). He was a 2006 co-sponsor of this legislation. The meeting will last approximately one hour. Contact Jordan Kingdon at jkingdon@mibankers.com if interested in participating.

Bankers Meet With Congressman Dale Kildee in Flint



Don Grill, Fentura Financial; Dennis Leyder, Tom Bertschy and Dave Hendry, The State Bank; Ron Justice, Davison State Bank; Rachelle Kippe, Judy Relf, Chris Carr and Tom Goodrow, Citizens Bank attended an MBA grassroots meeting on May 30 with Congressman Dale Kildee at his district office in downtown Flint.