



January 20, 2020

Mr. Chairman and members of the committee, thank you for the opportunity to speak before you regarding Senate Bill 259.

My name is Kevin Wilmoth, and I am the President of Skyward Credit Union in Wichita, formerly known as Cessna Employees Credit Union. Our credit union started in the HR department of Cessna Aircraft in 1941, as a benefit to the employees, by providing savers a place to put their money, and borrowers a place to borrow, at reasonable rates, when they had a financial need. Today, we serve employees, retirees, and family members of Textron Aviation. I am a life-long Kansan, growing up in Southeast Kansas, graduating from Pittsburg State University, and starting my financial career over 30 years ago in a community bank in my hometown. In my career, I have worked for two Kansas community banks, a national brokerage firm, Bank of America, and Skyward Credit Union. This provides me a unique understanding of the argument from multiple points of view.

After the interim committee in October made no recommendation to move forward on similar legislation, the media reported that this Senate committee would further investigate whether or not the playing field was level. Senate Bill 259 may be the Kansas Bankers Association's proposed solution to a perceived problem, but it does not "level the playing field."

Why do credit unions oppose this legislation? I do not fault a bank for taking steps to reduce their tax liability using current rules that are in place. An example is the significant number of Kansas community banks that are set up using the Sub Chapter S structure to reduce tax liabilities. However, the result of this proposed legislation will give banks some of the benefits credit unions have as member-owned financial cooperatives, without the restrictions that credit unions face.

Skyward Credit Union, along with some other Wichita credit unions, serve the aviation community, which is entering some hard times. Textron Aviation has reduced the workforce by over 600 employees recently and Spirit has announced plans to lay off 2,800 employees over the next few weeks. We will be shifting our focus to helping our members keep their cars and stay in their homes. In 2009, Textron laid off 9,500 employees out of 15,000 total employees. We went from making home and auto loans to doing loan workouts. During that time not a single one of our members lost their home due to us foreclosing. We helped our members manage through it.

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Aim higher.

I would like to close with this. I have learned through the years that if you want to know what is driving a particular action, you need to follow the money. If this legislation is passed, who will benefit? Will the banks actually pass along the savings to their customers by lowering their rates and starting to lend in small communities that they were not loaning in before? Or, will the bank put more money in the owner's pockets? That's up for speculation.

Skyward Credit Union puts the money back in our owner's pockets. We had a very strong year financially in 2019, and we paid a \$600,000 bonus dividend to all 17,000 of our members. On an individual basis that ranged from a few dollars to over \$4,700. This was our 8<sup>th</sup> consecutive year of paying a bonus dividend to our members, on top of our already top of the market savings rates.

If the primary goal of this legislation is to "level the playing field" there is a solution that requires no new legislation. Banks have the option to convert to a credit union and enjoy all the benefits that we have today, while taking on the restrictions imposed on us by regulation. This is why I am asking the committee to oppose Senate Bill 259.

Kevin Wilmoth, President  
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