

Community Banks



Mick Guttau spoke to the Treynor Optimist Club on November 10. When Mick first started working at the bank, he went from flying Cobra helicopters in the military to sitting in a bank with no windows that open. He decided he didn't care for the lack of extreme stimulus, so he decided to find another job. Instead he was convinced to buy the bank. Mick bought the TS Bank in 1978 at the age of 31. His parents mortgaged their farm to help him buy it. At age 40 he built the new bank building.

Mick said that there are about 7000 banks in the United States. In 1991 there were 8000-9000. There are also

about 20 money center banks that hold about 80% of bank assets. Money center banks include such banks as bank of America, Wells Fargo, and US Bank. Canada has only four banks.

The Federal Deposit Insurance Corporation (FDIC) insures deposits up to \$250,000. Small banks were paying a larger share of the FDIC funds until the financial crisis because some banks were considered too big to fail. Now all banks pay into the FDIC based on their asset size.

TS Bank has been the #1 bank in Iowa the past three years. In 2009 it was the #1 bank in the nation. They have the right to do banking in 26 states. They have 70 employees.

There are 12 Federal Home Loan Banks (FHLBs) created by an act of Congress under President Hoover. The purpose of the FHLBs is to be a strong and reliable source of funds for local lenders to finance housing, jobs, and economic growth. They provide long term loans. They originally could only loan to Savings and Loans. After the Savings and Loans went broke in 1989, the FHLBs were allowed to loan to banks. There are also 12 Federal Reserve Banks. They provide short term lending.