



October 1, 2013

To The Editor  
Consumer Reports Magazine  
101 Truman Avenue  
Yonkers, NY 10703

Dear Editor:

The "Money" column in your November 2013 issue, entitled *Dump Your Big Bank and Save*, urged consumers to consider using "credit unions, regional banks, virtual banks and prepaid cards" as four alternatives to using large banks. To our surprise, the column made no mention whatsoever of the approximately 7,000 community banks across the country. We certainly believe that our financial system offers consumers a myriad of choices, and that there is a role for each of the aforementioned types. However, we believe that community banks are also an important option – one that should not be overlooked.

In New York State, we have nearly 170 local independent community banks that are widely recognized for our performance, products and services, and for meeting the housing, small business and consumer needs of our customers and communities. Many have been doing so for more than two centuries, in towns, villages and cities all across the state.

Earlier this year, the New York State Department of Financial Services (DFS) released a comprehensive report on community banking in the state. The DFS oversees and regulates commercial banks, savings banks, credit unions and other financial institutions. Significantly, the report made clear that community banks continued to lend to homeowners, small businesses during the financial crisis, as larger banks pulled back.

The report also cited that community banks provide most of the loans for New York's small businesses and farms. Even though we have less than a quarter of all bank assets in the State, and compete against much larger institutions, we generate more than half of all small business loans and nearly all the small farm loans in the state. Community banks also traditionally hold on to, and service, the real estate loans we make, rather than merely originating them and then selling them to mortgage loan servicers.

In releasing its report, DFS Superintendent Benjamin Lawsky stated: "*Community banks focus on the unique needs of their communities. They build strong customer relationships which help attract local retail deposits. These banks take deposits from their communities and then typically recycle them back into their communities in the form of loans.*" New York Governor Andrew Cuomo added, "*Community banks represent a strong economic engine that drives growth in New York and their performance is remarkable. Small business is the engine of job growth and most small business loans come not from the big national banks, but from community banks.*"

By continuing to lend throughout the markets we know and understand so well, community banks remain committed to the future of our local consumers, small businesses and farmers. With locally based ownership and a commitment to our customers and neighborhoods, we are extremely close to the pulse of our communities. The fact is, in communities all across New York State and the country, we truly are the backbone and lifeblood of our communities.

Respectfully,



Frank J. Capaldo  
President & CEO