DENVER BUSINESS JOURNAL

It's an election year, but you couldn't really accuse U.S. Rep. Mike Coffman of playing politics with a small-business lending bill he's pushing in the Legislature.

The Aurora Republican has been trying to get at least part of the bill passed since 2010.

His goal has remained the same: to ease regulations on smaller banks so they can provide access to credit for small businesses.

This year, he's proposing the Small Business Lending for Jobs Act 2012. The latest version of the bill reintroduces a section that would allow community banks and credit unions to write down losses on commercial real estate loans and other real estate owned for a period of several years (up to seven), instead of all at once.

It would help banks cope with the high amount of losses on commercial real estate loans they've been experiencing and will continue to deal with for the next few years.

This idea of forbearance on loans, which was done in the 1980s for farm lenders as they dealt with losses on farm loans, has met resistance from regulators and even some bankers, who think it would just stretch out the bad-loan problem.

Coffman's 2012 version of the bill, however, also introduces a section meant to ensure that the mission of federal bank regulatory agencies, such as the Federal Reserve and the Federal Deposit Insurance Corp. , is to balance bank safety and soundness with credit availability.

“I want to move it [regulation] back to the middle,” Coffman said in an interview.

“This is incentivizing regulators to work with banks.”

A former Marine and veteran of both wars in Iraq, Coffman believes bank regulators, in the aftermath of the financial crisis, have moved to what’s known in the military as a “zero-defects mentality,” where standards are so rigid that officials believe it’s better to be punitive than give struggling banks the benefit of the doubt.

“They’re over-reaching. It’s human nature,” he said. “But the manner in which they’re looking at it won’t help banks survive.”

Smaller community banks have been hit by increasing costs for regulatory compliance and constraints on the types of loans they can have in their portfolio, Coffman said. That has hurt banks’ ability to lend to small businesses.

“Since 2009, I’ve had a lot of small businesses coming to me and saying their lines of credit are getting cut off,” he said. “The current regulatory environment is hurting job creation in this country.”

Although the revised version of the small bank-lending bill likely will meet resistance again this year, most community bankers appreciate the efforts by Coffman and other legislators to ease

the regulatory burdens on banks with under $10 billion in assets, said Barbara Walker, executive director of the Independent Bankers of Colorado.

“It’s the hot topic du jour,” Walker said. “Our national association of community bankers supports it, and knock on wood, I think the regulators are hearing it more.”

David Brown, president of the Southeast Denver branch of Denver-based Centennial Bank, said Coffman understood the lending problem early and got to the cause of it quickly.

“Small-business owners have been deeply hurt by this recession,” Brown said. “At the end of the day, local community banks are the source of capital for these businesses almost exclusively.”

Coffman hopes to work again with U.S. Rep. Ed Perlmutter, a Democrat from Golden, to get the bill passed. Coffman and Perlmutter introduced similar bills in 2010 and 2011, although neither passed.

Coffman — who is up for re-election in November in Colorado’s Sixth District, which became more competitive after congressional districts were redrawn last fall — expects pushback on the bill, especially from bank regulators.

“The regulators will resist this,” he said. “They don’t like the notion of Congress dictating to regulatory agencies.”

Coffman said he’ll simultaneously introduce the bill on its own, as well as break the bill into two items and attach them to other bills.

“I hope we can get both parts through, but the first part on seven-year amortization has lost before,” he said. “But I think that members on both sides of the aisle are very concerned about access to credit for small businesses.”

Don Childears, president and CEO of the Colorado Bankers Association , said he thinks the bill will have a tough time passing again this session because of the “logjam” in Congress, but “steam is picking up on some of these issues.”

“Congress is starting to understand there is real substance to what they’re hearing from community bankers across the country, including here in Colorado, about the challenges they’re facing,” Childears said. “Results can be had without even passing the bill. It sends a signal from members of Congress to regulators that they’ve [regulators] gone too far.”

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Denver Business Journal
Friday, March 2, 2012