



**NEW MEXICO
BUSINESS COALITION**

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RE: Oppose SB 110 Public Banking Act

Mr./Madame Chair and Committee Members:

The New Mexico Business Coalition (NMBC) represents hundreds of businesses and thousands of New Mexicans. Our focus is to make New Mexico a better place to live and work, where we have an abundance of good-paying jobs to provide for our families.

NMBC respectfully opposes SB 110 Public Banking Act. New Mexico already has the quality banking services it needs. It would be unfair and unjustifiable to start a public bank and take business away from existing community banks that have been serving New Mexico for decades. Our community banks excel in being a quality community partner that meets the needs of small businesses and consumers. There are over 220 locations throughout the state, safely providing 60 percent of all small business loans and more than 80 percent of all agriculture loans.

One of the most important issues for providing safe loans is to have an established relationship with the consumer. Our community bankers are an integral part of the community where they are located; they know the needs of the community and the consumers who live there. A new public banking operation that lacks this knowledge and experience and is not a part of the various communities, will put at risk the resources of the taxpayers and the state.

Community banks have their own dollars at risk, not those of taxpayers. In addition, they are well-experienced and have a proven track record of providing for the needs of businesses and consumers in their respective communities. During the pandemic, our community banks provided the largest portion of New Mexico Paycheck Protection Program (PPP) small business loans totaling over \$1.2 billion in just under 9,500 loans.

Capitalizing a public bank will divert state revenues from more immediate needs. And when the state invests funds where they are not needed, it creates risk for the state which is ill-advised.

On behalf of hard-working New Mexicans and businesses, and for the reasons stated, NMBC opposes SB 110 Public Banking Act and urges you to say 'NO' to its passage.

Thank you for your consideration of my comments,

A handwritten signature in blue ink, appearing to read "Carla J. Sonntag".

Carla J. Sonntag
President/CEO