

January 25, 2012

Senate Bill 263

Statement to the Senate Financial Institutions and Insurance Committee

The Kansas Department of Credit Unions supports Senate Bill 263 amending K.S.A. 17-2208, 17-2210 and 17-2211 and repealing the existing sections.

Credit committees through the amendment to K.S.A. 17-2208 become optional through adoption of appropriate bylaw language. The amendment also provides credit unions through bylaw changes to provide for the election or appointment and suspension of committee members.

These changes update and modernize credit union statutes to reflect current practice. Today loans are approved by designated loan officers in most credit unions. The amendments provide the flexibility for credit unions through their bylaws to supervise the lending process through the credit committee, credit manager or loan officer. A credit union member who is denied a loan by the credit committee, credit manager or loan officer, may appeal the denial to the board of directors, if the bylaws of the credit union provide for such an appeal.

K.S.A. 17-2202 requires that no amendment to credit union bylaws become operative until approved by the Administrator.

John P. Smith
Administrator
Kansas Department of Credit Unions