



KANSAS CREDIT UNION ASSOCIATION

**To: Senate Financial Institutions & Insurance Committee**  
**From: Haley DaVee, Vice President of Governmental & Public Affairs**  
**Date: Tuesday, January 31**  
**Re: Senate Bill 287**

The Kansas Credit Union Association appreciates the opportunity to appear today in opposition to Senate Bill 287. It is our understanding that the intention of this legislation is to repeal sections of credit union statute that are outdated and no longer applicable. However, KCUA believes that SB 287 as drafted would remove sections of credit union statute that could negatively impact credit unions.

The two specific areas of concern are KSA 17-2204 and KSA 17-2227. KSA 17-2204 is the credit union powers section, which specifically enumerates the powers of Kansas chartered credit unions. Striking the language on page 2, lines 11-14, removes the authority of credit unions to provide excess share insurance on deposits over the federally insured amount (currently set by federal law at \$250,000).

We oppose removing this authority. To address this concern, KCUA requests that the Committee consider amending SB 287 to specifically allow credit unions to continue to utilize excess share insurance. Attached to my testimony is an amendment that would address this concern.

The second area of concern that we have is in KSA 17-2227(d). The removal of this language—which broadly states “private insurers”—could possibly be interpreted to include a wider variety of entities, including bonding companies who provide coverage for losses to credit unions. This language should remain in statute to ensure that the Kansas Department of Credit Unions has the flexibility that they need to work with insurers and bonding companies if and when it is necessary. We would request that the Committee amend SB 287 to keep this language in place.

In its current form, KCUA opposes SB 287 and we respectfully request that the Committee not pass the bill without the amendments that we have suggested.

Thank you again for the opportunity to comment today on SB 287. I would be happy to stand for questions at the appropriate time.