



March 7, 2012

To: Senate Financial Institutions and Insurance Committee

From: Doug Wareham, Kansas Bankers Association

Re: **Support for H.B. 2505**

Madam Chair and Members of the Committee:

I appreciate the opportunity to appear in support of House Bill 2505, which will ensure that state-chartered banks in Kansas can continue to engage in derivative transactions to the same extent as national-chartered banks.

One of the provisions contained in the federal Dodd/Frank Wall Street Reform and Consumer Protection Act (DFA) included a provision that addressed the ability of national-chartered banks to continue to engage in derivative transactions as defined in the Act, to the extent that the credit exposure for such transactions was addressed in the federal lending limit law.

The DFA further provided that state-chartered banks could only continue to engage in derivative transactions if the state lending limit law was amended to take into consideration the credit exposure involved in such transactions. H.B. 2505 amends K.S.A. 9-1104, to keep state-chartered banks on a level playing field with national-chartered banks.

Thank you for the opportunity to appear in support of this measure and I would be happy to stand for questions.