

January 24, 2012

The Honorable Ruth Teichman, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 236-E
Topeka, Kansas 66612

Dear Senator Teichman:

SUBJECT: Fiscal Note for SB 263 by Senate Committee on Financial Institutions and Insurance

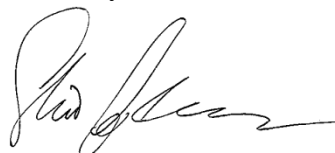
In accordance with KSA 75-3715a, the following fiscal note concerning SB 263 is respectfully submitted to your committee.

SB 263 would eliminate the requirement that a credit union use only a credit committee to approve every loan or advance made by the credit union and would allow a credit committee, credit manager, or loan manager to have the general supervision of all loans to credit union members. Any member who is denied a loan by the credit committee, credit manager, or loan manager would have the right to appeal that decision to the board of directors.

The bill would require a two-thirds vote by the supervisory committee to suspend any officer of the credit union, any member of the credit committee, or member of the credit union board of directors. A unanimous vote is required under current law. Any person that is suspended would have the right to appear and be heard at the next meeting of the members of the credit union. The bill also provides clarifying language on the appeals and suspension process.

The Department of Credit Unions indicates enactment of SB 263 would have no fiscal effect.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: John Smith, Credit Unions