



March 6, 2012

To: House Committee on Financial Institutions

From: Kathleen A. Taylor, Kansas Bankers Association

*Kat.*

**Re: SB 64: Allowing the Obtaining of Fingerprints**

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to present written testimony to the Committee today as a neutral party to **SB 64**, which will allow the Office of the State Bank Commissioner (the OSBC) to obtain fingerprints in certain circumstances.

As originally drafted, this bill would have allowed the OSBC to obtain fingerprints upon any application for a new bank charter, application to acquire a Kansas bank by an individual, and application to acquire a Kansas bank or bank holding company by a bank holding company.

The Kansas Bankers Association (the KBA) expressed concern that such a requirement was duplicative. Federal law allows the Federal banking agency involved in a merger, purchase or new charter to obtain fingerprints in conjunction with a background check of those incorporators, directors or shareholders involved in the transaction. All commercial banks are subject to this requirement, and we believe allowing the state to also obtain fingerprints for background checks would have been unnecessary and costly.

Rather, we have suggested that efforts to have the Federal banking agencies share the information they obtain in the background checks with the OSBC would be more efficient for those parties involved in the transaction.

The bill would require fingerprints for background check purposes for all newly chartered trust companies in Kansas. The KBA Trust Division is not opposed to this measure going forward, as there is no similar or duplicative process at the Federal level.

In conclusion, we are neutral because our initial objections to the bill have been removed, but we would oppose any efforts to reinstate a fingerprint requirement for banks in this bill. Thank you for your time and attention to this important matter.