

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairperson Jeff Longbine at 9:30 am on Thursday, January 14, 2016, 546-S of the Capitol.

All members were present except:

Senator Jacob LaTurner – Excused

Committee staff present:

Theresa Allen, Kansas Legislative Committee Assistant

Melissa Renick, Legislative Research Department

Whitney Howard, Legislative Research Department

Eileen Ma, Office of Revisor of Statutes

Conferees appearing before the Committee:

Jerel Wright, Administrator, Kansas Department of Credit Unions

Haley DaVee, Chief Operating Officer-Association Services, Heartland Credit Union Association

Others in attendance:

[See Attached List](#)

Chair Longbine introduced the new Committee Assistant, Theresa Allen.

Possible bill introductions

There were no bill introductions.

Presentation

Jerel Wright, Administrator Kansas Department of Credit Unions, was recognized to summarize information about the credit union regulatory system and Kansas credit unions. Mr. Wright provided a brief history of the growth of credit unions in Kansas, services provided and credit union assets in Kansas. Mr. Wright described the agency's mission of providing for the management, control regulation and general supervision of state-chartered Kansas credit unions. Mr. Wright described fee structure, staffing and regulatory requirements. Mr. Wright discussed risk-based examination, consisting of Capital, Asset Quality, Management, Earnings and Asset-Liability Management (CAMEL), which is used to rate an institution's overall condition. ([Attachment 1](#)) ([Attachment 2](#)) contains statistics related to state-chartered credit unions (excludes federal-chartered institutions).

Mr. Wright responded to questions from committee members.

Presentation Overview

Haley DaVee, Chief Operating Officer-Association Services, Heartland Credit Union Association, explained to committee members that Kansas and Missouri credit union associations had voted recently

CONTINUATION SHEET

MINUTES of the Committee on Financial Institutions and Insurance at 9:30 am on Thursday, January 14, 2016 in Room 546-S of the Capitol.

to merge their individual entities. Therefore, the Kansas Credit Union Association is now Heartland Credit Union Association. Ms. DaVee provided statistics encompassing both state- and federal-chartered credit unions. She discussed the growth credit unions have experienced and the financial stability of Kansas credit unions. ([Attachment 3](#))

Stephanie Mullholland was introduced as a new member of the HCUA staff serving in the role of Director of State Legislative Affairs-Kansas. Ms. Mullholland will work with Ms. DaVee and John Frederico of Frederico Consulting, LLC in advocating for legislative and regulatory issues affecting Kansas Credit Unions.

Related to the issue of regulatory compliance, Senator Olson asked if regulators focused on cyber security. Ms. DaVee indicated that in light of cyber security risks and consequences that is a top priority with federal regulators; compliance has a significant impact on all credit unions and particularly on small institutions. Ms. DaVee further explained that some small credit unions are collaborating with others in order to contain compliance costs.

Chair Longbine reviewed the calendar for Financial Institutions and Insurance meeting for the week of January 19-22, 2016 and noted Monday, January 18 is a federal holiday (Martin Luther King, Jr. Day).

There being no further business, Chair Longbine adjourned the meeting at 10:02 am.