

**Date:** January 31, 2017

**To:** Senator Rick Wilborn, Chairman  
Senate Judiciary Committee

**From:** Stephanie Mullholland, Director of Legislative & Political Affairs  
Heartland Credit Union Association

Mr. Chairman and Members of the Committee,

Thank you for the opportunity to submit testimony in support of Senate Bill 63, which would modernize state law regarding the management of digital assets. Heartland Credit Union Association (HCUA) represents the 86 credit unions headquartered in Kansas.

**More than 672,000 Kansans entrust their assets to a Kansas credit union**

Kansas credit unions manage more than \$6.44 billion in financial assets for their members. Currently, more than 672,000 Kansans belong to a local credit union, many of which offer the convenience of online and mobile banking options to their members.

**Majority of consumers manage their finances to some degree online**

SB 63 - the Revised Uniform Fiduciary Access to Digital Assets Act – recognizes the growing number of Kansans who electronically manage some or all aspects of their personal finances online or through a mobile app provided by their financial institution. According to a recent report by The Pew Center, more than 51 percent of Americans utilize electronic banking – a number that has tripled over the past decade and continues to grow.

**Digital assets play a role in most estates**

SB 63 takes into account the fact that digital assets play a role in most estates today. When a person dies or is no longer able to manage their affairs, this legislation would allow their designated fiduciary the authority to manage assets like online checking and savings accounts. At the same time, it strikes a balance that restricts the fiduciary's access to personal communications like emails and text messages without the specific consent of the consumer. The following examples illustrate the intended purpose of SB 63 in the management of a consumer's estate:

- The consumer opted to receive bills, bank statements and other financial information via email rather than U.S. mail. To best manage the estate and fully ascertain all assets and liabilities, the fiduciary would need access to the appropriate online data.
- The consumer set up automatic, recurring payments from a checking or saving account. To expeditiously stop recurring payments and avoid overdrawing the account, a fiduciary would need access to the consumer's online account.
- An incapacitated consumer has their online account hacked. To protect the consumer and prevent further damage, a fiduciary would need access to change the passwords on the account.

**Twenty-one other states have enacted uniform legislation**

Twenty-one states have elected to enact the Uniform Fiduciary Access to Digital Assets Act, while 11 more states have joined Kansas in introducing such legislation this year. States that have already passed the act include the neighboring states of Colorado and Nebraska. Missouri is among the states considering the legislation this session.

Thank you for the opportunity to express our support for enactment of SB 63.