

The logo for the Community Bankers Association of Kansas (CBA) features the letters "CBA" in a blue serif font, with a stylized yellow and blue wave graphic below it.

Community Bankers
Association of Kansas

One Mission. Community Banks.®

March 11th, 2024

Written Testimony in Support of HB 2812

Chairman Hoheisel & Members of the House Financial Institutions & Pensions Committee:

My name is Shawn Mitchell, and I currently hold the position of President and Chief Executive Officer at Community Bankers Association (CBA). Established in 1978, our association is united by the common belief that locally owned community banks are best positioned to serve their unique communities. Notably, CBA's membership exclusively includes community banks, deliberately excluding large regional and nationally-based banks.

We greatly appreciate the time and meticulous efforts the Office of the State Bank Commissioner (OSBC) has made in working with the industry to craft a thoughtful, thorough bill that will modernize and simplify the UCCC. We support the OSBC and other conferees' assessment of this legislation, and support HB 2812 which will better align the UCCC with other regulations, creating a more streamlined framework for lenders in Kansas.

Specifically, HB 2812 makes several long-overdue changes to the UCCC which will ensure lenders are complying with state and federal laws and regulations:

- Resolves discrepancies between several definitions and Regulation Z provisions,
- Makes several changes to non-real estate transactions such as changing the allowed finance charge on closed-end non-real estate loans from a blended rate to a flat 36% rate, and increasing the maximum prepaid finance charge on non-real estate consumer credit transactions to the lesser of 2% of the amount financed or \$300,
- Moves all UCCC mortgage-related provisions into the Kansas Mortgage Business Act,
- And updates the statutes related to license applications, fees, and reinstatement periods.

HB 2812 is the result of thoughtful collaboration between our industry and our regulator and is a crucial update for the UCCC. We urge your support for this bill and respectfully request that this committee recommend favorably the passage of HB 2812.

Shawn P. Mitchell, *President & CEO*
Community Bankers Association of Kansas