KANSAS BANKERS ASSOCIATION

Date: **February 12, 2026**
To: **House Committee on Judiciary**
Representative Susan Humphries, Chair

From: **Kelly VanZwoll, Senior Vice President – Government Relations**
Kansas Bankers Association

Re: **Written Neutral Testimony for HB 2754**

Dear Chair Humphries and Members of the Committee,

I am Kelly VanZwoll, providing this testimony on behalf of the Kansas Bankers Association (KBA). It is also my pleasure to introduce J.W. Wells, who serves as Ag and GR Assistant. We look forward to being a resource for you and the committee as you consider financial service issues during this legislative session and thank you for the opportunity to provide testimony on HB 2754.

Kansas Bankers Association Background Information:

The KBA, founded in 1887, is a voluntary, non-profit trade association governed by its membership. The KBA is headquartered in Topeka, Kansas, and is led by our 24-member board of directors. The KBA staff, which President/CEO Doug Wareham leads, includes 40 professionals, including 14 attorneys licensed in 5 states, that provide services to Kansas bankers ranging from legislative advocacy to educational training to insurance services to legal and regulatory compliance support. Our mission statement is:

"The Kansas Bankers Association strengthens and supports the Kansas banking industry by advocating for sound financial policies, promoting innovation, and fostering economic growth across the state to ensure a vibrant financial future for all Kansans."

KBA's membership includes 99% of the headquartered banks in Kansas. Our membership also includes 24 out-of-state commercial banks operating in Kansas. Our member banks employ more than 21,000 Kansans that provide financial services in every county across the state. While our member banks range in assets from the smallest in our state to the largest in our state, each member bank that belongs to the KBA has one vote on policy positions adopted by either our general membership or our Board of Directors. One member, one vote.

HB 2754—Neutral Testimony

We would like to start by saying that we understand the intent of this legislation and would like to work with any interested parties to be part of a solution. However, the bill as drafted creates some concerns. We are worried that the broadness of some of the language could be abused by bad actors. For example, "adequate documentation" is broadly defined in Section 2 (b)(4) and (5). Simply by providing the documentation, the debtor is off the hook for the debt. Creditors would have to sue the debtor and prove that the debt is not coerced, while also being limited to what kind

of investigation they could perform due to risks associated with disclosing a debt or disclosing a claim of coercion.

We would strongly encourage the Legislature to look at the language that Texas passed in 2025 in HB 4238. This bill provided a clear pathway for victims to be released from fraudulent debt, while ensuring that banks and other creditors are protected through a structured, court-verified process. By requiring a formal court order before collection must stop, the bill safeguards financial institutions from unsubstantiated claims while guaranteeing real victims can permanently disentangle themselves from debts they did not incur.

Another option is the version that Connecticut passed in 2024 in SB 123. This bill gives victims a real pathway to escape coerced debt by pausing collection, allowing them to present documentation, and requiring creditors to stop collection and correct credit reports when the debt is proven coerced. At the same time, it protects banks and other creditors through a structured, evidence-based review process, preserves their right to recover from the actual perpetrator, and ensures that unsubstantiated claims cannot be repeatedly or improperly used.

Thank you for the opportunity to provide testimony and we appreciate your thoughtful consideration of the concerns and potential language that we have raised. We would support the Legislature taking a deeper look into this matter and would be willing to work with all stakeholders on the matter. If you have questions or require additional information, please contact me at kvanzwoll@ksbankers.com or (785) 232-3444.