

March 8, 2019

The Honorable Jim Kelly, Chairperson  
House Committee on Financial Institutions and Pensions  
Statehouse, Room 581-W  
Topeka, Kansas 66612

Dear Representative Kelly:

**SUBJECT:** Fiscal Note for HB 2363 by House Committee on Veterans and Military

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2363 is respectfully submitted to your committee.

HB 2363 would require lenders to inquire about any potential borrower's veteran status on loan applications. Lenders who extend loans to veterans would be required to provide veterans with a pamphlet titled "Protecting Our Kansas Veterans." The pamphlet would be published by the Office of the State Bank Commissioner and would explain veteran rights under the Uniform Consumer Credit Code. Fines would be assessed to lenders who violate provisions of the bill.

The Office of the Attorney General indicates enforcement of the bill would primarily be the responsibility of the Office of the State Bank Commissioner. Consumer complaints arising from noncompliance with HB 2363 would increase complaints filed with the Consumer Protection Division within the Office of the Attorney General, but those complaints would be forwarded to the Office of the State Bank Commissioner. However, some of those complaints may also allege violations of the Kansas Consumer Protection Act and the Office of the Attorney General is the primary enforcer of that Act. Increased complaints would increase caseloads and related expenditures. However, the Office of the Attorney General cannot estimate the fiscal effect of the bill because the number of complaints that would arise from noncompliance with HB 2363 is unknown.

The bill would require the Office of the State Bank Commissioner to create, publish, distribute and periodically update informational pamphlets. The Office of the State Bank Commissioner indicates it would utilize existing resources from agency fee funds to comply with HB 2363. The Office also notes the bill would require examiners to verify lender compliance with

the bill which would increase staff workload and could potentially increase examination time and reduce the number of examinations that could be performed each year. Any fiscal effect associated with HB 2363 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in cursive script that reads "L. L. Campbell". The signature is written in black ink and is positioned above the printed name and title.

Larry L. Campbell  
Director of the Budget

cc: Willie Prescott, Office of the Attorney General  
Mark Heim, Veterans Affairs  
Tim Kemp, Banking