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March 3, 2023

Chair Zack Stephenson  
House Commerce Finance and Policy Committee  
RE: House File 2325  
100 Rev. Dr. Martin Luther King Jr. Blvd  
Minnesota State Office Building Room 10  
St. Paul, MN 55155

Dear Chair Stephenson,

Thank you and the Committee Members for the opportunity to submit written testimony in support of House File 2325, specifically the repeal of the Annual Audit Requirement under Statute 48.10.

As a fourth-generation community banker working in our industry for over 25 years I have seen many changes. The regulatory burden continues to mount and this bill presents the Legislature an opportunity to repeal a statute that is very antiquated and no longer serves a purpose to the consumers or our industry as a whole. Banking regulations already require a robust internal audit program which is scrutinized thoroughly through frequent examinations by both the MN Department of Commerce and Federal Deposit Insurance Corporation. The audit requirement under Statute 48.10 not only adds an unnecessary significant financial impact, it carries with it an opportunity cost of consuming many hours of management that should be spent focusing on providing the products and services our community deserves.

Furthermore, the State Chartered Credit Unions do not have a similar requirement for audits. Not only do they benefit from tax-exempt status but they avoid the burdens of this as well. By repealing Statute 48.10 it would be one small step in leveling the playing field between two industries that offer the same services within the same communities.

Minnesota is one of only a few states that consumers have many options to choose from when it comes to their banking needs. I urge you to support this bill so us as community bankers can remain competitive against the mega banks on every corner.

Respectfully,

Rowdy Dorweiler  
President

CC: Members of the House Commerce Finance and Policy Committee

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