

March 27, 2023

Chair Stephenson and Members of the House Commerce Finance and Policy Committee,

On behalf of BankIn Minnesota, representing Minnesota's community banks serving every corner of the state, I write regarding two provisions in the delete-all amendment for HF2680 (Stephenson), the omnibus commerce and policy bill.

I thank Chair Stephenson for including provisions in Article 3, Sections 2 and 75 from HF2325 (Cha) regarding emergency bank closures and elimination of the annual director's exam requirement for state-chartered banks. The director's exam is a remnant of the financial institution regulatory environment of days gone by and no longer gives state regulators information relevant to examining and assessing a bank's risk management. At the same time, these annual exams are time-intensive and costly for banks. We believe their elimination is a sound adjustment to regulatory requirements, and we thank you for including these provisions in the bill.

I also write to express concerns about provisions in Article 3, Sections 11-12 modified from HF2429 (Kraft) requiring state-chartered financial institutions to submit an annual climate risk survey developed by the Department of Commerce. BankIn Minnesota has been engaging in stakeholder discussions on this topic, and there are still many unanswered questions on this provision. Discussions on this topic have yet to answer questions such as specific information the survey will seek, how much time and other resources will be required, how the survey results might be used, and what additional information this survey might provide beyond what the Department of Commerce currently assesses through regular risk assessments. We believe these questions should be answered before the bill is considered.

Additionally, this provision only applies to state-chartered banks. Placing this requirement on some institutions and not others could result in more banks choosing to pursue national charters and have an adverse effect on the state's banking system. We urge committee members to remove this provision from the bill to allow stakeholder discussions to continue.



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Thank you for the opportunity to share BankIn Minnesota's thoughts on provisions within the House version of the omnibus commerce policy and finance bill. We are happy to be a resource in your deliberations.

Sincerely,

A handwritten signature in black ink that reads 'James G. Amundson'.

Jim Amundson
President & CEO
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