

March 26, 2023

Chair Zack Stephenson  
Members of the Commerce Finance and Policy Committee  
Minnesota House of Representatives  
100 Rev. Dr. Martin Luther King Jr. Blvd  
Saint Paul, MN 55155



Chair Stephenson and Members of the Commerce Committee,

On behalf of the Minnesota Bankers Association (MBA), I would like to make a few comments of HF2680 - Commerce Finance and Policy Ombibus - Delete Everything Amendment that is before the House Commerce Committee.

The MBA appreciates the inclusion of language that would amend current statute to allow state-chartered banks to operate branches on a part-time basis, allowing branches to be closed for up to 48 consecutive hours. We have heard from numerous members that have expressed that this could prevent the closing of some rural branches that can't be staffed full-time.

We also appreciate the repeal of the directors audit requirement language that is in the bill. The audit addresses areas that examiners are already covering. This language would repeal an outdated statute and its associated rules requiring state-chartered banks to pay for an expensive directors audit. Larger banks must still perform a directors audit under federal requirements. This change would help state-chartered, community banks and provide parity with their national bank peers.

We have concerns with Article 3, Sections 11 and 12 requiring banks and credit unions with assets greater than \$1 billion to complete a climate risk disclosure survey, particularly that it unnecessarily singles out a handful of state-chartered financial institutions. The language remains broad stating that "the commissioner must provide the form used to submit a climate risk disclosure survey" with no additional information provided. It is unknown what will be done with the information once it is collected.

We have met with the author and Minnesota Department of Commerce and will continue to meet as this bill moves forward. We appreciate the increase in the asset size from \$500 million to \$1 billion, however, this language will still impact approximately 12 state-chartered banks, but not their nationally-chartered neighboring competitor of the same size. We would prefer to work on this language over the interim when we have more time to discuss what information is needed and how best to achieve the author's goals.

The Minnesota Bankers Association is a trade association established in 1889 which represents approximately 300 member banks in Minnesota, from the largest to the very smallest. We appreciate you taking the time to let us voice our thoughts.

Sincerely,

Therese Kuvaas  
Senior Government Relations Manager