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April 2, 2022

Chair Dahms,

I am writing today to submit comments on behalf of the Minnesota Credit Union network regarding S.F. 4427. The Minnesota Credit Union Network is the trade association for credit unions and works to ensure the success, growth and vitality of our member credit unions and their more than 2 million members by creating a positive public environment through leadership, political advocacy, education, awareness and regulatory assistance.

S.F. 4427 has several provisions that we strongly support and would encourage the committee to pass and include in any omnibus bill. Specifically, Article 2, sections 3, 4 and 5 of the bill would address a long standing issue facing the Department of Commerce and the way the costs of supervision of financial institutions are charged.

Prior to 2017, financial institution assessment and examination fees were deposited into the state's General Fund and a general appropriation was redirected back to the Department of Commerce. That year, MnCUN worked with the Minnesota Bankers Association (MBA), the Department of Commerce and other stakeholders to successfully advocate for the creation of a Special Revenue Fund (SRF) for the Financial Institutions (FI) Division within the Department of Commerce, ensuring that regulated entities are actually paying for the supervisory costs of the Department

When the SRF was created though, the examination fees and assessments for non-depository financial institutions were left out. To remedy this, in 2019, MnCUN and MBA proposed a bill that would reroute the non-depository dollars into the FI Special Revenue Fund to fully fund the Department's regulation of all entities in its jurisdiction. We have continued to advocate on behalf of this change since 2019 and were pleased to see the language in the Department's bill.

We support S.F. 4427, especially sections 3, 4 and 5 in Article 2, because it addresses this shortfall and fully funds the FI Division's regulation of all entities in its jurisdiction.

Sincerely,

Ryan Smith  
Director of Government Affairs

