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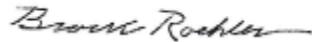
**Testimony to the House Committee on
Financial Institutions and Pensions
HB 2105
January 30, 2023**

The Office of the State Bank Commissioner (OSBC) appreciates the opportunity to provide written testimony regarding House Bill 2105. The OSBC was not provided an opportunity to review this bill before it was introduced. Subsequently, we were able to express our concerns with House Bill 2105 as it was introduced with Derek Hein with 1863 Consulting. We are pleased to learn that Mr. Hein is proposing some amendments to House Bill 2105 which addresses our concerns. If Mr. Hein submits the proposed amendments and it is approved by this Committee, our position on this bill will be neutral with no concerns. It appears the following concerns we have with House Bill 2105 as it was introduced are being addressed with the proposed amendment:

- Sec. 2. (h) – the option to receive proceeds at no cost to the consumer should be as prominent as any other deliver method and available for each earned wage access request. We would like to see the registrant prevented from continually asking for a tip.
- Sec. 3. (d) – the expiration date should be December 31 to align with the Nationwide Multistate Licensing System (NMLS) requirements. We also would like to point out that this act defines NMLS but does not provide the commissioner authority to use this system. This system is used for all licensees under the Consumer and Mortgage Lending division.
- Sec. 4. (e) – the surety bond amount should be not less than \$100,000 to align with similar providers in the UCCC.
- Sec. 6. (g) this provision still allows for checking a credit report to determine the consumer’s eligibility, provided the score itself is not factored in the decision.
- Sec. 7. (b) state law cannot override federal law, and the Consumer Financial Protection Bureau has not formally stated that a voluntary tip is a finance charge.
- Sec. 8.
 - (a)(2) –we request that the commissioner have authority to publish aggregate annual report information for multiple registrants in composite form to align with the UCCC.
 - (b) – we request to add to the list of required updates: The closing or relocation of the principal place of business; the addition or loss of any owner, officer, partner, or director. We would also request reporting within 15 days to remain consistent with the Credit Services Organization Act.

- Sec. 10. (e) Debt management counselor is undefined under this act and is not used anywhere else in this act.
- Sec. 11.
 - (a)(3) – We request striking “that relate to the earned wage access services business” and replace with “that will enable the commissioner to determine whether the registrant is complying with the provisions of this act.”
 - (a)(11) –This language is insufficient to allow the OSBC to receive FBI criminal history record information.
- Sec. 12. (a)(2) and (3)– fine amount should be \$5,000 per incident for the unlawful practice to remain consistent with other acts. We also ask that we have discretion to designate fine money for consumer education purposes.

Thank you again for the opportunity to present written testimony related to House Bill 2105.



Brock Roehler
General Counsel