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10/3/03  
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1270

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Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1270

House Industry, Business and Labor Committee

Conference Committee

Hearing Date February 3, 2003

Tape Number	Side A	Side B	Meter #
1		X	2562-3101

Committee Clerk Signature *Elizabeth B. Griffin*

Minutes: Chair Keiser opened hearing on 1270

Rep. Nottestad introduced bill and turned the testimony over to Greg Tschider.

Greg Tschider (ND Credit Union League): Supports with written testimony.

Tim Karsky (Commissioner of Dept. of Financial Institutions): Supports bill as written.

Chair Keiser closed hearing on HB 1270

Rep. Froseth moved Do Pass. Second by Rep. Severson.

Vote: 14 Yes 0 No 0 Absent

*La Costa Rickford*  
Operator's Signature

*10/3/03*  
Date

Date: Feb. 3, 2003  
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1270

House Industry, Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DP

Motion Made By Froseth Seconded By Severson

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Rep.Boe	✓	
Rep. Severson, Vice-Chair	✓		Rep. Ekstrom	✓	
Rep. Dosch	✓		Rep. Thorpe	✓	
Rep. Froseth	✓		Rep. Zaiser	✓	
Rep. Johnson	✓				
Rep. Kasper	✓				
Rep. Klein	✓				
Rep. Nottlestad	✓				
Rep. Ruby	✓				
Rep. Tieman	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Thorpe

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**  
February 3, 2003 12:08 p.m.

Module No: HR-20-1516  
Carrier: Thorpe  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
HB 1270: Industry, Business and Labor Committee (Rep. Kelsor, Chairman)  
recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
HB 1270 was placed on the Eleventh order on the calendar.

(2) DEBK, (3) COMM

Page No. 1

HR-20-1516

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*La Costa Rickford*  
Operator's signature

*10/2/02*  
Date

2003 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1270

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La Costa Rickford  
Operator's Signature

10/3/03  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1270

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 03-11-03

Tape Number	Side A	Side B	Meter #
1	XXXX		4400-end
Committee Clerk Signature <i>Lisa Han Berkom</i>			

Minutes: Chairman Mutch opened the hearing on HB 1270. Senator Krebsbach was absent.

HB 1270 relates to reports of credit committees of credit unions.

**Testimony in support of 1270**

**Representative Nottestad** introduced the bill. He stated that the bill was at the request of the Credit Union League. The bill does two things. It has to do with change in the credit unions from what they were years ago to what they are now. The laws from years ago are still in place. It has to do with the way loans are distributed and the way that they are handled by the credit committee. It also provides protection from fraud as well.

**Greg Tschider**, ND Credit Union League, spoke in support of the bill. The intent of this proposed legislation is to provide the credit committee members flexibility with scheduling their meetings and also to permit the credit committee to give loan officers authority the deny loans.

See written testimony.

**Senator Klein:** So what we are doing is just fixing things that are obvious?

Page 2  
Senate Industry, Business and Labor Committee  
Bill/Resolution Number 1270  
Hearing Date 03-11-03

Greg: Yes.

Senator Espgaard: Where are the compliance laws at with the credit unions now with respect to loan denial?

Greg: The present law is that a loan officer can review the application, make a recommendation to the board to deny it, and then the board has to meet and discuss the application. This leaves a waiting period for the consumer. NCUA and the Dept. of Financial Institutions have not agreed on this yet. It is not fair to the consumer to make them wait.

Senator Mutch: So then the loan officer could deny the loan and tell the applicant right away without having to meet with the credit union board?

Greg: Yes, that's correct.

Senator Nething: Have you considered other approaches to shortening the time table, such as paying your board members? Are there not that many loans available for them to consider?

Greg: The credit committee can decide which loans they want to review. For instance, they can decide that a loan officer only has authority to make loans up to \$50,000. The problem with paying them is that the statutes don't permit them to be paid.

Senator Nething: Well, if we are amending something, maybe we should amend that section of the statute and permit them to be paid.

Greg: The philosophy of the credit unions has always been volunteers working for nothing for the good of the order and we would like to maintain that philosophy.

Senator Nething: Your philosophy also was that the credit union was organized with in a given community and now the credit union can be organized all over the state.



