



Senate Bill 2197

Presented by: Barry Haugen, President
Independent Community Banks of North Dakota (“ICBND”)

Before: Senate Industry, Business and Labor
Senator Jerry Klein, Chairman

Date: January 19, 2021

Good morning Chairman Klein and members of the Senate Industry, Business and Labor Committee. For the record, my name is Barry Haugen and I am the President of the Independent Community Banks of North Dakota (ICBND). ICBND membership totals nearly 60 independent community banks operating in the state of North Dakota.

I stand this morning in strong support of Senate Bill 2197 and recommend that the committee give this bill a do pass recommendation. The changes outlined in the bill to sections 6-01-07.1 and 54-10-22.1 of the North Dakota Century Code will more robustly protect confidential information of financial institutions and their customers obtained and created by the Department of Financial Institutions (DFI) during the agency’s supervisory activities by doing the following in Section 1 of the bill:

- Includes as confidential, information or data created by DFI, not just obtained.
- Includes as confidential, complaints or comments from the public regarding a financial institution under DFI’s supervision “unless the commissioner is providing aggregate, nonspecific information”.
- Provides flexibility to the commissioner in providing information to other state agencies for state or federal laws “or in the best interest of the public”.
- Disclosures by the commissioner “must be limited to only those documents directly relevant to the inquiry at issue”.

Section 2 of SB 2197 includes information protected under 6-01-07.1 as an exception to information accessible to the state auditor. This would remove potential conflict with state and federal laws meant to protect financial institution and customer information.

We respectfully request a do pass on Senate Bill 2197, as presented, especially to further protect the confidentiality of the customer records of financial institutions.

Thank you for your time and consideration.