

information confidential if requested by the corporation.

PRESIDENT ROBAK: Thank you, Senator Beutler. Senator Kristensen.

SENATOR KRISTENSEN: Thank you, Madam President, members of the Legislature, I did want to take up Senator Beutler's offer to respond here briefly and I think there's a couple of misconceptions and I want to try to clear those up if I can. One is that when you begin to discuss and say that we're going to hide things from the regulator, there's absolutely nothing in this bill that allows them to hide anything from the regulator. In fact, there's specific language that says that you can't do that and I think that it would be almost silly to think that a state law could also somehow immunize a financial institution from federal regulators and supersede the federal rules and regulations. They are highly regulated. There's also specific language in here that they're not immune from civil sanctions. Those documents, and we're now talking about documents in the bank, are completely discoverable. In fact you have to report things like your percentage of loans and where you go. Regulators come into a bank every eighteen months, go through those things partly because of some of the things that have happened in the past that's true, but realize the purpose for this is to encourage those banks to do compliance review, in other words, examine themselves. If you don't want them to examine themselves, they probably won't do so and quite frankly, then it becomes a game of how much can we hide from the regulators instead of try to point out and see where our deficiencies are and what we can do better. There's nothing in here that provides for immunity from liability and that's the other thing. When Senator Chambers talked about the companies, and really, Senator Chambers, what those are are bean counters. They sit down and decide liability issues and say, look, it's cheaper for us to keep our mouths shut and litigate. That goes to the issues of liability. There's nothing in here that also does anything to liability standards at all. What this talks about is merely that document or that collection of document and that report that says here's what we're doing internally, things like underwriting standards and so on. Those are internal policies of the bank. They are their own rules and their own regulations. Those aren't federal rules and regulations and that's one of the things that, you know, we want to look at is that if they were going to have a compliance review committee that occurred at the same time they were reviewing a loan or