



1. Central filing is not more effective than the direct notice system we have in Iowa.
  - a. For grain dealers, direct notice means that the bank notifies the grain dealer when they would like their name added to the producer's check, avoiding mass 2-party checks for our local producers. Both Nebraska and South Dakota elevators estimate that they send out 60-75% of checks with 2 or more parties on them—that number is 1.5-5% in Iowa.
  - b. A central filing system would not have prevented the MidWestOne Bank vs. Heartland Co-op court case.
  - c. Additionally, our farmer-members and producer organizations do not support a move to central filing because it further encumbers the system.
  - d. The largest ag lender in the Midwest said they do business in all these states (NE, MN, SD, ND, IA, etc.) and moving to central filing is not an improvement on the direct notice system.
2. The system updates needed for 324 grain dealers (+ other ag industry including livestock, and any other farm products: definition found on page 3) would be costly to implement.
  - a. The system as it exists today is a manual one—an elevator IT team conservatively estimated a \$40,000-80,000 implementation cost: that's \$600-1800/location.
  - b. Under central filing the teams writing the checks—elevators, sale barns, packing plants—would be the ones with the responsibility and risk.