



Testimony in Support HB5012
Ways and Means Subcommittee on Transportation and Economic Development
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Credit unions are not-for-profit financial cooperatives, organized to meet the needs of their members. They are democratically owned and controlled institutions, based on the “people helping people” principle. Over 41.7 percent of Oregonians are member-owners of their credit unions, and you will find them in every walk of life—from cattle ranchers in Central Oregon, to mill workers in the Willamette Valley, to fishermen on the Oregon Coast, to high-tech workers around the state. With more than 1.63 million members, Oregon credit unions strive to preserve a legislative climate that recognizes their unique structure and mission.

The Northwest Credit Union Association would like to share our perspective of the good work being done by the Division of Finance and Corporate Securities, a Division of DCBS. The Division of Finance and Corporate Securities is responsible for oversight of 18 State Chartered Credit Unions. These credit unions hold a total of \$11.8 billion in assets and \$8.1 billion in loans. The Division is committed to the safety and soundness of credit unions and also works closely with all of us to ensure compliance with regulations. They conduct comprehensive examinations of every credit union within a 2-year period, and many exams are conducted every calendar year, based on asset size.

There are a few key points that we want to make today relating to our perspective of the Division of Finance and Corporate Securities, our regulator:

1) It is very important that we preserve a strong State charter, and thus a strong dual charter system (both Federal and State) enabling credit unions to choose the charter that best meets their member needs.

The State Charter is more nimble than the Federal Charter, enabling more responsive and responsible updates to our State Credit Union Act. As you may know, State Chartered Credit Unions periodically go to the legislature to enact legislation that will help us better serve our members during times of rapidly changing and challenging economic times. We work closely with our regulator as we develop legislative concepts.

2) The examination process with our State regulator is fair, with an emphasis on safety and soundness, ensuring State Chartered Credit Unions are well run with a focus on responsibly serving our members. From the perspective of our credit union members, examinations are viewed as an opportunity to partner with our regulator to identify ways in which we can better serve our members, while operating in a safe and sound manner.

3) Our regulator is a great partner to work with. The collaborative nature of how they approach their work with State Chartered Credit Unions is very evident, and indicative of the importance they place in being communicative and transparent. They not only understand and effectively regulate State Chartered Credit Unions, but they also understand that everyone wins, especially members, when we have a strong, vibrant

group of member-focused State Credit Unions. A great example of the positive relationship we have with our regulator is reflected in the periodic Credit Union CEO Outreach programs coordinated by our regulator. During these programs, the Division has an opportunity to share with Credit Unions information on key examination issues and economic trends. From our perspective, it reinforces the collaborative nature of how our regulator approaches their oversight of State Chartered Credit Unions.

It is our hope that the Division continues to have the resources they need in order to continue to do the good work that they have been doing. Credit Unions and members across the State of Oregon depend on a strong regulator who works well with those that they regulate. Thank you.