



Testimony in Support HB2889
Senate Human Services and Early Childhood
May 7, 2015

Submitted by Pam Leavitt, Northwest Credit Union Association

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. Each credit union is governed by its members. 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. As locally-owned, not-for-profit financial institutions, a credit union's social mission is as highly valued as its financial mission. Community service, financial education outreach and philanthropy are in the credit union DNA and are evidenced in virtually every credit union branch and office.

The Northwest Credit Union Association has been pleased to work with Children First for Oregon and other interested parties to make it easier for Oregon foster youth to open and maintain savings accounts. The amendment added to HB2889 on the House side, is the result of collaborative efforts to achieve the common objectives and address the reasonable concerns of all interested parties. The Northwest Credit Union Association supports passage of the bill with the amendments. One of the primary obstacles for a foster child who wishes to open a savings account is that most financial institutions require a responsible adult (who has capacity to enter into a binding contract) to sign as a joint owner on the account. As amended, the bill would address this problem by providing that foster children may enter into binding account relationships without an adult as a joint owner. The foster child may, if they choose to do so, allow a foster parent to be a joint owner or signed on the account, but that is not a requirement. HB2889 also protects financial institutions that rely on the foster child’s consent to allow a foster parent as a joint owner or signer on the account without further inquiry.

The Northwest Credit Union Association anticipates continuing to work with the Department of Human Services, Children First for Oregon, and other interested parties to educate financial institutions, foster youth, and foster parents about this bill and the benefits of such accounts for foster youth.