



good friends. great service.®

**TO:** The House Committee on Transportation & Economic Development  
The Honorable Representative Caddy McKeown, Chair  
The Honorable Representative John David, Vice-Chair  
The Honorable Representative Chris Gorsek, Vice-Chair  
The Honorable Representative Cliff Bentz  
The Honorable Representative Jodi Hack  
The Honorable Representative John Lively  
The Honorable Representative Susan McLain

**FROM:** Mike Testerman, Commercial Services Director, Mid Oregon Federal Credit Union

**DATE:** Tuesday, February 16, 2016

**RE:** Senate Bill 1589 // Credit Enhancement Fund

As a small credit union serving primarily a rural geographical area (Deschutes, Crook, Jefferson, Wheeler, Lake, and Northern Klamath county), the Credit Enhancement Fund has been a valuable program to help businesses grow. I have frequently used the Evergreen Line of Credit guaranty. This product is unique as it is one of the few programs available to commercial lenders that supports a working capital line of credit with a guaranty up to 75% for a business that may not otherwise qualify. I have used the Evergreen Insurance programs for both service and manufacturing businesses in the communities of Sisters, Prineville, La Pine and Bend. This program has helped both new and growing companies plus others that were well established but had been impacted by the recession. In both situations, the Credit Enhancement Program has both saved and created jobs.

The Credit Enhancement Program is flexible supporting a variety of businesses which is particularly important to rural communities. Not all enterprises can be a trade sector business or a manufacturer, yet they are important to local economies. Placing arbitrary restrictions on the use of this guaranty program (such as "distressed area designations") ties the hands of lenders serving their local communities. The more accessible the program, the greater the economic impact as more industries can benefit.

Another advantage of the program is the opportunity to work with the professionals of Business Oregon. I have found them to be wonderful partners in identifying and supporting solutions for borrowers. They are approachable, responsive, reasonable, flexible, knowledgeable, and solution oriented. I am fortunate to have Business Oregon as part of the Mid Oregon Credit Union Team.

Please contact me if I can be a resource or provide additional information.

Respectfully submitted,

A handwritten signature in blue ink that reads "M. Testerman".

Mike Testerman  
Commercial Services Director  
Mid Oregon Federal Credit Union

cc: Bill Anderson