

Thank you for this opportunity to provide feedback to the Joint Special Committee on Coronavirus Response. We appreciate your quick work to address this unprecedented crisis.

Credit unions have a well-established history of service to members, especially following disasters, emergencies, and disruptions. They provide direct assistance to their members in the form of low-and no-interest loans, payment forbearance, fee waivers, payroll advances, loan modifications, and other services that help meet the needs of their members in crisis. The credit union “People Helping People” philosophy is alive every day, and during uncertain times credit union members feel their credit union’s arms around their shoulders even more.

Background

The 58 not-for-profit member-owned financial cooperative credit unions in Oregon protect approximately \$24.8 billion in assets – the life savings of their two million members who live and work in communities large and small, urban and rural.

Credit unions are active lenders in their communities and have increased the amount of credit extended to small businesses in recent years. Oregon’s credit unions currently have nearly \$1.3 billion invested in their members’ business loans—funding that helps keep Main Street businesses competitive, helps the businesses to grow, and to hire more people.

No portion of our society will be spared from the impact of the COVID-19 pandemic. It is a humanitarian crisis on a global scale, that will put stress on our health care, government, distribution, small business, and educational structures.

America’s credit unions serve those on the front lines-- members who are working to keep others safe during the pandemic. Several Oregon credit unions have a primary field of membership that includes schools, healthcare workers, police, fire, transportation, utilities, and government employees.

Credit unions are already working hard to help their members who may be experiencing job losses, business closings, or other disruptions during this challenging time. I’d like to share some specific examples of the assistance being provided:

- Mid Oregon Credit Union is refunding foreign ATM fees when members use a machine not owned by Mid Oregon, up to \$10 per month through the end of April, waiving fees for online and phone payments, eliminating fees for loan modifications until further notice, and communicating to members that help is available as they navigate their financial difficulties.
- Rivermark Credit Union is waiving fees for skip-a-pay and financial counselors are on staff ready to assist.
- Central Willamette Credit Union is working with their community to provide funds for the local food bank.
- Advantis Credit Union has notified members that they can skip an Advantis loan payment, even if they have already skipped one payment in the last 12 months -- and pay no processing fee. The credit union is offering an emergency loan with simple terms no payment due until 60 days after funding. Advantis

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has advised its members to reach out to discuss other options that might fit the member's unique circumstances.

- Wauna Credit Union is offering members credit card limit increases and easy cash loans up to \$1,100.
- OnPoint Community Credit Union is helping members by allowing them to skip their April and May payments on eligible loans and will not charge penalties for early withdrawals from certificates of deposit. Sound investment and retirement advice is available from experienced financial advisors. The credit union has also contributed \$100,000 to Meals on Wheels People to ensure vulnerable seniors have access to fresh food throughout the COVID-19 crisis. Moreover, to support local businesses, OnPoint is ordering lunch for employees every day.

Comments on Current Legislative Proposals

Credit unions are already implementing specific plans to serve their members. A mandate from state government may reduce the flexibility to provide the best-tailored relief for each member. Government mandates may only constrict these efforts and reduce flexibility to address individual member needs. In addition, credit unions must consider regulatory and prudent restrictions and requirements governing their capital, lending, and other operations. Government efforts regarding credit unions should be aimed at providing regulatory and financial relief to allow credit unions to continue the work they have already begun.

Credit unions need flexibility to manage their balance sheets in the best interests of all their members. In every crisis and economic downturn, they have earned the public's trust to "do the right thing." For example, Medford, Oregon-based Rogue Credit Union's member-driven Board of Directors held an emergency meeting recently and directed management to spend some of the credit union's capital to assist the most vulnerable members, while also directing management to maintain the health of the credit union. It seems to us that government mandates requiring credit unions to make business decisions is not a prudent legislative action.

Twenty-one of Oregon's credit unions operate under a state charter. They respect and value the regulatory policies of the Department of Consumer and Business Services. We are concerned that state government overreach such as the proposals this body is considering, might lead to an exodus of state-chartered credit unions to a more flexible federal charter.

Recommendations

The legislature could remove barriers that arbitrarily limit how much support credit unions can provide to their membership. First, consider funding loan loss reserves that will help financial institutions to serve the underserved. Second, support programs that invite and incentivize businesses to open in Oregon and thrive.

Well before the economic emergency created by the COVID-19 crisis, Oregon credit unions were at the forefront of efforts to help consumers find affordable housing. Programs credit unions now offer are helping people buy their homes with zero down payment and are helping renters move into more desirable housing with low interest security deposits. Allow us to continue providing such relevant services to Main Street.

The proposals for temporary relief to the COVID-19 crisis are important and well-intended. We believe credit unions are already headed down the path providing support, and we appreciate your consideration.

Thank you for the opportunity to provide this feedback.