

CREDIT UNIONS

Testimony in Support of HB4178
House Committee on Rules
February 19, 2026

I am submitting this testimony on behalf of Oregon Credit Unions and the GoWest Credit Union Association and our strong support for HB4178 to provide clarity in the use of pennies in circulation.

Credit unions rely on steady access to coins to serve members who continue to use cash for daily transactions. As penny inventories decline, the closure or consolidation of coin distribution sites will disproportionately affect rural communities, small business, and lower income consumers. Credit unions care about the penny circulation issue because it directly affects how they handle cash transactions, serve members, and manage operational risk and cost.

Need for HB4178

This bill is about clarity and how to handle the existing 150-250 billion pennies out in current circulation. With the U.S. Mint ceasing the minting of new pennies, the Federal Reserve has left it up to each state to pass laws relating to rounding of cash transactions. This bill is permissive in allowing places of public accommodation to adopt a policy relating to rounding. This bill provides much needed clarity related to the use of pennies during this period of time as pennies are currently in circulation.

Operational:

As the Mint and the Federal Reserve stop producing or limit distributing pennies, credit unions cannot reliably order more, so their ability to make exact change in cash is reduced. We are adjusting branch procedures, ATMs, and any cash-dispensing systems (e.g., coin counters, teller drawers) to cope with fewer pennies in circulation.

Member Service:

Many members—especially those who are unbanked or rely heavily on cash—are sensitive to even small rounding differences, so credit unions worry about perceived unfairness or “hidden fees” if cash totals are rounded to the nearest nickel. Clear, consistent rounding rules (for example, how to round totals, how to handle sales tax, what appears on the receipt) are critical to maintaining member trust and avoiding disputes at the teller line.

Regulatory and Legal Uncertainty:

The phase-out of penny production raises questions about legal tender status, acceptable rounding practices, and possible state-by-state differences, so credit unions are asking Congress, the Fed, and regulators for formal guidance. Without that clarity, each institution risks doing something different, which could expose them to compliance issues, consumer complaints, or competitive disadvantage.

Communication:

The penny issue forces credit unions to explain to members why they might not get pennies in change anymore and why some transactions may be rounded, turning it into a test of transparency and member education. How they handle and communicate this “small” change can either strengthen their reputation as member-focused cooperatives or create confusion and frustration at the front line

Background on Oregon Credit Unions

2.3 million Oregonians – 55% of the population – trust credit unions as their financial partners. Credit unions’ not-for-profit, member-owned, cooperative structure inherently holds them accountable to the people and communities they serve. As not-for-profit cooperatives, credit unions’ commitment to the community is in their everyday DNA. Across the state, credit unions look out for consumers’ financial well-being, by providing financial education, helping them to save for a brighter future, and by making the loans that help them get the keys to their dream homes open. businesses on MainStreet and buy the autos that help them get to work and school.

Respectfully,

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