



**Testimony of Pam Leavitt, Northwest Credit Union Association  
House Committee on Economic Recovery and Prosperity  
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**Oregon Credit Unions' Response to the COVID-19 Crisis**

The Northwest Credit Union Association represents the 57 state and federally chartered credit unions in Oregon, with over two million Oregonians as members. Credit unions are not-for-profit financial cooperatives, organized to meet the needs of their members. Community service, financial education outreach, and philanthropy are in the credit union “DNA,” and are evidenced in virtually every credit union branch and office. Credit unions in Oregon protect more than \$30 billion in assets — the life savings of their members who live and work in communities large and small, urban and rural.

Oregon’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.

**Standing by in Challenging Times**

Credit unions were founded during the Great Depression to serve those who were being overlooked by the traditional banking system. In full alignment with their “People Helping People” mission, credit unions have been providing special assistance to members since the very onset of the COVID-19 crisis. Such services included options for members to skip loan payments, mortgage forbearances, loan modifications, credit card payment deferrals, zero interest loans, other accommodations on existing loans, as well as new emergency loans. In fact, the NWCUA’s Community Impact Survey showed that between early March and the end of June, Oregon credit unions had already waived more than \$4.4 million in fees, to help their members through the pandemic.

**Serving Small Businesses**

When the state of Oregon asked Community Development Financial Institutions (CDFIs) to distribute emergency grants to small businesses, the hope was that very small businesses would be served: those with fewer than 25 employees, sole proprietorships, rural, and minority-owned businesses. Credit unions delivered. Four CUs helped 568 businesses to obtain \$2.8 million in lifeline funding that they will not have to pay back. The credit unions reported that 55% of the grants went to sole proprietorships, 35% to minority owned businesses, and 66% to women.

One example is the small healthy snacks franchise owned by Jessica Siminski, a mother and Eugene resident. That loan helped her keep up her van payments, and while she could no longer sell her food in employers’ lunchrooms, she was able to keep up deliveries to retail stores. Many of these truly small businesses had been unable to obtain any financial relief before this funding became available.

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Small businesses have been hit especially hard throughout the pandemic, and credit unions have been on their side. Since SBA Paycheck Protection Program funds became available last April 3, Oregon credit unions pivoted their teams to work night and day so that they could provide a lifeline to their member businesses and to businesses owned by non-members as well. By the time the 2020 funding closed, Oregon credit unions had funded 5,616 loans, totaling \$209 million and focused on the very small businesses in our state. Examples include small manufacturing companies, food trucks such as Sunny's Carrello in Bend, barber shops, and non-profits, such as the Oregon Mennonite Residential Services care center. The average loan amount was just \$37,000. The 2021 PPP program has just opened, and Oregon credit unions are again funding loans.

### **Emergency Check Program**

Another example of credit unions' partnership with the state to help Main Street was the Emergency Check Program. When Oregon legislative leadership established a \$35 million fund to help people bearing the brunt of COVID-19's financial impact, they turned to financial institutions — 80% of them credit unions — to get the job done.

Within two-and-a-half days of the program's launch on Aug. 19, the state informed participating financial institutions that between branch walk-ins, pending scheduled appointments, and applications in the queue, all funds had been allocated. Of the \$35M allocated for 70,000 eligible Oregonians, the eight participating credit unions distributed \$30.2M to 60,575 Oregonians.

### **Keeping the Keys to the Door**

The American Dream is home ownership, and Oregon credit unions are committed to helping their members achieve it. The pandemic put thousands of homeowners in peril when they lost their jobs or had to close their businesses.

But credit unions did what they always do. They provided flexibility when the members needed it most. Credit unions understand the need for mortgage protection for consumers who are financially impacted by COVID-19.

As community lenders, credit unions should have the flexibility to work with borrowers on solutions that meet everyone's needs. As not-for-profit cooperatives, credit unions put the needs of their members first. When members experience financial hardship, their credit unions work with them and offer much more desirable services such as emergency, low- to no-interest loans and loan modifications. Credit unions exhaust every possible option before foreclosing. For example, in 2019, Oregon's credit unions had a total of nine completed foreclosures, and seven in 2018.

### **Diversity, Equity, and Inclusion**

Diversity, equity, and inclusion is the Credit Union Movement's eighth cooperative principle. But it is not a new concept for credit unions. In fact, inclusion and service to consumers is part of our founding mission.

Across the state, credit unions continue to work with community organizations that support people who historically have not been able to obtain critical services. A recent example I would

like to share is a grant that Advantis Credit Union provided to Self Enhancement, Inc., a nonprofit dedicated to guiding underserved youth to realize their full potential. With this grant, SEI is expanding internet access to more than 60 Portland families, so that their children can keep up with their online learning.

The Northwest Credit Unions' Diversity, Equity, and Inclusion Task Force is led by credit union leaders across the region. They are working to discover, review, and discuss the best DEI-related tools, practices, and resources available. The Task Force will work toward determining actionable strategies that will accelerate and enable the work of credit unions to be the best employers, financial services providers, and community partners.

### **Looking Out for Oregonians' Financial Well-Being**

Even with the challenges social distancing presented to volunteerism, credit union employees figured out safe ways to contribute to their communities throughout COVID. The NWCUA's community impact survey finds that from the onset of the pandemic through the end of June, employees had contributed 36,000 hours of their time to volunteer organizations.

Of course, credit unions are committed to looking after the financial well-being of Oregonians, in good times and in challenging times. Financial education is the bedrock of that mission. In the 12 months leading up to the pandemic, 27,000 kindergarten through 12<sup>th</sup> grade students received financial education from a credit union, as did 38,000 adults. This helps consumers to make better budgeting decisions throughout their lives.

Thank you for the opportunity to share data and examples of credit unions' services to Oregonians.