



Testimony on HB2356
Senator House Business and Labor Committee
Submitted by Pam Leavitt, Northwest Credit Union Association

Chair Holvey and members of the Committee, please see attached our comments on HB2356, a bill to prohibit financial institutions from charging a fee to customers or members for cashing a check drawn on an account at a financial institution, if the check is presented in Oregon.

Credit unions are not-for-profit financial cooperatives, organized to meet the needs of their members. They are democratically owned and controlled institutions, governed by its members. Oregon's 57 credit unions serve over 2 million members – your constituents. Credit unions provide the financial services consumer need and want – home loans, car loans, business loans, savings and checking accounts, financial counseling and financial education programs.

We are looking forward to listening to the hearing on this bill as we have not had the opportunity to talk to the proponents of the bill. We would like to understand what problem this bill is addressing as we are not aware of any credit unions who would charge a fee to a member for cashing a check on their account.

We believe consumers have a choice in picking their financial institution and can oppose the fees their financial institution charges by choosing to participate in another financial institutions. These fees are required to be posted and given to the member.

In addition, the bill applies to state chartered banks and credit unions, not to federally chartered. This creates a two-tiered system in which some institutions have fee restrictions and some are not, which will be confusing and serves to create an unequal playing field.

If the goal of the bill is to assist the non-banked in Oregon, please see the information below from Bank On Oregon, a program that several Oregon credit unions are participating in to support consumer access to financial services.

Bank On Oregon

Bank On Oregon aspires to ensure everyone has access to financial solutions that improve the lives of individuals, families, and communities. The added economic stability gained through increased access to financial services benefits the entire state of Oregon. Bank On Oregon brings together consumer advocates, financial education providers, banks and credit unions, state and local government, and community institutions in a voluntary effort to centralize information, ensure quality product offerings, and ease consumer entry into the financial marketplace.

Bank On Oregon encourages access to, and the responsible use of, safe and affordable financial products by:

- *Maintaining a website in English and Spanish with up-to-date information and resources on safe and affordable financial products and quality financial education services.*
- *Centralizing reporting about Bank On Oregon activities to provide financial educators, referral providers, and financial institutions with information to measure success and promote successful client referrals.*

Thank you for the opportunity to provide comments to you today. We look forward to further discussions on this bill.