

OREGON

# CREDIT UNIONS

## **Testimony in Support of HB5511**

Joint Ways and Means Subcommittee on Transportation and Economic  
Development

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Submitted by: Pam Leavitt, Oregon's Credit Unions and GoWest Credit Union  
Association

Co-Chair Woods, Co-Chair Gomberg, and members of the Committee, I am pleased to appear before you in support of the Department of Consumer and Business Services' budget request, HB5511. I am here on behalf of the state-chartered credit unions regulated by the Oregon Division of Financial Regulation.

## **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.

The GoWest Credit Union Association would like to share our perspective of the good work being done by the Division of Financial Regulation, a Division of DCBS, which is responsible for oversight of State Chartered Credit Unions. There are 63 credit unions that serve Oregon supporting over 6500 jobs and 20 state-chartered credit unions that hold over 90% of the assets in the state. The Division is committed to the safety and soundness of credit unions and works closely with all of us to ensure compliance with regulations. They conduct comprehensive examinations of every credit union within a 2-year period, and many exams are conducted every calendar year, based on asset size. They have a proven record of accomplishment as there has not been a single failure of a state-chartered credit union overseen by the Division in the past 20 years.

It is very important that we preserve a strong state charter, and thus a strong dual charter system (both Federal and State) enabling credit unions to choose the charter that best meets their members' needs. Thanks to the Oregon Legislature and a progressive regulator, the state charter has proven nimbler than the Federal Charter, enabling more responsive and responsible updates to our State Credit Union Act.

The examination process with our state regulator is fair, with an emphasis on safety and soundness, ensuring State Chartered Credit Unions are well-run, with a focus on responsibly serving their members. From the perspective of GoWest member credit unions, examinations are viewed as an opportunity to partner with the regulator to identify ways in which they can better serve the members, while operating in a safe and sound manner.

A great example of the positive relationship we have with our regulator is reflected in the periodic Credit Union CEO Outreach programs coordinated by our regulator. During these programs, the Division has an opportunity to share with credit unions information on key examination issues and economic trends. From our perspective, it reinforces the collaborative nature of how our regulator approaches their oversight of State Chartered credit unions.

It is our hope that the Division continues to have the resources needed to continue to do the good work that they have been doing. Credit unions and members across the State of Oregon depend on a strong regulator who works well with those that they regulate. ***We want to specifically express our support for Policy Option Package #117 with the goal of improving administrative efficiency within the banking and credit union programs.***

Finally, we appreciate the leadership Andrew Stolfi, TK Keen, Janet Powell, and the rest of the staff who oversee the Division of Financial Regulation. We acknowledge them for fostering a more efficient and effective agency that, over the past biennium, has empowered stakeholders not only to provide input into how the agency could be more effective, but also acted in response to that input.