

CREDIT UNIONS

Testimony in support of HB2971
House Commerce and Consumer Protection Committee
March 27, 2025

I am submitting this testimony on behalf of Oregon Credit Unions and the GoWest Credit Union Association.

Comments on HB2971

Thank you to the Oregon Bankers Association for sharing the details of this bill and thank you to the State Treasurer's office for making sure the bill and -1 Amendment work for the public deposit program in Oregon credit Unions. Currently, 15 credit unions participate in the program and hold \$106M in uninsured public funds deposited by more than 130 public bodies.

-1 The amendment defines "net worth" for a qualified depository that is a bank that does not have a community bank leverage ratio framework as total capital as shown on the immediately preceding report of condition and income, or For a qualified depository that is a bank that has a community bank leverage ratio framework as tier 1 income as shown on the immediately preceding report of condition and income, or for a qualified depository that is a credit union, total net worth as shown on the immediately preceding report of condition and income

Current statute says that net worth is "total risk-based capital" as show on call report. For credit unions that means total risk based net worth, as reported on the call report. This includes retained earnings and allowance for loan/lease losses but subtracts our federal deposit insurance capitalization deposit. As revised it will say that net worth is just plain "net worth" as defined in the -1 amendment. We support this proposed change.

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,

Pam Leavitt

Sr. Vice President of Regional Grassroots and Political Programs/Legislative Affairs for Oregon