

Written Statement Opposing SB 781

Chair and members of the committee – my name is Ezra Eckhardt. I am the president and CEO of Spokane Teachers Credit Union.

I strongly oppose Senate Bill 781. I cannot implore how important this issue is. Credit unions already operate at a 40% capital disadvantage to banks. Banks are required to keep 5% capital; CUs need to keep 7%. Most CUs typically retain 10-14% capital (members net worth). We operate in a very safe and sound fashion that is already incorporating a more restrictive operating model. Additionally, credit unions have much more expansive oversight from state and federal regulators regarding commercial lending. Credit unions have a substantially safer track record and a lower cost of ownership on the federal insurance system operated by the NCUA.

This is a completely short-sighted and backwards oriented action. It will have no substantial impact on the revenue generation for the State of Oregon in the long run. It will likely prohibit and credit union from completing a bank purchase. Under-performing banks will struggle along. They will not find buyers. They will not invest in communities. They will not deploy new products and services. They will not invest in new systems and digital access. Any credit union considering the purchase of a bank will likely shift to a federal charter (like Utah and other states) to avoid this, and other taxes. This will also result in a negative impact on the State of Oregon's ability to regulate and oversee in state credit unions.

STCU, and most other credit unions, have an exemplary track record of creating financial access to the underserved. Please refer to the attached summary for the STCU Foundation, the STCU community giving and volunteer hours, and the representative examples from 3 of the 10 bank branches STCU has purchased.

If implemented this bill would increase costs directly on state residents through increased rates. STCU is a low-income designated credit union meaning most of our members live at 80% or lower than the area median income. After our purchase is completed on May 9th, we will be serving over 25,000 credit union members in the 14 counties of Eastern Oregon. STCU will be bringing the strength and products of a well-recognized credit union serving 300,000 members right here in the Northwest. We already have members in every single county in Oregon. We are "Here for Good" and we are committed to serving the "Heart of our Members" every day with best-in-class digital access, a full-service set of community-oriented branches, and a full set of financial products and services.

While this might differ from what you have heard from the banking representatives, these transactions are extremely beneficial to residents in underserved areas. Our credit union is expanding financial access by purchasing this bank which lacks product and technology resources. We have a long and clear track record of serving people and supporting communities. I worked at a regional bank for 15 years. I understand rural communities. I have spent a lot of time in Eastern

Oregon with Klamath First Federal, Pioneer Bank, and Sterling Bank. I know firsthand how credit unions stack up to community banks, the advantages, weaknesses, and opportunities. Credit unions are here to serve their members first, banks are required to serve their shareholders first. Banks are consolidating into larger markets like Portland. Credit Unions are reaching out to rural communities. STCU is completely committed to supporting the healthy economy and financial accessibility of the citizens of Eastern Oregon.

STCU has purchased four sets of branches in rural communities that were otherwise going to lose banking services when their local banks were closing or selling. In every case, the divesting bank attempted to sell to other banks with no luck. Eventually, the bank came to STCU, and we found a way to purchase the branches and related assets, retaining in market employees and maintaining banking services to the community. In this specific instance, Community Bank selected STCU over three other alternatives. We have the best plan and outcome for employees, citizens, credit union members, and rural communities. Every Community Bank employee (82 people) is staying with STCU, except the CEO and CFO (both of whom are retiring).

The residents were greatly relieved to retain access to services. The bank benefits from an all-cash transaction. Additionally, we have expanded access to consumer lending, mortgage lending, and dramatically deepening the commercial banking product set. We are bringing more sophisticated products and services directly to the communities that need them the most.

Because of our not-for-profit member-owned structure, we can provide our members with generous rates, low fees, strong fraud prevention, support during times of financial challenge, and other benefits. Passage of this bill would mean fewer resources reducing the cost savings benefits to our members in addition this would impact our ability to dedicate funds to support the community through sponsorships, grants, financial education, and other community enhancements. These transactions can be beneficial to consumers, workers, and even bankers who cannot otherwise find a buyer, often resulting in closing branches and reducing services.

Local ownership and accountability mean something especially at a time when large Wall Street banks are increasing their profits while closing hundreds of branches.

Thank you for your time and please oppose Senate Bill 781.

Ezra Eckhardt

PRESIDENT/CEO

STCU Administration

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STCU's Community Investment & Volunteerism

STCU's "Here for good" brand promise is mirrored by a long and consistent history of investing our time, talent and treasure into the communities we serve. STCU partners with non-profits, schools, chambers of commerce, and other local entities, becoming familiar with the unique goals and challenges of each community. That process of learning and integration reinforces our core values of belonging and goodness.

STCU's Philanthropic & Sponsorship Community Investments: 2019-2023					
Year	Community Relations Annual Philanthropic & Sponsorship	Brand Marketing Annual Philanthropic & Sponsorship	Total Annual Philanthropic & Sponsorships Expenditure	Here for Good Foundation - grants distributed to non-profits	Here for Good Foundation - STCU contributions to endowment*
2023	\$2,779,575	\$720,439	\$3,500,014	\$432,500 40 grants	\$500,000 total
2022	\$2,362,015	\$256,282	\$2,618,297		\$1,000,000
2021	\$2,046,893	\$347,260	\$2,394,153		
2020	\$2,130,269	\$369,982	\$2,500,251		
2019	\$1,826,871	\$242,691	\$2,069,562		

Launched in January 2023, STCU's Here for Good Foundation awards grants to schools and non-profit organizations across Eastern and Central Washington, Tri-Cities, and North Idaho. STCU launched the foundation with a \$1 million endowment that it hopes to grow to \$10 million within 10 years. The foundation ensures STCU's 89-year tradition of community giving continues into perpetuity. The Foundation focuses on the impact areas of education, arts and culture, and economic development. In its first year, the Here for Good Foundation distributed 40 grants, totaling over \$430,000.

STCU's Volunteers Count Program								
Year	Total Volunteers Count hours logged by staff	Number of staff with logged hours	Number of "small" grants distributed (\$500 and under) at year end	Number of year-end grants distributed	# employees on boards	Staff Matching Grants	Total Spend to Support Passions of Employees	Number of employees as of year-end
2024 Data as of 5.2.24	6,135	324	December '24	December '24	104	December '24	December '24	940
2023	12,117	442	112	12	96	\$25,362.29	\$68,182.00	940
2022	10,000	397	102	18	76	\$32,107.60	\$60,982.00	926
2021	6,422	283	76	16	64	\$13,666.24	\$37,516.27	855
2020	6,367	277	104	19	97	N/A	\$25,875.00	790
2019	11,488	436	139	13	88	N/A	\$29,307.00	726

STCU encourages and equips our employees to be “here for good” in their local communities, and sets aside \$75,000 annually to support the organizations served by our employees. Each full-time employee receives 16 hours of volunteer paid time annually. STCU’s robust leadership development programs help employees advance their careers, and serve their communities, with more than 100 individuals in leadership positions at local organizations. Employees can earn up to \$500 in STCU grants, to be allocated back to non-profits or schools where they volunteer. Additionally, through an employee grant-matching fund initiated in 2021, employees can allocate up to \$1,000 in matching funds to organizations where they serve. Employees are celebrated and rewarded throughout the year by earning branded “Here for Good” items, and opportunities to win gift cards.

STCU’s entry into new markets: Othello, Ritzville, and Republic

In December 2020, STCU purchased four Umpqua Bank branches in Medical Lake, Ritzville, Coulee City, and Othello, Washington. The credit union makes a strong commitment to supporting the small rural communities we’re entering, connecting with branch colleagues, community and education leaders to best determine the levels of support. In every community, we support existing commitments, as well as added additional support. **To date STCU’s investments in philanthropy and sponsorships totals \$429,966 for our acquired Umpqua branches.**

Below are examples of STCU’s support, specifically in Ritzville and Othello:

Ritzville:

Since STCU entered the market in Ritzville through our 2020 acquisition, community investments have included:

- STCU often underwrites permanent signage in local high schools, which the schools can use to generate annual revenue by selling advertising on additional panels provided with the scoreboard. STCU contributed \$15,000 to the **Lind-Ritzville Cooperative Schools** in 2022, to support signage in the Middle School gym. In addition, STCU funded signage at the Ritzville High School gym, with a \$20,000 investment.
- Around Valentine’s Day 2022, we celebrated a **week of treats** at all newly acquired branches. In Ritzville, we purchased the treats from local business Akins Fresh Market and had them out daily over the week of 2/14 to celebrate members, thank them, and welcome them to the STCU family.
- Joined the **Adams County Development Council**.
- Activating financial education in the local schools through our **Money Live** programming, a career and budgeting simulation. In fact, STCU has been hosting Money Live simulations in Ritzville since 2017, with an average of 70-90 students participating per year. It has grown to include schools in nearby Harrington and Davenport.

- STCU partners with local High School and College Career Readiness/Guidance Counselors, [Launch NW](#) and the [College Success Foundation](#) to provide qualified help completing the FAFSA form. STCU opens our branches throughout the year to anyone wishing to receive assistance. We have hosted, and plan to continue to host, these **FAFSA events** in Ritzville.
- Involvement in the **Ritzville Area Chamber of Commerce**, including annual membership dues and engaging with local business and community members at the annual Pop Up in the Park event, with an STCU booth that includes resources and giveaways.
- Sponsorship and livestock purchase from local FFA youth at the annual **Ritzville Rodeo and Wheat Land Communities Fair**.
- Continued, long-standing community tradition of hosting a **branch giving tree** around the holidays. The STCU Ritzville Branch hosts the tree, takes gift requests from community members in need, and coordinates the distribution of tags for individuals and businesses who wish to fulfill requests. STCU's marketing team supports the effort with local advertisements.
- In STCU's tradition of supporting education and local teachers, our annual **classroom supply grants** award area educators \$200. Educators within STCU's footprint can enter to win, and multiple Ritzville-area educators have been the recipient of these funds, which are awarded to help teachers purchase needed classroom supplies.
- In early 2021, during the peak of the pandemic, STCU partnered with Ritzville Harvest Foods to purchase \$3,500 in grocery gift cards. These were then randomly handed out to Ritzville Food Pantry clients as **random acts of kindness**.
- Through STCU's **member in need** program, STCU team members can submit information about members facing hardships, or in need of encouragement. STCU will then send the member a note and a small local gift card to show our support.
- In 2021, STCU activated a "Season of Giving" gift to area libraries, awarding each with \$1,000 in funding. This included the **Ritzville Library**, part of the East Adams Library District.
- Support of our communities and members through purchase of logo items, often distributed at community and business events.
- Support of newly onboarded employees by providing STCU logo wear.
- Media partnerships supporting local communities. Examples include KHQ (NBC) Teacher of the Month, KXLY (ABC) Volunteers Count program, and KREM (CBS) Love Local program.
 - Teacher of the Month celebrates one teacher from our service area. Teacher is celebrated at an all-school assembly, and the spot airs on TV and digital channels.
 - Volunteers Count celebrates volunteers in our community. The volunteer is surprised and receives a \$1,000 donation to the non-profit where they volunteer. Video airs on TV and digital channels.
 - Love Local highlights and celebrates local businesses and organizations. Businesses are featured in videos airing on TV and digital channels. In addition,

one business each month is featured for a gift card giveaway, with STCU purchasing the gift cards.

Total philanthropic and sponsorship support for Ritzville: \$90,000

Othello:

Since STCU has entered the market in Othello with our 2020 acquisition, investments have included:

- Involvement in the **Greater Othello Chamber of Commerce**, including annual membership dues, support and sponsorship of annual banquet, entry into annual 4th of July Parade. Most recently, Othello Branch Manager Kerrie Petersen has joined the chamber's board of directors.
- Sponsorship of the **Othello Fair**, a beloved event that brings community members together to celebrate each summer.
- Support and celebration of the **Othello Branch**:
 - When the branch was facing some unexpected repairs, our Facilities team was quick to respond. However, this meant disruption to the lobby. STCU supported employees throughout the renovation, purchasing lunch and treats to help boost morale.
 - Around Valentine's Day 2022, we celebrated a **week of treats** at all newly acquired branches. In Othello, we purchased treats from local business Cow Path Bakery, providing them daily over the week of 2/14 to celebrate members, thank them, and welcome them to the STCU family.
- **New stand-alone drive-through**. When we acquired the Othello Branch, its single-lane drive-through was often overwhelmed at peak business hours, leading to traffic congestion into the street and impacting neighboring businesses. In October 2023, STCU opened a stand-alone drive-through down the road, at 1335 E. Main. Phase two of construction will begin at a later date, to add a lobby, and offer a full-service branch location.
 - STCU marked the opening of the drive-through with a **community celebration**, which included a strong turnout from community members, business representatives, and elected officials.
 - Construction of the drive-through required removal of an old and dilapidated **"Welcome to Othello" sign**. STCU funded the replacement sign, a metal structure providing a welcoming message, serving as an entry point to the city.
- STCU funded the **Lions Club of Othello** with a \$15,000 gift in 2021 to support the purchase of an electronic community reader board.
- In early 2021, during the peak of the pandemic, STCU partnered with local grocer Le-re-Kon foods, purchasing \$3,000 in grocery gift cards. These were then randomly handed out to Othello Food Bank clients as **random acts of kindness**.

- In STCU's tradition of supporting education and local teachers, our annual **classroom supply grants** award area educators \$200. Educators within STCU's footprint can enter to win, and multiple Othello-area educators have been the recipient of these funds, which are awarded to help teachers purchase needed classroom supplies.
- In 2021, STCU activated a "Season of Giving" gift to area libraries, awarding each with \$1,000 in funding. This included the **Othello Library**, part of the Mid-Columbia Library District.
- STCU hosts an all-branch **school supply drive**, benefiting local schools. Area Othello schools have been recipients since its inception in 2022. In addition, STCU has provided funds for additional supplies to schools in the Othello community.
- STCU often underwrites permanent signage in local high schools, which the schools can use to generate annual revenue by selling advertising on additional panels provided with the scoreboard. STCU contributed \$50,000 to the **Othello School District** in 2022, to support two ten-year contracts underwriting both a football scoreboard and gym signage.
- STCU partners with local High School and College Career Readiness/Guidance Counselors, [Launch NW](#) and the [College Success Foundation](#) to provide qualified help completing the FAFSA form. STCU opens our branches throughout the year to anyone wishing to receive assistance. We have hosted, and plan to continue to host, these **FAFSA events** in Othello.
- Through STCU's **member in need** program, STCU team members can submit information about members facing hardships, or in need of encouragement. STCU will then send the member a note and a small local gift card to show our support.
- Employee leadership in our communities, which In Othello includes Kerrie Petersen (Branch Manager) serving on the Othello Food Bank Board, and the board for the Greater Othello Chamber of Commerce; and Lulu Gonzalez (Assistant Branch Manager) serving on the board for the Othello Food Bank.
- Support of our communities and members through purchase of logo items, often distributed at community and business events.
- Support of newly onboarded employees by purchasing STCU logo wear.
- Media partnerships supporting local communities. Examples include KHQ (NBC) Teacher of the Month, KXLY (ABC) Volunteers Count program, and KREM (CBS) Love Local program.
 - Teacher of the Month celebrates one teacher from our service area. Teacher is celebrated at an all-school assembly, and the spot airs on TV and digital channels.
 - Volunteers Count celebrates volunteers in our community. The volunteer is surprised and receives a \$1,000 donation to the non-profit where they volunteer. Video airs on TV and digital channels.
 - Love Local highlights and celebrates local businesses and organizations. Businesses are featured in videos airing on TV and digital channels. In addition, one business each month is featured for a gift card giveaway, with STCU purchasing the gift cards.

Total philanthropic and sponsorship support for Othello: \$130,000

In October 2021, STCU merged with Coulee Dam Federal Credit Union (CDFCU), adding branches in Coulee Dam, Brewster, Republic, and Omak, Washington. We supported existing commitments, and enhanced and added additional support, in every community. **To date STCU's investments in philanthropy and sponsorships totals \$440,266 for our merged CDFCU branches.**

Below are examples of STCU's support, specifically in **Republic**:

- Involvement in the **Republic Chamber of Commerce**, including annual membership dues, support and sponsorship of annual events, including Winterfest and Prospector Days.
- In 2022, STCU funded the City of Republic \$5,000 for the **Republic Skate Park**. The funding was leveraged for matching funds, and the skate park opened in spring 2024.
- STCU has supported the annual season opener for **Eagle Track Promotions**, the local raceway. These events bring the community together to watch stock car racing.
- Continuing a tradition of CDFCU support for the **Ferry County Fair Association**, supporting the annual fair and underwriting free carousel rides for children and families.
- Sponsorship for the annual rodeo events for the **Tonasket Junior Rodeo Association**.
- In support of STEM education, STCU has supported **Stonerose Interpretive Center & Eocene Fossil Site**, a local nonprofit that provides a fossil dig site and museum. The entity also travels to many local classrooms, providing hands-on STEM education with children. We support their annual fundraiser, and also surprised the organization in 2022 with a \$10,000 gift during our "Season of Giving," to aid in its capital campaign.
- With the launch of STCU's Here for Good Foundation, we made an inaugural gift to the Innovia Foundation **Ferry County Community Fund**, with \$5,000 to distribute immediately, and \$5,000 for the endowment. The fund is managed by local community members.
- Around Valentine's Day 2022, we celebrated a **week of treats** at all newly acquired branches. In Ritzville, we purchased the treats from local business Mountain View Coffee House and had them out daily over the week of 2/14 to celebrate members, thank them, and welcome them to the STCU family.
- In STCU's tradition of supporting education and local teachers, our annual **classroom supply grants** award area educators \$200. Educators within STCU's footprint can enter to win, and multiple Republic and Curlew educators have been the recipient of these funds, which are awarded to help teachers purchase needed classroom supplies.
- In 2021, STCU activated a "Season of Giving" gift to area libraries, awarding each with \$1,000 in funding. This included the **Republic Library**, part of NCW Libraries.
- STCU hosts a branch-wide **school supply drive**, benefiting local schools. Area Republic schools have been recipients of this drive since its inception in 2022.

- STCU sponsored the **Republic Business and Professional Women's Club** 2024 annual Bingo fundraiser, which funds local scholarships.
- Each year, STCU creates holiday videos featuring select local artists singing holiday songs. We buy time on TV, in movie theaters and online to highlight these local artists. This gives the musicians incredible exposure, while “making spirits bright” for local viewers. In 2023, one of the featured artists was **Small Town Strings**, a sibling duo from Curlew, WA.
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- STCU often underwrites permanent signage in local high schools, which the schools can use to generate annual revenue by selling advertising on additional panels provided with the scoreboard. In 2023, STCU contributed \$25,000 to the **Republic School District**, supporting a ten-year contract for a reader board at the school's main entrance. Additionally, STCU contributed \$20,000 for a high school gym scoreboard, and \$15,000 for the high school football scoreboard.
- STCU partners with local High School and College Career Readiness/Guidance Counselors, [Launch NW](#) and the [College Success Foundation](#) to provide qualified help completing the FAFSA form. STCU opens our branches throughout the year to anyone wishing to receive assistance. We have activated, and plan to continue to activate these **FAFSA events** in Republic.
- Through STCU's **member in need** program, STCU team members can submit information about members facing hardships, or in need of encouragement. STCU will then send the member a note and a small local gift card to show our support.
- Employee leadership in our communities, which In Republic includes Mackenzie Hutton (Member Consultant) serving on the Ferry County Fair Board.
- Support of our communities and members through purchase of logo items, often distributed at community and business events.
- Support of newly onboarded employees by purchasing STCU logo wear.
- Media partnerships supporting local communities. Examples include KHQ (NBC) Teacher of the Month, KXLY (ABC) Volunteers Count program, and KREM (CBS) Love Local program.
 - Teacher of the Month celebrates one teacher from our service area. Teacher is celebrated at an all-school assembly, and the spot airs on TV and digital channels.
 - Volunteers Count celebrates volunteers in our community. The volunteer is surprised and receives a \$1,000 donation to the non-profit where they volunteer. Video airs on TV and digital channels.
 - Love Local highlights and celebrates local businesses and organizations. Businesses are featured in videos airing on TV and digital channels. In addition, one business each month is featured for a gift card giveaway, with STCU purchasing the gift cards.

Total philanthropic and sponsorship support for Republic: \$110,000