



February 19, 2013

The Honorable Senator Leone
The Honorable Representative Tong
Co-Chairmen, Joint Committee on Banks
Legislative Office Building, Room 2400
Capitol Avenue
Hartford, Connecticut 06106

HB 6355 AN ACT CONCERNING HOMEOWNER PROTECTION RIGHTS.

Senator Leone, Representative Tong and Members of the Banks Committee:

Thank you for this opportunity to testify, I am here representing Connecticut's 125 credit unions in opposition to HB 6355.

First let me tell you a little about credit unions. Credit unions are not-for-profit financial cooperatives; we are owned by and exist to serve our members, and we are not for profit financial cooperatives. Credit unions do not issue stock or pay dividends to outside stockholders. Instead, earnings are generally returned to our members in the form of lower loan rates, higher deposit rates, and lower or no fees. Credit unions are democratically controlled; every member is also an equal owner. We have volunteer boards of directors elected from the membership. In addition to providing a full suite of financial products & services to our members, we also believe we have a fiduciary duty to educate our members and participate directly in the communities in which we provide services.

The credit union industry supports proactively assisting their members in holding on to their homes and goes to great lengths to work with our members to make sure that is possible. However, in the rare occasion when that is not possible, we work towards a fair resolution for all involved parties. Credit unions' motto is, "people helping people" and when there is an issue with one of our member's ability to pay, we assist them in any possible way we can. We did not create the housing crises and did not participate in sub-prime lending which has affected so many.

This bill adds unnecessary levels of mandated bureaucracy and prescribes certain actions that may hinder the processes already used by credit unions as they diligently work to help their members remain in their homes. In addition, there may be "unintended consequences" in the form of added provision expenses, resulting in unnecessary incurred expenses that would further deteriorate the bottom lines of a fragile, but slowly recovering industry. Speaking for the credit union industry, this would adversely affect ALL of our members, as they are the beneficiaries and active participants in the ownership and support of their respective credit unions.

Thank you very much for your time and consideration.

A handwritten signature in cursive script, appearing to read "Anthony L. Emerson".

Dr. Anthony L. Emerson, DBA, CCUE, C.P.M.
President & CEO
The Credit Union League of Connecticut