



March 11, 2014

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

Scient Federal Credit Union

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

Thank you very much for the opportunity to write to you in support of **House Bill 5470, An Act Requiring a Sales and Use Tax Exemption for Sales to Connecticut Credit Unions**. I am the President & CEO of Scient Federal Credit Union located in Groton, Connecticut serving the employees of Pfizer, Inc. and 57 related Select Employer Groups in the Connecticut area.

As a Federally chartered credit union we have considered converting to a state charter in the past. However, due to the financial impact of paying sales and use tax we have not pursued a state charter. Having this additional burden, which we are not subject to as a federal credit union, would divert critical resources we currently use to support the following programs and others:

- The ability to reach consumers who otherwise would not have the option to be served by credit unions.
- Offering financial literacy and counseling programs to over 600 members in the last six months.
- Availability of low-interest loans offered to our members who have been negatively impacted during tough economic times. Over the past year alone we have moved over 29 members and over \$512,000.00 into lower interest rate loans.

These are important services to our members and have a very real direct impact to our members. Some of these members have seen their monthly financial obligation reduced by 20% to 30%, allowing them to stay in their homes, or retain a car desperately needed for transportation to work, or in the case of one mom, giving her family financial breathing room while she looked for another job after being laid-off.

This exemption would not affect other taxes that we currently pay including payroll taxes, real estate taxes and personal property taxes. However, as stated a sales tax exemption would make a state charter a viable option for us.

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. Fafard', written over a horizontal line.

Bruce J. Fafard  
President & CEO, Scient Federal Credit Union

Home Address: 94 Smith Street, Groton, CT 06340