

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

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

Thank you very much for the opportunity to testify before you today 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 and CEO of Wepawaug-Flagg Federal Credit Union located in Hamden. We have 10,000 members comprised of board of education and municipal employees in the greater New Haven and Hamden areas.

**I support this bill because in my experience decisions made in Connecticut impacting credit unions are more likely to be responsive to the needs of credit union members than those made hundreds of miles away. No one understands Connecticut yankees better than Connecticut yankees. Local control and authority is important and responsive. During my forty year career in financial services, many years were at institutions chartered by the state department of banking. At those times I saw firsthand the benefit of the personal interaction and always valued the local access to the department for consultation and guidance.**

**At Wepawaug-Flagg FCU, when we consider a significant change, such as a change in charter, we evaluate many items and among the first items considered is the increased value received as compared to the costs to be borne by our membership. The incurrence of the additional expense of the state sales tax would clearly be a negative factor and strengthen the argument to retain our federal charter. The parity brought by eliminating the sales tax for state chartered credit unions would eliminate this objection.**

**During the last five years we have been able to maintain and expand our employees to preserve the high level of personal service to our membership. We are a not-for-profit financial cooperative, our members elect our board which consists entirely of unpaid volunteers. Every dollar of excess income gets returned to the members in a variety of ways. After retaining sufficient income to support growth, we offer lower rates on loans, higher rates on shares, substantially lower fees or no fees on other services while continuing to offer our members new products and services.**

**Please support HB 5470 and eliminate sales tax on state chartered credit unions.**

Thank you.

Sincerely,



**Michael J. Hinchey**  
19 Callahan Lane  
East Hartford, CT 06118

MJH/bm