



Thursday, February 18, 2021

TO: Senator Kasser, Senator Berthel, Representative Doucette, Representative Delnicki and Members of the Banking Committee

FR: Bruce Adams, President & CEO – Credit Union League of Connecticut

Contacts: Bruce Adams at badams@culct.coop - Mobile 860-593-3113

or Kelly Fuhlbrigge at kfulbrigge@culct.coop - Mobile: 203-500-9293

On behalf of Connecticut's 90 credit unions, I respectfully offer testimony today on:

H.B. H.B. No. 5610 AN ACT EXPANDING ACCESS TO CERTAIN LOANS ISSUED BY THE CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY, CONNECTICUT BANKS AND CONNECTICUT CREDIT UNIONS.

H.B. No. 5611 AN ACT CONCERNING PROPERTY APPRAISALS IN FORECLOSURE PROCEEDINGS

H.B. No. 6323 AN ACT ESTABLISHING A STATE OF CONNECTICUT BANK.

As not-for-profit financial cooperatives, credit unions employ a unique business model that returns profits, if any are made, back to its members in the form of higher interest rates, lower rates on loans or to provide their members products or services they want from their credit union. Credit unions follow the simple sounding philosophy of "people helping people" but fulfilling that philosophy requires a complex and careful balance of the interests of the individual member with the total membership.

H.B. No. 5610 AN ACT EXPANDING ACCESS TO CERTAIN LOANS ISSUED BY THE CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY, CONNECTICUT BANKS AND CONNECTICUT CREDIT UNIONS. We support programs that increase student access to credit to further their education for the simple reason that education leads to financial independence. That said, private lenders such as credit unions, must be supported as a valuable alternative to government loans that are often not dischargeable in bankruptcy. Accordingly, Connecticut's credit unions support the use of a revolving loan fund that would use public funds to leverage the investment of private dollars in our students' futures.

H.B. No. 5611 AN ACT CONCERNING PROPERTY APPRAISALS IN FORECLOSURE PROCEEDINGS. We express concerns with this proposal for the simple reason that the duty of any appraiser to the lender or the homeowner should not affect the ultimate determination of fair market value. The requirements of the license issued by the Connecticut Department of Consumer Protection ought to control in this case.

H.B. No. 6323 AN ACT ESTABLISHING A STATE OF CONNECTICUT BANK. We oppose the establishment of a state bank. This is not a new idea, in 2017 this issue was raised and failed and again a few years prior to that, the issue was raised as a study and passed. At that time, the Department of Banking Commissioner, Howard Pitkin, studied the issue and testified that creating a state bank was not a sound idea, could end up putting current CT financial institutions at a disadvantage and state bank funds at risk. We support mutually beneficial partnerships between the state and existing financial institutions that encourage financial health and economic growth in the state.