**Proponent Testimony: Am. House Bill 489**

**Senate Insurance and Financial Institutions Committee**

**Tuesday, November 27th 2018**

**Cory Fleming, Legislative and Political Affairs Director, Ohio Credit Union League**

Chairman Hottinger, Vice-Chair Hackett and Ranking Member Brown, my name is Cory Fleming and I am the Director of Legislative and Political Affairs at the Ohio Credit Union League, the state trade association representing Ohio’s 270 federally and state-chartered credit unions. Thank you for allowing me to provide brief remarks today in support of amended House Bill 489. As you know, the Ohio Credit Union League provided proponent testimony for HB 489 before summer recess and support the changes to the bill, many of which include Senate Bill 292.

Senate Bill 292, sponsored by Senator Terhar, comprehensively modernizes Chapter 1733 of the Ohio Revised Code which governs the framework for how state-chartered credit unions operate. Of the 270 credit unions domiciled in Ohio, 124 credit unions choose to operate under the state charter, meaning they are directly regulated by the Ohio Department of Commerce and the Ohio Division of Financial Institutions (ODFI).

State charter credit unions contribute to our local and state economies by directly funding the credit union division within ODFI, employing Ohio residents and paying sales and real estate taxes, among other contributions. For these reasons, it is important for the state charter to remain competitive with its federal counterpart, which demands the state system to be routinely examined and improved.

The following provisions in Senate Bill 292, to be included in HB 489 that are most beneficial to the nearly 3 million Ohioans and their state-chartered credit unions, board of directors, and staff are:

* Permits board meetings to be held no less than once per quarter, giving credit unions more choice about how they choose to run their business
* Permits credit unions to reasonably compensate board members, which can aid in retention and attraction of qualified individuals directing the credit union
* Creates a framework for associate board members to be a part of the credit union, enhancing strategic planning efforts
* Allows credit unions to promote and offer members prize-linked savings accounts, which incentivizes thrift and annual savings

These are just a few of the many benefits provided by amended House Bill 489, which will keep all financial institutions modernized, empowered, and competitive. I would also like to note that nearly 20 credit union CEOs have provided written letters of support, which have been submitted for the record.

On behalf of the Ohio Credit Union League, we appreciate your consideration of this legislation and I am happy to answer any questions you have. Thank you.