



Before the
**SENATE FINANCIAL INSTITUTIONS
AND TECHNOLOGY COMMITTEE**

**Proponent Written Testimony
House Bill 440**

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Chairman Wilson, Vice Chair Hottinger, Ranking Member Maharath, and members of the Senate Financial Institutions and Technology Committee, thank you for the opportunity to support House Bill 440. This bill would make beneficial changes to the Ag-LINK linked-deposit program offered by credit unions and other financial institutions in partnership with the Ohio Treasurer.

The Ohio Credit Union League is the state trade association representing the collective interests of Ohio's 234 federally and state-chartered credit unions and their more than three million members. For credit unions, interest rate reduction programs are an attractive option that coincides with the philosophical mission of non-profit financial cooperatives – ensuring members and member businesses are given the best opportunity to thrive financially.

Credit unions are currently eligible to participate in three linked-deposit programs offered by the Ohio Treasurer: the Ag-LINK program for agriculture business loans, the GrowNow program for small business loans, and the Family Forward program for adoption loans. The Ohio Treasurer uses linked-deposit programs to deposit state investment dollars with a lending institution at a below-market rate of return. The institution then agrees to pass the savings onto the borrower in the form of a lower interest rate.

House Bill 440 makes two simple yet significant changes to the Ag-LINK program: it removes the statutory \$150,000 cap per loan and the programmatic cap of \$165,000,000. The elimination of these caps will help agribusinesses better meet fluctuating economic realities and provide credit unions and other financial institutions with more flexibility to better serve their unique needs.

The bill also permits agricultural cooperatives to access the program, which drives further community-based economic solutions. All cooperative businesses around the world, like credit unions and agriculture co-ops, collaboratively operate in accordance with the seven cooperative principles, one of which is cooperation among cooperatives. Extending program eligibility to agriculture cooperatives empowers Ohio's financial cooperatives, or credit unions, to also serve their agriculture counterparts through the Ag-LINK program.

The League applauds Treasurer Sprague, his team, and Representatives Swearingen and White for their work in advancing and improving the state's linked-deposit programs. These programs help credit unions meet the needs of everyday Ohioans, small businesses, and agribusinesses by helping them achieve their dreams, save more of their hard-earned money, and create jobs to drive Main Street success.

Thank you for the opportunity to support House Bill 440, and I am happy to provide additional information in support of the Committee's important work.