



MD|DC

Credit Union Association

Delegate Dereck Davis  
Room 231  
House Office Building  
Annapolis, Maryland 21401

**HB1004:** Financial Institutions - Commissioner of Financial Regulation - Credit Union Power  
**Testimony on Behalf of:** MD|DC Credit Union Association  
**Position:** Oppose

Chairman Davis, Vice-Chair Dumais, and Members of the Committee:

The MD|DC Credit Union Association, on behalf of the 77 Credit Unions and their 2.2 million members that we represent in the State of Maryland, appreciates the opportunity to testify on this legislation. Credit Unions are member-owned, not-for-profit financial cooperatives whose mission is to educate and help members achieve financial well-being. **We support this bill.**

Like most states, Maryland offers a dual chartering system for credit unions, meaning that a credit union may be chartered federally or by the state. The Federal Credit Union Act of 1934 (FCUA) governs federally chartered credit unions and the Maryland Credit Union Act (Md. Art. Fin. Inst. §6-206 et. seq.) governs state-chartered credit unions. These two acts are substantially similar but contain some differences which may put state-chartered institutions at a competitive disadvantage to federally chartered institutions.

Our primary focus is protecting our members and helping them achieve their financial goals. To that end, HB1004 does not limit or modify the Commissioner of Financial Regulation's powers to oversee credit unions and ensure safety and soundness. This bill simply streamlines the process for a state-chartered credit union to seek approval to conduct business under Maryland's parity law. The current process requires a credit union to prepare an application, submit it to the Commissioner for review, and await a response before engaging in the requested activity. Current Maryland law does not establish a timeline for Commission approval. Under the streamlined process, a credit union must still file a notice of intent to conduct federally permissible activities with the Commissioner at least 45 days before engaging in the requested activity. The Commissioner may extend the review timeline and request additional information from applicants and retains the authority to deny any requested activity it deems necessary to protect Maryland consumers. If the Commissioner does not extend, deny, or request further information, the credit union will be allowed to perform the activity 45 calendar days after submission. This practice is common in several other states.

As always, we appreciate the ability to have our voices heard and look forward to a continued partnership. Please reach out to me at [jbratsakis@mddccua.org](mailto:jbratsakis@mddccua.org) or our VP of Advocacy, Rory Murray, at [rmurray@mddccua.org](mailto:rmurray@mddccua.org) with comments or questions.

Sincerely,

John Bratsakis  
President/CEO, MD|DC Credit Union Association