



MD|DC

Credit Union Association

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

**HB829:** Economic Development – Small Business Financing – Loan Loss Reserve (Maryland Capital Access Program)

**Testimony on Behalf of:** MD|DC Credit Union Association

**Position:** Support

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.

Credit unions were founded on principles of member economic participation and concern for the community and take great pride in being able to serve those who have been historically unbanked or underbanked. Of the 77 Credit Unions headquartered in Maryland, 50 are specifically designated to serve traditionally disadvantaged populations. Thirty-six of these credit unions are low-income designated,<sup>1</sup> twelve are Minority Depository Institutions,<sup>2</sup> and two are Community Development Financial institutions.<sup>3</sup> As stated in the bill, the program’s purpose is to “stimulate opportunities for small businesses that may have difficulty obtaining business financing to have access to credit by establishing a loan loss reserve program.” This is an important goal. Importantly, this program does not require or state an expectation that a financial institution modifies underwriting standards. Safety and soundness must always come first. Current standards are thoughtfully created to provide supportive, prudent, and reliable sources of business financing for the community.

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.

Thank you!

Sincerely,

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

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<sup>1</sup> a majority of the credit union’s membership (50.01 percent) must meet certain low-income thresholds designated by the NCUA and Congress

<sup>2</sup> a majority of its current members, its board of directors, and the community it services, as designated in its charter, fall within any of the eligible minority groups

<sup>3</sup> specialized organizations that provide financial services in low-income communities and to people who traditionally lack access to financing