



MD|DC  
Credit Union Association

February 22, 2023

Chairman C.T. Wilson  
Room 231  
House Office Building  
Annapolis, Maryland 21401

**HB548 – Financial Regulation - Maryland Community Investment Venture Fund - Establishment (Access to Banking Act)**

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

**Position:** Support

Chair Wilson, Vice-Chair Crosby, and Members of the Committee:

The MD|DC Credit Union Association, on behalf of the 70+ Credit Unions and their 1.9 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 that prioritize the financial well-being of their members. **We support this bill.**

We appreciate the Administration’s focus on helping low-income communities have better access to banking. This goal falls directly in line with the mission of credit unions, which is to serve the productive and provident credit needs of individuals of modest means. Most importantly, this bill ensures that the products developed by the venture fund will be safely disseminated to the public through regulated financial institutions. Jurisdictions often miss this vital point when creating these types of programs, leading to unregulated fintech companies impacting people’s lives without oversight.

Credit unions have always been focused on finding ways to serve the needs of the underserved. In fact, over 50 percent of credit unions nationwide are low-income designated (LID). To qualify as a low-income credit union, a majority of the credit union’s membership (50.01 percent) must meet certain low-income thresholds based on data from the Census Bureau.<sup>1</sup> Additionally, Maryland is home to eleven minority depository institution (MDI) designated credit unions and three community development financial institutions (CDFI) credit unions. Our commitment to serving the underserved is the backbone of the credit union movement.

While the credit union mission and structure ensure that they remain committed to the communities they are chartered to serve, providing assessment offset credits to “sound” institutions<sup>2</sup> that either open de novo branches or maintain branches in low-income areas is a nice incentive. As we understand, the Banking Institution and Credit Union Regulation Fund is in a great position to handle the costs of the credits and capitalize the private venture fund without adding any fees to the regulated institutions.


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<sup>1</sup> “Annual Report, 2021,” National Credit Union Administration. Accessed February 16, 2023. <https://www.ncua.gov/files/annual-reports/annual-report-2021.pdf>.

<sup>2</sup> CAMEL ratings 1 or 2

Our member credit unions look forward to working with the Commissioner's office and venture fund to see how these products can help lift up the communities they serve.

Sincerely,

A handwritten signature in blue ink that reads "John Bratsakis". The signature is fluid and cursive, with a long horizontal stroke at the end.

John Bratsakis  
President/CEO