



February 27, 2024

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

HB 1135 – Financial Institutions – Maryland Community Benefit Plan Act of 2024

Testimony on Behalf of: Point Breeze Credit Union

Position: Oppose

Chairman Wilson, Vice Chairman Crosby, and Members of the Committee:

Point Breeze Credit Union is a state-chartered credit union established in 1935 to serve the employees of Western Electric Company's Baltimore Works. Over the years we expanded our field of membership to include individuals who work, worship, are members of and/or volunteer for any organization located within 20 miles of one of our offices, and their immediate family. We are a cooperative and we support the financial wellness of our 64,000 members by offering low loan rates and promoting savings.

We oppose HB 1135 because complying with the bill will divert resources away from serving our members and supporting organizations in our communities. The bill will also weaken the influence our members have on the operation of the credit union and will put us at a competitive disadvantage with federally chartered credit unions.

Member and Community Support

Point Breeze Credit Union supports its members and those in our communities. Just in the last year we:

- Awarded \$40K in scholarships
- Donated \$145K to local charities and organizations
- Offered internships to local high school students

During the pandemic we offered PPP loans, developed low-cost loans to assist members, allowed members to skip loan payments, and forgave fees. We currently stand ready to offer similar assistance to members during a government shutdown.

We do all these things as part of our credit union mission. Complying with this additional legislation would drain our resources and therefore jeopardize or greatly reduce our ability to offer such assistance to our members and the community.

Credit Unions are Member-Owned Cooperatives

Credit unions are owned by their members and governed by a Board of Directors made up of members. Under HB 1135, the Community Benefit Plan developed by the credit union would

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be posted for public comment and reviewed by an outside committee. This gives non-members, who may be unfamiliar with credit unions, a say in how the credit union invests and spends the funds entrusted to it by its members. This is counter to the cooperative structure of credit unions and weakens the influence of the membership on the operation of the institution.

Competitive Disadvantage

This legislation will put our credit union at a competitive disadvantage with federally chartered institutions in our geographic areas that do not need to comply with the additional requirements and assume the associated costs. Federally chartered credit unions would have the advantage to afford better technology, and more easily expand their branch network and execute mergers.

Thank you for your consideration and for providing the opportunity to submit these comments. We ask for you to remove this bill.

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