

# Massachusetts Credit Unions



*Creating Cooperative Power*

November 2, 2021

The Honorable Brendan Crighton  
The Honorable James Murphy  
Chairs  
Joint Committee on Financial Services  
State House  
Boston, MA 02133

## **BY EMAIL ONLY**

Dear Chairs Crighton, Murphy and Members of the Committee:

On behalf of the Cooperative Credit Union Association, Inc. (“Association”)<sup>1</sup> and its members, please accept this letter in support of legislative filings sponsored by the Massachusetts Credit Union Share Insurance Corporation (“MSIC”). As many of the Association’s members are also members of MSIC, the Association is pleased to share its views in favor of the following legislative proposals:

**House 3817**, *An Act Relating to Massachusetts Credit Union Share Insurance Corporation*

**House 3818**, *An Act to Modernize Massachusetts Credit Union Share Insurance Corporation*

**House 3819**, *An Act Relating to the Diversification of Risk*

---

<sup>1</sup> The Cooperative Credit Union Association, Inc. (“Association”) is the state credit union trade association, serving approximately 160 federally and state-chartered credit unions that are cooperatively owned by 3 million consumers as members. On average, one in three Massachusetts consumers are credit union members. Furthermore, the industry employs over 7,500 full and part-time employees. As not for profit cooperatives, over 2,000 volunteer directors further serve local credit unions who deliver \$310 million in member benefits annually. As of June 2021 call report data, credit union member benefits include higher yield on savings: \$56.5 million; lower fees: \$13.6 million; lower loan rates: \$240.3 million; and savings to nonmembers: \$121.1 million (by impact of credit union presence in the marketplace). CUNA Economics and Statistics.

**Joint Committee on Financial Services**

**Letter in Support of House 3817, House 3818, House 3819, Senate 692, and Senate 693**

**November 2, 2021**

**Page 2**

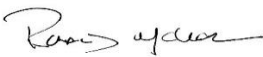
*Senate 692, An Act Relative to the Massachusetts Credit Union Share Insurance Corporation*

*Senate 693, An Act Relative to Interstate Branching of a Credit Union*

While each of these measures are beneficial to MSIC as the Commonwealth's excess share insurance provider for credit unions, they also serve a dual purpose to support and grow the natural person credit unions they serve by strengthening the investment structure of the excess share insurance fund,<sup>2</sup> expanding and diversifying excess share insurance opportunities for credit unions beyond Massachusetts into New England states and New York,<sup>3</sup> and by expanding the ability of credit unions to serve and do business with MSIC as an organization member.<sup>4</sup> Finally, the Association also notes that the proposed removal of regulatory approval for certain borrowing authority found within House 3817 is reflective of similar provisions favorably acted upon by this Committee in the recently enacted credit union modernization law.<sup>5</sup>

Thank you for your consideration of these views in support of House 3817, House 3818, House 3819, Senate 692, and Senate 693. The Association remains available to respond to any questions or concerns of the Committee and its staff at your convenience.

Sincerely,



Ronald McLean  
President/CEO  
Cooperative Credit Union Association, Inc.

---

<sup>2</sup> House 3818 and Senate 692 are companion bills.

<sup>3</sup> House 3819 and Senate 693 are companion bills which seek to mirror and extend excess share insurance services to the footprint of the Association's interstate branching legislation enacted into law as Chapter 466 of the Acts of 2014.

<sup>4</sup> House 3817.

<sup>5</sup> Section 68 of Chapter 338 of the Acts of 2020.