

New Hampshire Credit Unions



Creating Cooperative Power

SENATE COMMERCE COMMITTEE
PUBLIC HEARING
APRIL 20, 2021

A STATEMENT BY DAVID COLLINS ON BEHALF OF
NEW HAMPSHIRE CREDIT UNIONS
IN SUPPORT
HB 610

**AN ACT REQUIRING CERTAIN LICENSING AND REPORTING FUNCTIONS BE
CONDUCTED THROUGH THE NATIONWIDE MULTISTATE LICENSING SYSTEM
AND REGISTRY, AND RELATIVE TO BACKGROUND INVESTIGATIONS OF
TRUST OFFICERS, TO CERTAIN FILING FEES, ASSESSMENTS, AND INTEREST
RATES, AND TO THE TRANSMISSION OF CONSUMER COMPLAINTS BY THE
BANKING DEPARTMENT**

The Cooperative Credit Union Association, Inc. (“Association”) is the state credit union trade association, serving 14 federally and state-chartered credit unions that are cooperatively owned by 761,000 consumers as members. On behalf of the New Hampshire credit union movement, the Association supports HB 610, *An Act Relative to Certain Licensing and Reporting Functions be Conducted Through the Nationwide Multistate Licensing System and Registry, and Relative to Background Investigations of Trust Officers, to Certain Filing Fees, Assessments, and Interest Rates, and to the Transmission of Consumer Complaints by the Banking Department.*

New Hampshire credit unions are pleased to offer comments in support of Sections 21 and 24 of the bill which directly impact credit unions and relate to examination costs and consumer complaints. The Association notes that this measure has been the subject of a public hearing on January 26, 2021 before the House Commerce and Consumer Affairs Committee. Favorable comments were also offered by local credit unions at that time on the efforts of the New Hampshire Banking Department’s (“Banking Department”) to address examination costs and consumer complaints.

I. Section 21: Examination Costs

Section 21 of HB 610 addresses the responsibilities of state-chartered institutions, including credit unions, to pay certain incurred assessments in the event of a charter dissolution or conversion. These provisions have been introduced for the first time this session.

It is the understanding of the Association that the provisions in the bill codify current practice. As such, Association members remain vigilant over the impact of this provision, triggered by a charter conversion, on the Banking Department’s budget, examination costs and the annual assessment. The Department’s longstanding and continuing commitment to contain costs

wherever practicable and to strive for equitable assessments is welcome and underscores the basis for credit union support.

II. Section 24: Consumer Complaints

Section 24 of HB 610 is consistent with language proposed last session and the Association notes that its thrust is to authorize the Banking Department to transmit consumer complaints to state chartered institutions, including credit unions, using expanded mail options. Proposed mail options include email/electronic mail or certified mail.

As stalwarts of member privacy and the protection of personal financial information, credit unions have robust electronic mail security protocols in place that will not transmit any data containing elements of non-public information (“NPI”). As an example, a document that contains a series of numbers that are or appear to be a Social Security number will be identified, blocked, and remain undelivered.

While controls are in place in most systems that allow credit union staff to review items prior to allowing for their transmittal, the process is manual and timely. As many credit unions use similar email processes, complaint documentation may contain information an email system identifies as NPI. Under such circumstances, it is foreseeable that the transmittal of sensitive complaint data to a credit union may be challenged or communications may be blocked. Complications and delays may result as credit unions may not be aware of the issue thereby extending response deadlines, and importantly, impairing their ability to assist the members in understanding and resolving issues.

To avoid such unintended consequences, and in recognition of the Banking Department’s shared support of credit union goals to preserve the optimum security of private member information, a secure electronic portal is contemplated to be used in the transmission process of consumer complaints. As such, New Hampshire credit unions support this legislation and a secure electronic transmittal option such as the state’s file transfer protocol (“FTP”) site.

III. Conclusion

New Hampshire credit unions support these provisions in this legislation without reservation. The Association appreciates the opportunity to provide input to the Committee, and respectfully requests the Committee’s favorable consideration of HB 610.