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President of the Senate

THE MAINE SENATE
131st Legislature

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Testimony in Support of LD 1921
An Act to Amend the Laws Regarding State-chartered Credit Unions

**Presented to the Joint Standing Committee on Health Coverage, Insurance and
Financial Services**

Tuesday, January 23, 2024

Good afternoon, Senator Bailey, Representative Perry, and members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services. My name is Troy Jackson. I have the honor of serving as the President of the Maine Senate and of representing northern Aroostook County in Senate District 1. I am here today to introduce an amended version of LD 1921, "An Act to Amend the Laws Regarding State-chartered Credit Unions."

Maine's credit unions are deeply rooted in the communities they serve and provide important financial services to our constituents, especially in underserved communities. They share their profits back with their member-owners through higher dividends, better loan rates, and lower fees. This bill and my proposed sponsor's amendment will enact small but essential tweaks that will help maintain a fair balance within the credit union and financial service sector. The Maine Credit Union League asked me to introduce this bill because it will help their members continue to provide their services in our communities.

Credit unions in our state can either be state chartered or federally chartered. There are currently 49 credit unions in Maine, but only 12 of them are state chartered. This shows the need for our laws to be updated to make sure that state-chartered credit unions are competitive with both their federally chartered counterparts and with banks in our state.

As an example, one section of this bill that would benefit state chartered credit unions, especially rural ones, is the decrease in board meeting requirements from once per month to six times a year. The current monthly requirement is more burdensome than what is required of either state chartered banks or federally chartered credit unions. This policy change could help credit unions recruit new board members give credit unions greater flexibility when major weather events or tragedies occur to postpone their meetings. And it will bring them in line with what is expected of their federally chartered counterparts.

Credit unions do a lot of good work. Maine is very fortunate to have such a strong base of community financial service providers. I encourage this committee to give LD 1921 your

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approval so that our state-chartered credit unions can continue their good work in serving their members and our constituents. I will do my best to answer any questions you may have, but the Maine Credit Union League is testifying after me and they will likely be more equipped to get into the details of this bill.