



Maine Credit Union League

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In Support of LD 2113
An Act to Provide Relief to Federal Employees Affected by a Federal Shutdown
Joint Committee on Health Coverage, Insurance and Financial Services
March 7, 2024

Good Afternoon, Senator Bailey, Representative Perry, and distinguished members of the Joint Committee on Health Coverage, Insurance and Financial Services,

My name is Ellen Parent and I am the Director of Compliance at the Maine Credit Union League. The Maine Credit Union League is a nonprofit, professional trade association that exists to serve Maine's 49 credit unions with over 725,000 members statewide. We would like to extend thanks to Senate President Jackson for introducing this legislation and we respectfully submit the following testimony in favor of LD 2113.

In December 2018, the federal government shut down for 35 days, leaving approximately 1,100 Mainers without a paycheck. No safeguards were in place at this time for federal employees affected by the shutdown. During the shutdown, expenses did not stop accumulating, there was no end date forecasted; these employees experienced financial stress and personal anxiety. President Jackson brought forward legislation at that time that we were pleased to support to allow for short term loans to those waiting on the federal government; we are pleased to support this action that would provide ongoing relief when there is a federal shutdown.

This legislation would create a loan guaranty program at the Finance Authority of Maine to encourage lenders to offer interest-free loans in the amount of one month's net pay, up to \$6,000 per federal employee in Maine. This bill would ensure that safeguards are in place for federal employees who went without pay in Maine, so they will not go without a paycheck in the event of another shutdown. Since 2019, the federal government has passed laws ensuring that federal employees receive retroactive pay during shutdowns, but this is cold comfort when rent is due, or groceries are needed.

The threat of federal shutdown has loomed more often in recent years, by passing LD 2113, Maine's credit unions, will be prepared in case the situation enfolds once again. Maine credit unions are here to help their members and this law will allow them to help more impacted members and more quickly by reducing the risk of lending. By creating a permanent solution for assistance during federal shutdowns, Mainers no longer have to wait for the Legislature to bring a bill and are not stuck if the shutdown occurs outside of session.

Thank you for considering our industry's views and allowing me to testify before your committee today. I am happy to answer any questions you might have.