



*In Support of **LD 2102: An Act to Clarify and Strengthen the Government Shutdown Loan Guarantee Program***

*Committee on Health Coverage, Insurance and Financial Services
January 27, 2026*

Good afternoon, Senator Bailey, Representative Mathieson, and esteemed members of the Health Coverage, Insurance and Financial Services Committee. My name is Jared Gay, and I am the Director of Advocacy & Compliance at the Maine Credit Union League. The Maine Credit Union League is the trade association for Maine's 48 credit unions—financial cooperatives that proudly serve more than 750,000 members statewide. Thank you for the opportunity to testify on LD 2102.

I'd like to start by thanking Representative Mathieson and the bill's cosponsors for their leadership on this issue, and for establishing the original Government Shutdown Loan Guarantee Program. Maine's credit unions share the same goal reflected in both the original program and this bill: doing everything possible to support government employees and their families during the financial uncertainty of a shutdown.

My testimony today is offered neither for nor against LD 2102. Instead, I am here to share facts and perspectives from Maine's credit unions and to thank the committee for its continued attention to improving this voluntary program.

During the most recent government shutdown, Maine credit unions acted quickly to assist affected employees through programs developed internally, outside of the state program. Importantly, many of our credit unions have offered similar shutdown assistance consistently over multiple shutdowns in the past, and the inception of these programs predates the state's guarantee program. As a result, credit unions were able to rely on established models that staff understood, members recognized, and institutions trusted from both an operational and risk-management perspective.

These programs generally included zero-interest loans tied to a member's net pay, often capped at one month's salary, with flexible repayment terms. Many credit unions paired these loans with Skip-A-Pay options, loan deferrals, fee waivers, or other relief to help members manage cash flow.

Following the most recent shutdown, the League surveyed credit unions to better understand their experience with the state program and why some chose not to participate. Credit unions consistently expressed appreciation for the intent of the program and recognized that it can be a helpful tool, particularly for institutions that may not be positioned to run an internal program or to establish their own programs or offerings.

At the same time, several common themes emerged. Credit unions raised concerns about assuming credit risk without the ability to underwrite loans using standard practices, uncertainty about the scope and reliability of the loan guarantee, and the possibility that

available funds could be exhausted. Others cited administrative complexity, short repayment timelines, and challenges aligning the program with existing lending systems and staffing capacity. These considerations were often evaluated in light of credit unions' prior experience administering their own shutdown programs.

Considering this feedback, we were encouraged to see that this bill removes the prior 10% backstop language, which caused confusion for many credit unions during the rollout and was seemingly a factor in concerns about predictability of the guarantee. We hope that this change alone can improve participation in the program.

With that said, participation in the Government Shutdown Loan Guarantee Program is voluntary, and we support maintaining that structure. Credit unions value the autonomy to assess their capacity, risk tolerance, and member needs, and to decide whether participation is the right fit for their institution. Our role as a trade association is to provide facts and information so credit unions can make informed decisions.

Again, we thank the bill sponsor for both the original program and this follow-up legislation, and we thank the committee for the opportunity to share perspective. Maine's credit unions remain committed to supporting government employees—especially during shutdowns—and stand ready to be a resource as you consider LD 2102.

Thank you for your time and for the opportunity to testify.