

Date: May 15, 2020

To: Chairman Rob Olson & Committee Members  
Senate Financial Institutions & Insurance Committee

From: Stephanie Mullholland  
Heartland Credit Union Association

Re: Economic Recovery Linked Deposit Loan Program

Chairman Olson and Committee Members,

On behalf of Kansas credit unions and the 672,531 Kansans who belong to their local credit unions, thank you for the opportunity to speak in support of initiatives designed to aid Kansans in the economic recovery of their families and their businesses. Heartland Credit Union Association represents credit unions across the state - ranging from the state's smallest credit union, Norweso Credit Union located at the ag co-op in St. Francis, to the state's largest credit union, Meritrust Credit Union, which serves the employees of Spirit AeroSystems in Wichita.

**Credit unions exist to serve consumers in good times and bad.**

Credit unions are not-for-profit co-ops that were formed to serve Kansans in good times and in bad. They have carried out that mission many times over, helping Kansans protect their financial security through employer layoffs, natural disasters, and now through the economic fallout of this pandemic. Credit unions have implemented a number of resources to address the needs of their members, including:

- ***Skip-a-payment on loans*** – approving skipped payments on auto, mortgage and business loans so that Kansans can temporarily maintain cashflow and protect their credit.
- ***Emergency assistance & hardship loans*** – offering low-interest or zero-interest short-term loans to assist families who may be dealing with a temporary business closure or waiting on unemployment benefits.
- ***Financial counseling & debt restructuring*** – meeting the increased demand in our communities for financial counseling, budgeting assistance and debt restructuring, particularly among Kansans facing layoffs in the aircraft industry.
- ***Community investments*** – continuing to provide funding for household and community initiatives that may not have access to other funding at this time, such as paying off families' unpaid school lunch accounts so they can return to school next fall with a fresh start.
- ***Low-interest business loans*** – helping consumers secure funding through the SBA's Paycheck Protection Program and other low-interest loan programs.

**Kansans benefit from more options.**

Even with all of these resources, the demand still exists for additional options. The proposed Economic Recovery Linked Deposit Loan Program is one more way that financial institutions can assist during the recovery period, and credit unions welcome the opportunity to be an eligible lender.

Thank you again for the opportunity to extend our support for the Economic Recovery Linked Deposit Loan program as a way to provide small business owners and farmers with one more resource for low-cost loans. We appreciate your service to the people of Kansas and your commitment to ensuring consumer choice for Kansans, particularly during this economic recovery.