

# OREGON CREDIT UNIONS

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## Oregon State Issues Working Group 2025-27 Policy Recommendations

*These concepts were developed by the 2024 Oregon State Issues Working Group and are now under review by the Oregon Governmental Affairs Committee.*

*The proposed issues and policy objectives provide guidance for GoWest state and federal legislative and regulatory teams to address, prepare for, or further develop between 2025 and 2027. Once adopted by the OR GAC either as introduced or amended, the recommendations will be reviewed by the GoWest Board of Directors.*

### **2024 Oregon State Issues Working Group Members**

Jenna Nichols, Chair, Central Willamette CU  
James Alexander, Unitus Community CU  
Jeremy Calva, Rivermark Community CU  
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### **Background**

The 2024 State Issues Work Group, chaired by Jenna Nichols of Central Willamette CU, met three times in May, June and July. The Work Group began by reviewing the many updates to the Oregon Credit Union Act over the last several years (document attached) and also received a report from America's Credit Unions on legislation around the country.

The next two meetings included a discussion on bringing forward possible legislative and regulatory issues for state and federally-chartered credit unions. This memo will serve as a background to those discussions along with possible agenda items for the upcoming legislative session.

## **2024 State Issues Working Group Recommendations**

### **Recommendation #1 - Updates to the Oregon Credit Union Act**

1. DHS Affidavit - There is a minor technical issue in ORS 723.466 related to Dept. of Human Services payout time. There is a discrepancy between the timeframe in 723.466(1)(b) (max time for payout to DHS is 75 days after death) and the timeframe in 723.466(4), which says we must accept an affidavit from DHS up to 76 days after death. We see this as a drafting error that was missed during work on previous legislation.

2. Reinstatement of Expelled Members – Update 723.202 (2) to replace or modify membership reinstatement responsibilities currently residing with the Board of Directors to management, a designee of the Board, or another party. While a second review is valuable, assigning it to the Board is operational in nature. This scenario occurs rarely and introduces a minor operational topic into a meeting focused on governance.
3. Supervisory/Audit Committee – Update 723.252 (2) to clarify the composition of the Supervisory/Audit Committee to allow Board members to fill these positions with caveats such as no management, Board Chair, etc.

## **Recommendation #2 – Housing Policy and Possible Grant Dollars for Downpayment Assistance**

1. Housing access and affordability have become one of the most important issues facing Oregon residents given the state’s high housing costs, both to purchase and rent, and not enough construction of affordable units to keep pace with demand. The Legislature has done some work in recent years to address these issues and will continue putting new concepts forward. Our recommendation is to work with state legislators on the concept of allocating grant funds that could be accessed by the GoWest Credit Union Foundation to support housing projects such as a 100% Financed Mortgage Loan Program targeted for families at or below 140% of the Median Household income level. Potential components of a program include:
  - First-time homebuyers only.
  - No down payment required.
  - All buyers below 140% area median household income.
  - Funding for loan loss reserve.
  - Requirement for buyers to attend HUD Homebuyer Education Class.
2. In addition, we will support legislative proposals that promote increased housing development.

## **Recommendation #3 – Update to Landlord-Tenant Act related to Personal Property**

1. The Residential Landlord-Tenant Act (ORS Ch. 90) has a process in ORS 90.425 in which a landlord can sell or otherwise dispose of personal property (including vehicles) that is left abandoned on the landlord’s property. The statute requires notice to a lienholder if the abandoned property is an RV, manufactured home, or floating home, but does not require notice to the lienholder if the property is a vehicle. There have been a couple of cases where a landlord held an abandonment sale and did not notify the credit union and got a clean

title. The Residential Landlord-Tenant Act needs to be updated to require notice to the lienholder for vehicles, not just RVs and manufactured or floating homes.

## **Recommendation #4 – Individual Development Accounts**

Working together with Neighborhood Partnerships and other partners and legislators, we will prioritize a 2025 legislative concept establishing a stable, long-term funding structure for the Oregon Individual Development Account (IDA) program. Since 1999 the IDA program has been funded by a \$7.5M state tax credit. The revenue generated by this tax credit has declined significantly in recent years, leaving the IDA program in danger of shrinking to serve fewer and fewer Oregon households. A legislative concept is currently being finalized.

## **Additional Legislative/Regulatory Issues Discussed for Monitoring**

There are several other issues that were discussed and considered by the work group. Some of the concepts need additional discussion with the regulator and some need additional discussion and review with legislators. We may see legislative concepts in the 2025 session; however, the work group does not have specific recommendations pertaining to these topics at this time.

1. Modernizing Car Titles – GoWest worked to pass HB3080 in the 2023 legislative session. HB3080 specifies that vehicle dealer records may be maintained electronically through the Oregon Department of Motor Vehicles, but the legislation goes into effect in 2027. Since this remains a top priority for Oregon credit unions, GoWest will continue working with ODOT, legislators, and credit union representatives to identify the next steps in the implementation process and look for opportunities to assist in setting short-term goals for a fully digital lien and titling process with near-term priorities focused on ensuring the department solidifies a timeline and implementation plan. We will also continue to review the success of recent laws passed to modernize the signing and lien filing experience for real estate.
2. Timeliness of State Reports/Exam Clarity -The OR SIWG had a great deal of discussion about the State of Oregon and exam timelines, sharing specifically about continued delays in the delivery of final exam reports. Some credit unions gave examples of a new exam beginning before they received a final report from the previous exam. However, improvements have been made. GoWest will continue working with DFR and the NCUA to improve exam processes in this new environment and ensure expectations are clearly communicated to credit unions in advance.
3. Real Estate Broker Fees – The Work Group had a discussion about the recent changes and disruption for real estate broker fees. Comments were made that it is important to watch for any consumer protection concerns in this process. Some concerns were raised that with the limited supply of houses, are buyers able to negotiate to make sure they aren't being taken advantage of? Do they need protection?

4. Field of Membership – Members of the Oregon SIWG discussed how recent changes made in the Community FOM section of the Oregon Credit Union Act have been of great benefit in adding members outside their designated communities. For example, if an association is considered to be “located within” a CU’s community area, the CU can admit members of the association to be members of the CU. GoWest will continue work to remove barriers to credit unions’ ability to serve the people and communities they wish to serve regardless of geographic location. GoWest will promote greater cooperation and partnerships across our six-state footprint and nationally and will work to finalize a meaningful cooperative interstate agreement, encourage DFR to fully utilize existing statutory authority to permit credit unions to serve broad communities, and identify and advocate to other state associations and regulators to ensure that assessments are paid exclusively to the prudential regulator.
5. Regulatory Relief for Small Credit Unions – Small credit unions continue to see challenges and financial pressure to keep up with the ever-evolving set of state and federal regulations. GoWest will continue to work with the Oregon DFR to set specific thresholds based on the type of regulatory relief under consideration.
6. Data and Information Security – As one of the biggest issues facing credit unions, the SIWG members asked that we continue to review opportunities to improve data security either with state offices or other business entities. Oregon has an AI Task Force that will be reporting to the legislature in the 2025 session, and we will be monitoring that discussion and any legislation.
7. Oregon Consumer Justice (OCJ) Proposal - ORS 18.395 paragraphs (5) and (7) under the homestead exemptions allow execution of a judgment lien if the debt is more than \$3,000. This means that a creditor with a lien against a home could force the sale of the home for a debt that surpasses \$3,000. The OCJ is urging to change this restriction by either: a) prohibiting creditors from foreclosing on the judgement lien at all (they have to wait for a sale or refinance of the property; or b) requiring the creditor to show that there is equity above the homestead exemption.
8. Surplus Proceeds from Property Tax Foreclosure Sale - [House Bill 4056](#) was approved by the legislature during the recent February session. This bill requires the Oregon Department of Revenue to coordinate with county tax officers and interested parties to create a process for determining surplus and distribution of proceeds of property lien foreclosures. The department must report recommendations from the interested parties to the legislature by the 2025 session.
9. Purchasing Bank Assets – Oregon Bankers are bringing up the issue of credit unions purchasing bank assets with legislators. With the recent purchase of an Eastern Oregon bank by a WA state credit union, the issue is more visible in Oregon. We will oppose all efforts to limit the ability of credit unions to purchase bank assets and serve communities.

In the vast majority of cases where a bank has decided to sell all or part of its assets, the buyer is another bank. For example, since 2012, 2,572 banks were sold to other banks, while 78 banks were sold to a credit union. Some of our advocacy arguments include:

- The credit union is oftentimes already located in and serving the same or a nearby community.

- Services remain seamless and local.
- It's good for the community. Instead of a bank closing and creating a banking desert, the purchasing credit union agrees to maintain services.
- The purchasing credit union may be making the most attractive offer to the selling bank's shareholders, offering cash rather than stock trades.
- Statistically, a credit union buying a bank is more likely than another bank to retain employees and keep branches open and local.
- The bank is most likely to sell to a financial institution that offers similar expertise/programs and/or that agrees to retain the bank's expert staff; for example, ag loan officers, commercial loan officers, etc. A bank sale to a credit union would be likely to continue and even enhance services available.

10. Protection of the Credit Union Tax Status –The GoWest Credit Union Association Advocacy Team does not foresee credit union taxation to be on the broader legislative agenda to bolster state revenues during the 2025 Session, but there are members of the legislature that would like to review all state tax exemptions to determine their return to the state. We are very confident in the return that individual Oregonians, their communities, and the state receives from not-for-profit, cooperative credit unions; however, there remains a need to stay diligent and ensure this remains as the utmost of priorities as we prepare our legislative agenda for the years ahead. We will continue to work to protect the credit union tax exemption, while ensuring it is not included in any revenue generating legislation.