



June 16, 2010

Dear Members of the Michigan House of Representatives:

On behalf of our 335 member credit unions, the Michigan Credit Union League (MCUL) is opposed to HB 4623 that was introduced by Representative Marc Corriveau. We understand this bill is part of the larger legislative package that was introduced, at least partially as a result of the recommendations of the Michigan Task Force on Elder Abuse. The MCUL fully supports the goal of protecting seniors from financial abuse and credit unions every day work to safeguard our members and their assets.

From a policy perspective, HB 4623 is intended to address elder financial abuse. However, the bill would create a new disclosure and signature requirement for *every* joint account and actually never mentions “elders” or “seniors.” When you couple this new requirement with the fact that financial institutions already provide disclosure(s) of all rights and responsibilities to account holders for each and every account a member opens, a duplicative and non-uniform requirement is created that results in unnecessary regulation.

Second, the requirement to have “each account holder sign and deliver to the credit union a written acknowledgement that the account holder has read and understands the disclosure” places even more regulatory burden on credit unions. This is labor intensive, inefficient and will take a significant amount of additional time to acquire individual acknowledgement from *each* account owner which could delay the account opening process. To require credit unions to obtain yet another signed document at account opening or at the addition of a joint account holder (not just seniors) will be just another piece of paper lost in the paper shuffle and will not stop this form of abuse.

Lastly, the Office of Financial and Insurance Regulation (OFIR) has a credit union division that is dedicated to maintaining the public confidence in Michigan state credit unions and ensures that they provide safe, sound, and reliable financial services to their members. Under the Michigan Credit Union Act (MCUA), OFIR already examines the condition and affairs of each domestic credit union and examines the condition and affairs of any subsidiary of a domestic credit union every 18 months. Our highly regulated credit unions and servicers are already examined and approved by OFIR, therefore, we trust that our current process for opening joint accounts is first rate.

Credit unions continue to protect our members from financial abuse, however, trying to accomplish this goal by unnecessary regulations and limitations on products and services will not help realize the intent of the legislation. The MCUL appreciates the opportunity to comment on this bill and is looking forward to working with the sponsor, the Legislature and the Governor in an effort to address our concerns.

Sincerely,

A handwritten signature in black ink that reads "Jordan Kingdon".

Jordan Kingdon
Director of Government Affairs

A handwritten signature in black ink that reads "Vicki M. Baron".

Vicki Baron
State Legislative Coordinator