



SB975 - Governmental Entities - Authorization to Bank With Credit Unions
Testimony on Behalf of APG Federal Credit Union (APGFCU)
Position: Support

APGFCU is a community-chartered credit union serving Harford and Cecil counties. For 82 years, we have been an integral part of the community, where our mission is to empower people to use and control their money to improve their economic and social condition. Our member and community focus have led to our growth and success. As of December 31, 2019, APGFCU had nearly 138,000 members and \$1.5 billion in assets. Approximately one out of every two households in Harford and Cecil counties has a relationship with APGFCU today.

We are structured as a not-for-profit, financial cooperative, where our members -- not shareholders -- are our owners. As such, we operate in our members' best interest. We currently have 15 full-service branches throughout our two counties, plus a student-run branch in Edgewood High School, which is just one of many examples of our commitment to financial education. APGFCU is also a major employer in the community, with 339 (327 full time, 12 part time) employees as of December 31, 2019.

Giving back to the communities we serve is an important part of who we are. In 2019 alone:

- Our Community Involvement Committee, comprised of members from our volunteer board of directors, allocated over \$136,000 in donations to nonprofit organizations in our two counties.
- We awarded \$67,000 in scholarships to 36 students, not only including graduating high school seniors, but also returning students and adults pursuing education.
- We participated in 286 community events, with sponsorships totaling over \$130,000.
- In addition, our five-person Financial Education team was involved in over 1,000 classes, reaching over 13,000 participants, approximately two-thirds of which were students in Harford and Cecil County schools.

In recent years, we have also provided/committed \$1 million in sponsorship funds for major initiatives in our communities, including:

- The Arena at Harford Community College
- The Schooner Cove children's area in the Havre de Grace Library
- The APG Discovery Center, which will be an interactive STEM learning facility in Aberdeen
- The Harford Crisis Center, a new emergency facility for addiction and mental health issues

- The new Sexual Assault/Spousal Abuse Resource Center (SARC) safe house capital campaign
- Cecil College's scholarship & First Year Experience programs
- Harford Community College's Dual Enrollment Textbook Scholarship

Given our member and community focus, it was a natural progression that we opened our Chesapeake City branch in June 2018. In 2017, the town approached us because PNC Bank, the only bank remaining in town, announced it was closing its doors, leaving the community without a local financial institution. While other banks determined it was not profitable enough to operate a branch there, we saw opportunity. As a cooperative not driven by profit, we knew it was the right thing to do to give the people of Chesapeake City and surrounding communities the option of a local choice. After presenting what APGFCU is all about at a public town council meeting, the town expressed interest in having APGFCU in Chesapeake City. When the branch opened, we were welcomed with open arms. Local residents and business came to us and opened accounts. However, when the Town of Chesapeake City itself came in wanting to open an account, we had to tell them we were not permitted to do so, due to the Annotated Code of Maryland, which currently excludes credit unions from the list of financial institutions that are permitted to accept deposits from local governments. This was not the first time we had to turn away local governments as depositors. The town of North East in Cecil County, as well as the cities of Aberdeen and Havre de Grace and town of Bel Air in Harford County, have expressed interest in opening accounts with APGFCU.

While we did not initiate the Senate and House bills being considered, we would gladly serve local governments, if we were permitted to by law. Our strong asset base, extensive product and services offerings, and our "well capitalized" status by the National Credit Union Administration, our federal regulator, make us positioned to do so in a safe and sound manner.

We support this bill to allow local governments a greater choice in financial institutions.