The Wisconsin Credit Union League

One League, One Focus - Your Success!

April 2, 2015

To: Honorable Members – State Legislature
From: The Wisconsin Credit Union League
Re: Maintain Status Quo for Office of Credit Unions and Department of Financial Institutions, Oppose Merger

The Wisconsin Credit Union League, the trade association for Wisconsin's 158 member-owned credit unions, respectfully requests that you maintain the status quo, make no changes to the Office of Credit Unions and Department of Financial Institutions (OCU/DFI), and oppose a merger with the Department of Safety and Professional Services (DSPS).

A proposal to merge the OCU/DFI with the DSPS is currently included in the Governor's Budget Bill, and introduced as LRB-1560/2 and LRB-2100/1 (circulated by Rep. Ballweg and Senator Roth).

Without a single identified problem that a merger of OCU/DFI with DSPS would solve, the justification for such a significant change is questionable. Proposing the mergers of state agencies, serving tens of thousands of private sector stakeholders, in the State Budget Bill does not come close to allowing appropriate time for serious consideration and diligence. Therefore, these major provisions should be stripped from the Budget Bill.

As stand-alone legislation allows time for adequate investigation into the rearranging of agencies and their functions, as well as provides one more reason to remove the OCU/DFI/DSPS merger from the budget, we support its introduction, though not the policy.

It is important to note that the Administration's own 2014 Study (DOA DART Study) outlined many reasons not to merge the DSPS with another state agency, in detail. We agree with the Administration's fact finding and investigation process in their 'merger study' and strongly believe that many of the reasons they used to reject mergers apply to this situation, as well. Some of the Administration's own findings to oppose the merger include: little overlap in agency constituencies, limited savings and uniform private sector opposition.

Merging the OCU/DFI with another agency provides no benefits to the credit unions and state banks. It is important to understand that those financial institutions pay millions in fees to fund the Department operations to supervise and examine financial institutions. Therefore, merging the OCU/DFI with other agencies offers no savings to taxpayers.

According the Administration itself, the private sector reports being satisfied with the services received by the DSPS and therefore have not requested changes. The 2014 study, which surveyed 24,000 DSPS customers, noted over 65% reported good or very good experiences with DSPS. Furthermore, financial institutions are highly satisfied with the OCU/DFI, which are efficient, effective and have an appropriately narrow focus on ensuring safety, soundness and ability to successfully serve consumers.

Corporate Office: N25W23131 Paul Road, Suite 500, Pewaukee, Wisconsin 53072-5779
Credit Union House: 1 East Main St., Suite 101, Madison, Wisconsin 53703-5109
Phone: (262) 549-0200 or (800) 242-0833 Fax: (262) 549-7722 Web: www.theleague.coop
Member Credit Union National Association

Not only did the private sector not request a merger, disappointingly, the opinion and perspective of the private sector was not sought regarding a merger of the OCU/DFI with any agency prior to inclusion in the Budget Bill. This is why we strongly support removing the language from the bill and the introduction of stand-alone bills, even if we disagree with the OCU/DFI merger recommendation in the bills.

Without a clear justification, benefits, or savings to stakeholders, we ask that you maintain the status quo and oppose any changes to the OCU/DFI, including the proposed merger in the Budget Bill, and LRB-1560/2 and LRB-2100/1.

If you have any questions or concerns about financial services in general, or this proposal in particular, please do not hesitate to contact Tom Liebe, tliebe@theleague.coop, (608) 514-0082 or Sarah Wainscott, swainscott@theleague.coop, (608) 514-0086.