

Committee Chair Doug Larsen and members of the committee,

I am Darla Schafer, Manager/CEO of Flasher Community Credit Union. I am here in support of SB 2266. Flasher Community Credit Union is a small credit union southwest of Bismarck/Mandan. We are the only credit union between Mandan and Lemmon, SD. We are an integral part of our community and have been serving our members since 1939.

I was one of the credit unions that testified against the last field of membership bill that was brought up in 2005. I guess I've been doing this for a long time. I was standing up for the small credit unions at that time as I have done throughout my career in the credit union industry. The bill that was brought at that time was not brought forth by the credit unions and what was brought forth only caused division among credit unions.

It is difficult for businesses to survive in small towns, as many of you may know. We are always competing with the bigger towns around us. Flasher is located near enough to Bismarck/Mandan that many businesses have closed over the years because we are only an hour from "uptown" where you can get almost anything. And now we are competing with the digital world that is found right on our phones.

We have found that being limited to a small geographic area is becoming more difficult to serve. Flasher used to have 500 people living in town when I was in school and now, we have around 220. I usually say 250 with the cats and dogs. When school is in session we double the population with 255 students K-12. We are supportive of everything in our community because it is essential for existence.

Flasher Community Credit Union strongly believes everyone should be able to own a house if they want to and we have financed many homes in Flasher and the surrounding communities because no one else will. We have helped numerous young families get started in a smaller home and then helped them move up to a larger home when one becomes available and as their families grow. We have also financed many mobile homes on farms as the younger, next generation moves back to begin farming. We have a lot of word-of-mouth advertising but have had to turn down several young couples because they were outside of our field of membership. Often, they don't get that chance at home ownership.

We also do ag lending, mainly with those farmers that are working a full or part time job and want to keep the family farm going. We have found that being limited to farms so close to one area increases our risk level when we have dry years like the last couple. If we could diversify farther away from a centralized area, we could mitigate the risk of dry years or limit our exposure to the housing market that may dip in one area but remain strong in another. Just losing a business in a small town can cause a large ripple effect throughout the community.

We would like to stay a state chartered credit union because we believe in keeping things local. We are proud of our community and our state. I don't think we would be here if we weren't. We have had a good working relationship with the Department of Financial Institutions. It does get frustrating at times when we have a field of membership issue. I think every small credit union has considered what expansion could be. Many of them have merged over the years and not all with state chartered credit unions. We are all striving to find ways to stay competitive with the financial industry that is changing around us. I am asking your support of SB 2266 to give consumers a choice in the changing financial landscape in North Dakota.