

March 18, 2010

Speaker Sheldon Silver
404 Legislative Office Building
Albany, NY 12258

Dear Speaker Silver:

On behalf of Bethpage Federal Credit Union, and our 165,561 members, we strongly urge you to support municipal depository choice, as included in the proposed 2010-11 Executive State Budget. This will allow municipalities to make deposits into federal and state chartered credit unions and savings banks.

Currently, local governments are limited to commercial banks. The Governor's proposed budget would immediately allow depository choice. At Bethpage we pride ourselves on being partners in the communities in which we are located. We are regularly contributing to different community events, charity and non-profit organizations. On many occasions we are consistently approached by local schools, libraries, towns, villages and other government agencies throughout Long Island asking to do business with us. Unfortunately, to this point, we have to turn them down, but this legislation changes that.

Municipalities throughout New York are suffering financially and are seeking alternatives to the high cost of doing business with banks. Credits unions represent the alternative. Bethpage is an institution that has extraordinary service, offers best in market rates and is 100% owned by our members. We represent the alternative that municipalities want and this legislation would give these entities the choice that they deserve.

Commercial banks say that credit unions should not serve local municipalities because we do not pay taxes. This is not true, credit unions pay property and employer taxes and all of our members pay taxes on dividends. Bethpage in 2009 alone paid \$1,618,435 in Social Security taxes, \$161,747 in unemployment compensation taxes, \$44,453 in payroll taxes and \$393, 122 in real estate taxes for a total of \$2,217,758. Our not-for-profit structure leads to savings for members across Long Island. Our tax exemption lies in the not-for profit structure that allows us to give back extraordinary rates and best in class service to our member owners. Municipalities would get the same benefit if we could accept their business.

I strongly encourage you to support the Governor's proposal to allow credit unions to accept Municipal Deposits. Give Bethpage and our fellow credits unions the ability to help municipalities across the state. Thank you for your time and attention to this issue. If you have any questions please feel free to contact me at 516-349-6710.

Sincerely,

Bethpage Federal Credit Union