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**National Association of Federally-Insured Credit Unions**

October 4, 2021

The Honorable Sherrod Brown  
Chairman  
Committee on Banking, Housing  
& Urban Affairs  
United States Senate  
Washington, DC 20510

The Honorable Pat Toomey  
Ranking Member  
Committee on Banking, Housing  
& Urban Affairs  
United States Senate  
Washington, DC 20510

The Honorable Maxine Waters  
Chairwoman  
Committee on Financial Services  
United States House of Representatives  
Washington, DC 20515

The Honorable Patrick McHenry  
Ranking Member  
Committee on Financial Services  
United States House of Representatives  
Washington, DC 20515

**Re: Postal Banking and USPS Expanding into Financial Services**

Dear Chairman Brown, Chairwoman Waters, Ranking Member Toomey, and Ranking Member McHenry:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) regarding the United States Postal Service's (USPS) recent launch of a pilot program of expanded financial services offerings, such as check cashing services, at select locations in the Washington, DC area, Baltimore, Maryland, and the Bronx, New York. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 127 million consumers with personal and small business financial service products. We would like to take this opportunity to reiterate our members' concerns with the expansion of financial services and postal banking by the USPS.

To be clear, NAFCU strongly supports the important core work of the USPS, which credit unions across the nation and of all sizes use to communicate with their members, to send statements, to receive payments, and to market new products or services to their members. For these reasons, credit unions are committed to identifying long-term solutions to ensure an efficient, self-sustaining, and affordable U.S. postal system. However, postal banking is not one of those solutions. The USPS was established to provide letter, parcel, and package delivery services across the country. An expanded foray into financial services would both go beyond the USPS's purpose and powers and add responsibilities in which the USPS has no expertise and does not currently have the infrastructure and capacity to manage.

It is troubling that just days after the USPS announced "new service standards," which reportedly will delay delivery of first class mail to Americans by as much as 30 percent for the upcoming holiday season, we learn that the USPS is quietly diverting its already stretched resources to push the limits of its authority to offer financial services with this new pilot program. In fact, both the U.S. Treasury and USPS leaders themselves have previously both issued statements discouraging

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the notion of postal banking being an efficient use of time or resources. A March 2020 Government Accountability Office study entitled “U.S. Postal Service: Expanding Nonpostal Products and Services at Retail Facilities Could Result in Benefits but May Have Limited Viability” surveyed postmasters across the U.S. and found that a majority of them did not think that expanding into nonpostal areas, such as financial services, “would increase revenues or benefit the community to a great or very great extent.” (p. 30). It is time for the USPS to put an end to this experiment and return its focus to the core mission of making sure Americans get their mail in a timely manner.

NAFCU and our member credit unions are also very concerned that allowing the USPS to expand into additional financial services will raise a number of serious regulatory and consumer protection questions and present significant competitive issues for private sector entities. Postal banking is not one of the solutions to the current issues facing the USPS, nor is it a viable solution for providing financial services to historically underserved communities. If Congress would like to expand access to financial services, we urge you to consider other steps, such as the draft legislation to allow all credit unions to add underserved communities to their fields of membership that has been proposed in the House Financial Services Committee. This would be one way to help provide additional access to regulated financial services for those in underserved communities, while not creating costly new programs with uncertain effectiveness and impact.

We thank you for the opportunity to share our thoughts and concerns on this matter and we urge you to use your oversight authority to stop any USPS overreach in this area. Should you have any questions or require any additional information, please contact me or Lewis Plush, NAFCU’s Associate Director of Legislative Affairs, at 703-842-2261.

Sincerely,



Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the U.S. Senate Committee on Banking, Housing and Urban Affairs  
Members of the U.S. House Committee on Financial Services  
Members of the U.S. Senate Committee on Homeland Security and Governmental Affairs  
Members of the U.S. House Committee on Oversight and Reform