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National Association of Federally-Insured Credit Unions

April 19, 2021

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

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

Re: Tomorrow's Committee Markup

Dear Chairwoman Waters and Ranking Member McHenry:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to share our thoughts on the measures and legislation before the Committee. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 124 million consumers with personal and small business financial service products.

Views and Estimates for the Fiscal Year 2022 Budget Resolution

NAFCU is generally supportive of the views and estimates of the Committee on matters within its jurisdiction to be set forth in the concurrent resolution on the budget for fiscal year 2022, including its support for housing and small business assistance programs. We especially appreciate the Committee's support for fully funding programs to support community financial institutions. NAFCU was pleased to see the Biden Administration's request for \$330 million, an increase of 22.2 percent above the fiscal year 2021 enacted level, for Community Development Financial Institutions (CDFIs). Moreover, we are pleased to see that the Committee supports providing \$10 million for the National Credit Union Administration's (NCUA) Community Development Revolving Loan Fund (CDRLF), with a 40 percent set aside for minority depository institutions (MDIs). NAFCU has repeatedly echoed NCUA Board Chair Todd Harper's request for this level of funding to ensure credit unions have the proper policies and infrastructure in place amid the coronavirus pandemic and beyond.

Regarding the Committee's views on the structure of the Consumer Financial Protection Bureau (CFPB), NAFCU concurs on the importance of preserving the independence of the CFPB. However, NAFCU would reiterate our perspective that, given the broad authority and awesome responsibility vested in the CFPB, a five-person commission has distinct consumer benefits over a single director. A commission helps ensure some continuity of expertise and rulemaking and would reduce uncertainty during the transition from one Presidential administration to another. We urge Congressional action on legislation to transform the structure of the CFPB from a single director to a bipartisan commission.

Resolutions to Establish the Task Force on Artificial Intelligence and the Task Force on Financial Technology

NAFCU supports the Committee reestablishing the Task Force on Artificial Intelligence and the Task Force on Financial Technology, that were first established during the 116th Congress. As we

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have shared with you before, we believe the growth of fintech offers new opportunities, but also new threats and challenges as novel entities emerge in an underregulated environment. As such, NAFCU believes that Congress and regulators must ensure that when technology firms and fintechs compete with regulated financial institutions, they do so on a level playing field where smart regulations and consumer protections apply to all participants. We appreciate the Committee's continued attention to these important issues.

Diversity, Equity, and Inclusion (DEI) Legislation

NAFCU is generally supportive of the Committee's efforts to support DEI through legislation such as the *Diversity and Inclusion Data Accountability and Transparency Act* (H.R. 2123), the *Promoting Diversity and Inclusion in Banking Act* (H.R. 2516), and the *Federal Reserve Racial and Economic Equity Act* (H.R. 2543). As we have shared with you before, credit unions are proud of their record of diversity and commitment to helping the portions of their communities that are most in need with high-quality financial products and services. According to the NCUA, there are 520 federally-insured MDI credit unions that serve 4.3 million members. We are pleased that the legislation under consideration takes steps to ensure that small institutions and MDIs are not unduly burdened, so that it does not make it harder for these institutions to serve their communities.

Amendment in the Nature of a Substitute to H.R. 2547, the *Comprehensive Debt Collection Improvement Act*

NAFCU is generally supportive of efforts to combat abusive debt collection practices. As the Committee looks to advance legislation in this area, we would caution, however, that solutions are practical and workable, so as not to hamper legitimate debt collection efforts.

Amendment in the Nature of a Substitute to H.R. 2553, the *Real Estate Valuation Fairness and Improvement Act*

NAFCU supports the efforts in H.R. 2553 to require a review of federal appraisal standards and identify reforms to prevent disparate impacts on the valuation of homes in communities of color and/or owned by people of color. This is an important step to ensuring more equitable housing policy.

Thank you for the opportunity to comment on a few of the measures before the Committee today. We appreciate your leadership and ongoing focus on issues important to credit unions. We look forward to working with you on these issues. Should you have any questions or require any additional information, please contact me or Sarah Jacobs, NAFCU's Associate Director of Legislative Affairs, at sjacobs@nafcu.org.

Sincerely,



Brad Thaler
Vice President of Legislative Affairs

cc: Members of the U.S. House Committee on Financial Services