



3138 10th Street North
Arlington, VA 22201-2149
703.522.4770 | 800.336.4644
f: 703.524.1082
nafcu@nafcu.org | nafcu.org

National Association of Federally-Insured Credit Unions

July 29, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

RE: Consideration of H.R. 7617, including the FY 2021 Financial Services and General Government Appropriations Bill

Dear Speaker Pelosi and Leader McCarthy:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) regarding the consideration of H.R. 7617, the appropriations package that includes the FY 2021 Financial Services and General Government (FSGG) Appropriations Bill. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve 120 million consumers with personal and small business financial service products. NAFCU appreciates your work on FY 2021 appropriations, and we would like to share our member credit unions' priorities for this legislation.

NAFCU thanks you for your past support for the Community Development Financial Institutions (CDFI) Fund and the Community Development Revolving Loan Fund (CDRLF), and we would like to express our support of additional funding for these programs. While we were pleased to see an increase in CDFI funding from the FY 2020 enacted level of \$262 million to \$273.5 million in the committee-reported bill, we continue to support funding the CDFI Fund at a level of at least \$300 million (the House-approved level for FY 2020) for FY 2021. We also support efforts to fully fund the CDRLF at FY 2020 levels or above, as well as support additional supplemental funding for both the CDFI and CDRLF programs as a response to the COVID-19 pandemic. NAFCU was pleased to see that the House-passed Phase IV relief bill, the *Health and Economic Recovery Omnibus Emergency Solutions Act* (HEROES Act), included an additional \$1 billion in emergency funding for the CDFI Fund and would allow more credit unions to access monies to provide specific programs to help their members. We would urge you include emergency supplemental appropriations for the CDFI and CDRLF in any final Phase IV relief bill.

In regard to the CDRLF, National Credit Union Administration (NCUA) Board Member Todd Harper has specifically called for at least \$10 million more for grants in 2020 to help low-income credit unions. CDRLF funds allow NCUA to provide technical assistance grants to credit unions serving low-income communities. Increasing these grants can help ensure that these credit unions have work-from-home infrastructure in place that is appropriately secure during social distancing measures. NCUA has seen a strong increase in demand for these grants due to the pandemic and is unlikely to have enough funding to meet demand without additional funding.

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NAFCU would also like to highlight how the Paycheck Protection Program (PPP) has shown the importance of Small Business Administration (SBA) programs. Without the PPP, millions of jobs would have been lost. This illustrates the key role many of the SBA's programs play for small businesses and lenders and the need to ensure they are strongly supported in the future. As you consider the FY 2021 bill, NAFCU urges you to ensure that the SBA's 7(a) and 504 lending programs get the funding that they need for FY 2021.

NAFCU would also like to express opposition to Amendment #209 (Pascrell-Kaptur #3), that was made in order under the rule, which would create a pilot program for postal banking. We urge you to reject this amendment. The United States Postal Service (USPS) was established to provide letter, parcel and package delivery services to the country, and an expanded foray into financial services would be both beyond these powers and add a responsibility in which the postal service has no expertise. 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 as it is no panacea to the financial challenges of the USPS.

NAFCU and our member credit unions are very concerned that allowing the USPS to provide banking services will be beyond its core competencies, will raise a number of serious regulatory and consumer protection questions, and will present significant competitive issues for private sector entities. If Congress would like to expand access to financial services, we urge you to consider other steps, such as allowing all credit unions to add underserved communities to their field of membership.

We thank you for the opportunity to share our thoughts and priorities for the FY 2021 Financial Services and General Government Appropriations Bill. We urge you to consider our requests as the bill moves through the legislative process. 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. House of Representatives