



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

April 23, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

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

Re: NAFCU Support for H.R. 6550, the *Access to Credit for Small Businesses Impacted by the COVID-19 Crisis Act*

Dear Speaker Pelosi and Leader McCarthy:

On behalf of the National Association of Federally-Insured Credit Unions, I write to express our support for H.R. 6550, the *Access to Credit for Small Businesses Impacted by the COVID-19 Crisis Act* and to urge you and your colleagues to support this important measure. 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.

This critical legislation would help small businesses by providing temporary relief from the arbitrary cap on credit union member business lending (MBL) for a period of three years for loans made to small businesses recovering from the economic impacts of COVID-19. As you are keenly aware, small businesses are struggling in the current economic environment. The critical Paycheck Protection Program (PPP) from the Small Business Administration (SBA) has been an important bridge for small businesses in immediate need. Credit unions are proud to participate in this program. However, most experts agree that the economic impact of COVID-19 and the need of credit for small businesses will be with us beyond the short-term bridge provided by the PPP. H.R. 6550 is an important step to addressing that longer-term need. Congress has already recognized the important role community institutions play in providing that credit by giving community banks greater capital and lending flexibility in the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act). Enacting H.R. 6550 will take another step by giving credit unions greater ability to meet the need of small businesses.

The legislation also includes language to allow the National Credit Union Administration (NCUA) to ensure that this temporary MBL cap relief does not impact the safety and soundness of credit unions. Just last week in an open NCUA Board Meeting, NCUA Board Members Todd Harper and J. Mark McWatters noted their support for MBL cap relief as a step to make it easier for credit unions to do more to help small businesses in light of the pandemic.

Just as enacting the PPP encouraged more institutions to offer needed SBA PPP loans, enacting H.R. 6550 will help encourage more credit unions to establish and enhance member business lending programs designed to help their small business members recover from the COVID-19 pandemic beyond the PPP. Enacting H.R. 6550 will allow them to do so without fear of an arbitrary and outdated cap hindering their efforts.

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We thank you for the opportunity to share our thoughts and look forward to continuing to work with you on pandemic relief and economic recovery. Should you have any questions or require any additional information, please contact me or Lewis Plush, NAFCU's Associate Director of Legislative Affairs, at 703-842-2263 or lplush@nafcu.org.

Sincerely,

A handwritten signature in cursive script that reads "Brad Thaler".

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the House of Representatives