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

**B. Dan Berger**  
President & Chief Executive Officer

February 27, 2023

The Honorable Tom Emmer  
Majority Whip  
U.S. House of Representatives  
Washington, DC 20515

**Re: Introduction of CBDC Anti-Surveillance State Act**

Dear Whip Emmer:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to thank you for introducing the CBDC Anti-Surveillance State Act. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 135 million consumers with personal and small business financial service products.

While a central bank digital currency (CBDC) might sound like it would be of massive benefit to consumers, it brings with it privacy concerns and many of the design features necessary to achieve certain benefits come with serious tradeoffs that could negatively impact credit unions and pose broader financial stability risks. In some cases, those tradeoffs are difficult to anticipate because underlying regulatory policies—such as what balance to strike in terms of protecting consumer privacy, or how to guard against retail deposit substitution—are not yet developed. If the Federal Reserve were to offer a CBDC directly to consumers, it would be in essence offering consumer accounts, which would constitute a massive expansion of its mission and threaten to erode the financial system. NAFCU expects that the net costs of a CBDC will exceed the benefits, and that administration of a CBDC will distract from the Federal Reserve’s dual mandate of achieving both stable prices and maximum sustainable employment. As such, we support your legislation to bar the Federal Reserve from issuing a CBDC.

We thank you again for your leadership in this area and allowing us to share our thoughts. Should you have any questions or require any additional information, please contact me or Brad Thaler, NAFCU’s Vice President of Legislative Affairs, at 703-842-2261.

Sincerely,

B. Dan Berger