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National Association of Federally-Insured Credit Unions

June 7, 2023

The Honorable Alex Mooney
United States House of Representatives
2228 Rayburn House Office Building
Washington, DC 20515

Dear Representative Mooney:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to thank you for your leadership in introducing, H.R. 3712, the Digital Dollar Pilot Prevention Act. As you know, 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. NAFCU is committed to ensuring that the safety and effectiveness of the U.S. payments system remains the intact.

The Federal Reserve should not allocate resources towards investigating hypothetical modes of central bank digital currency (CBDC) until it has identified clear regulatory parameters, with the input of Congress and key stakeholders, that are the necessary foundation for understanding CBDC design limitations. NAFCU is concerned that the costly tradeoffs are very likely to exceed hypothesized benefits of a CBDC which are, to this point, difficult to identify. Additionally, the administration of a CBDC will distract from the Federal Reserve's dual mandate of achieving both stable prices and maximum sustainable employment. The Federal Reserve should instead focus on the existing financial sector infrastructure, encourage responsible innovation, ensure a level playing field for all, and apply consumer financial protection law consistently.

We thank you once again for introducing this important legislation and look forward to continuing to work with you on this issue. Should you have any questions or require any additional information, please contact me or Chad Adams, NAFCU's Senior Director of Legislative Affairs, at (703) 842-2265 or cadams@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs