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National Association of Federally-Insured Credit Unions

March 30, 2020

The Honorable Steven T. Mnuchin
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

RE: Credit Unions' Access to SBA Programs

Dear Secretary Mnuchin:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), I am writing in regard to the relief programs offered to small businesses in the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act). NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve nearly 120 million consumers with personal and small business financial service products. Access to small business lending is vital in ensuring our local small businesses continue to survive and provide jobs during the uncertainty of the COVID-19 pandemic. NAFCU applauds the efforts made to ensure that our nation's small businesses can obtain capital to continue paying their employees during this time of hardship. NAFCU asks that you ensure that federally-insured credit unions (FICUs) are able to act as lenders under the Paycheck Protection Program as set forth in section 1102 of the CARES Act, and that any guidance or criteria will be published expeditiously.

Since passage of the CARES Act, FICUs stand ready to implement and offer Paycheck Protection Program loans to members, including those FICUs that are not yet Small Business Administration (SBA) approved lenders and do not currently participate in SBA lending programs. FICUs continue to serve local small businesses and provide credit that might not otherwise be available. At the outset, FICUs operate to serve their local communities and the Paycheck Protection Program allows FICUs to serve the needs of small businesses in their communities during the COVID-19 pandemic. The funds appropriated for the Paycheck Protection Program will be provided by FICUs, and all FICUs must have the opportunity to provide these loans. Section 1109 of the CARES Act provides the Department of Treasury (Treasury), in conjunction with the SBA, with the authority to establish criteria for "insured credit unions" that do not already participate in SBA lending programs to participate in the Paycheck Protection Program and provide loans until the national emergency declaration expires. NAFCU appreciates the inclusion of the definition of FICUs as lenders that can provide Paycheck Protection Program loans, and we ask that the Treasury ensure that any guidance or criteria published includes all FICUs as lenders.

NAFCU asks that the Treasury act expeditiously in setting forth the criteria and publishing guidance for FICUs to operate as lenders under the Paycheck Protection Program. FICUs that do

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not currently participate in SBA lending programs will need time to update their operations, train staff, obtain access to SBA platforms, make other necessary updates, and alert members to the availability of the loan program. Moreover, small business members are in dire need of funds to make payroll. To accommodate the loan requests of small businesses, guidance and regulations should be published as soon as possible.

Thank you for your attention to this matter. We look forward to continuing to work with you on this important issue. If I may be of assistance to you in any way, please do not hesitate to contact me directly or Kaley Schafer, Regulatory Affairs Counsel at (703) 842-2249 or kschafer@nafcu.org.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger". The signature is stylized with a large initial "B" and a long horizontal stroke extending to the right.

B. Dan Berger
President and CEO