



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 12, 2023

The Honorable Patty Murray
Chair
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Susan Collins
Vice Chair
Committee on Appropriations
United States Senate
Washington, DC 20510

Re: Fiscal Year 2024 Financial Services and General Government Appropriations Bill

Dear Chair Murray and Vice Chair Collins:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to share our thoughts on the Fiscal Year 2024 Financial Services and General Government (FSGG) appropriations bill. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve nearly 137 million consumers with personal and small business financial service products. NAFCU appreciates your work to ensure funding for financial services and general government expenditures, and we would like to take this opportunity to express the views of our members.

NAFCU has previously communicated its support for increased funding for the Community Development Financial Institutions (CDFI) Fund and the Community Development Revolving Loan Fund (CDRLF). We were disappointed by the House Appropriations Subcommittee action of funding the CDFI Fund at \$278 million and the CDRLF at \$3.5 million. We urge the Senate to fund these programs at a minimum of the President's proposed FY 2024 budget levels of \$341 million for the CDFI Fund and \$4 million for the CDRLF. This would provide the basic resources needed to keep these important programs properly functioning. These programs have proven to be an invaluable means of providing financial services to underserved areas. We would also encourage the Committee to ensure that the Financial Crimes Enforcement Network (FinCEN) has the funding levels it needs to carry out its programs.

We would also like to bring to your attention issues several of our members have told us they are having with the CDFI Fund. First, a number of credit unions have reported long delays stemming over 12 months to respond to their applications for certification. Additionally, several of our members have told us they have been deemed to no longer qualify for the CDFI Fund, and have subsequently lost their status as a CDFI, without any chance to take remedial action and re-qualify. Additionally, the CDFI Fund is in the midst of making changes to the certification process that will likely make it more difficult for small and minority depository institution (MDI) credit unions to become certified. As part of this process, the Fund has paused accepting new certification applications since last fall with no clear end date to this pause in sight.

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We encourage the Committee to examine this issue and consider adding in report language that would require the CDFI Fund to address these concerns. NAFCU also urges the Committee to include the text of H.R. 3161, the CDFI Fund Transparency Act, in the final Committee product. This legislation would increase CDFI Fund transparency by requiring the Treasury Secretary or the Director of the CDFI Fund to testify before Congress annually about the operations of the Fund. Taking these steps will help ensure that the CDFI Fund is working for the institutions, including credit unions, that it serves.

We thank you for the opportunity to share our thoughts and look forward to working with you on these issues as the bill moves forward in the process. Should you have any questions or require any additional information, please contact me or Lewis Plush, NAFCU's Senior Associate Director of Legislative Affairs, at 703-842-2261.

Sincerely,

A handwritten signature in black ink that reads "Brad Thaler". The signature is written in a cursive, flowing style.

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Senate Committee on Appropriations