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

April 19, 2021

The Honorable Sherrod Brown  
Chairman  
Committee on Banking, Housing,  
& Urban Affairs  
U.S. Senate  
Washington, D.C. 20510

The Honorable Pat Toomey  
Ranking Member  
Committee on Banking, Housing,  
& Urban Affairs  
U.S. Senate  
Washington, D.C. 20510

**Re: Tomorrow's Hearing, "An Economy that Works For Everyone: Investing in Rural Communities"**

Dear Chairman Brown and Ranking Member Toomey:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) in conjunction with tomorrow's hearing, "An Economy that Works For Everyone: Investing in Rural Communities." As you are aware, NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 124 million consumers with personal and small business financial service products. We thank you for holding a hearing on this important topic and would like to take this opportunity to share our thoughts on this area.

NAFCU appreciates the Committee's focus on ensuring that rural areas are not left behind economically, and we would like to take this opportunity to share how credit unions play an important role in rural areas and ask for your support to allow them to do more. According to a recent report by the Federal Reserve, between 2012 and 2019 credit unions grew their branch presence in rural areas by 2%, while community banks decreased rural branches by 5% and large banks decreased rural branches by 19%. Credit unions are proud to be at the forefront of efforts to expand financial services access to rural areas, many of which are underserved, and want to do more. However, not all credit unions can add underserved areas to their field of membership, making it challenging for some to expand in rural areas. We urge the Committee to support a change to the *Federal Credit Union Act* that would allow all types of credit unions to add underserved areas.

A number of credit unions are also Community Development Financial Institutions (CDFIs). CDFIs play an important role in the rural economy, and we are pleased to see the strong support from Congress for CDFIs especially during the ongoing COVID-19 pandemic. The commitment to helping members and the underserved has been regularly demonstrated during the pandemic. Credit unions have been on the frontline, working to ensure their members stayed afloat financially during the pandemic, with programs ranging from skip pays to personal loans. Additionally, during the first round of the Paycheck Protection Program (PPP), credit unions were able to get desperately needed funds to many Main Street businesses that had been turned down by larger institutions. In many instances, these business owners joined the credit union solely because they were the only institutions working to get small dollar loans approved. As member owned

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cooperatives, credit unions have a rich history of helping their communities and working with their members during difficult times.

We thank you for your leadership on this important topic and appreciate the opportunity to share our thoughts on how credit unions can help rural communities. We 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 (571) 289-7550.

Sincerely,

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

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the U.S. Senate Committee on Banking, Housing and Urban Affairs