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

September 14, 2020

The Honorable Roger Wicker  
Chairman  
Committee on Commerce, Science,  
& Transportation  
United States Senate  
Washington, D.C. 20510

The Honorable Maria Cantwell  
Ranking Member  
Committee on Commerce, Science,  
& Transportation  
United States Senate  
Washington, D.C. 20510

**Re: Wednesday's Markup of S. 4159, the *E-SIGN Modernization Act of 2020***

Dear Chairman Wicker and Ranking Member Cantwell:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) in conjunction with Wednesday's markup of S. 4159, the *E-SIGN Modernization Act of 2020*. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve nearly 121 million consumers with personal and small business financial service products. NAFCU and our members appreciate the committee holding this markup of S. 4159 and urge you to support this legislation.

As you know, the *Electronic Signatures in Global and National Commerce Act* (E-SIGN Act) was passed nearly 20 years ago at the dawn of the internet age. Unfortunately, outdated technical steps in the Act have prevented some consumers from quickly availing themselves of options to keep their financial lives on track. These outdated provisions have proven to be burdensome, particularly during the pandemic when social distancing has become paramount to the health and safety of credit union members and employees. The *E-SIGN Modernization Act of 2020* addresses a simple but important problem with the E-SIGN Act—it leads to federal law preferencing paper-based processes over equivalent digital options that are beneficial at times of disruption. Members who request to engage digitally with credit unions through services, such as online banking, must jump through additional hoops that are not required when they choose paper-based processes delivered through arguably less-efficient methods, such as the mail. At a time when technology is widely available, this can lead to delays in services and increases consumer confusion.

Over 90 percent of NAFCU member credit unions responding to a survey noted challenges in getting documents signed in light of the pandemic. The problems with the original E-SIGN Act are magnified now more than ever. After 20 years, it is time for Congress to modernize these requirements. Despite what some claim, S. 4159 represents a small and reasonable step to modernize the E-SIGN Act to address some immediate technical challenges and is not an effort to remove important consumer protections from the bill.

It would be unfortunate if, at a time when social distancing is encouraged and the U.S. mail has its own challenges, Congress would fail to advance a measure that will help consumers dealing with these technical issues. For these reasons, we support the passage of S. 4159 during this week's markup and hope it is swiftly voted on by the full Senate or included in any future pandemic relief

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package. While there may be room for additional changes and amendments to the E-SIGN Act, we urge you to reject any amendments that would remove the important improvements being made by S. 4159.

On behalf of our nation's credit unions and their nearly 121 million members, we thank you for your attention to this important matter. Should you have any questions or require any additional information, please contact me or Janelle Relfe, NAFCU's Associate Director of Legislative Affairs, at 703-842-2836 or [jrelfe@nafcu.org](mailto:jrelfe@nafcu.org).

Sincerely,

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

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the Senate Commerce Committee