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National Association of Federally-Insured Credit Unions

August 5, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
U.S. Senate
Washington, DC 20515

RE: FY 2021 Financial Services and General Government (FSGG) Appropriations

Dear Leader McConnell and Leader Schumer:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) regarding the fiscal year 2021 Financial Services and General Government (FSGG) appropriations bill. 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 appreciates your work on FY 2021 appropriations, and we would like to share our member credit unions' priorities for this legislation.

As you are aware, the House recently passed H.R. 7617, an appropriations package that includes the FY 2021 FSGG appropriations bill. We would like to take this opportunity to share credit unions' concerns with an amendment that was added to this bill. While the underlying bill has important funding provisions, we would like to express opposition to language that was added on the House floor to create a pilot program for postal banking. We urge you not to include this provision in any appropriations packages the Senate considers. The United States Postal Service (USPS) was established to provide letter, parcel and package delivery services to the country, and an expanded foray into financial services would be both beyond these powers and add a responsibility in which the postal service has no expertise. USPS is facing challenges in the timely delivery of the mail as it stands now and providing new outside authorities will not help this process.

NAFCU strongly supports the important core work of the USPS, which credit unions across the nation and of all sizes use to communicate with their members, to send statements, to receive payments, and to market new products or services to their members. For these reasons, credit unions are committed to identifying long-term solutions to ensure an efficient, self-sustaining, and affordable U.S. postal system. However, postal banking is not one of those solutions as it is no panacea to the financial challenges of the USPS.

Moreover, NAFCU and our member credit unions are concerned that not only would postal banking be beyond the USPS's core competencies, but it would also raise a number of serious regulatory and consumer protection questions and present significant competitive issues for private sector entities. If Congress would like to expand access to financial services, we urge you to consider other steps, such as allowing all credit unions to add underserved communities to their field of membership.

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H.R. 7617 does contain important funding for the Community Development Financial Institutions (CDFI) Fund and the Community Development Revolving Loan Fund (CDRLF), and we would like to express our support of additional funding for these programs. While we were pleased to see an increase in CDFI funding from the FY 2020 enacted level of \$262 million to \$273.5 million in the House-passed bill, we continue to support funding the CDFI Fund at a level of at least \$300 million for FY 2021.

We also support efforts to provide additional emergency funding for CDFIs in light of the pandemic, such as the additional \$1 billion in emergency funding for the CDFI Fund that was included in the House-passed Phase IV relief bill, the *Health and Economic Recovery Omnibus Emergency Solutions Act* (HEROES Act). We also support additional calls for CDFI emergency funding, such as those proposed in S. 4430 to create a CDFI crisis fund and S. 4255, the *Jobs and Neighborhood Investment Act*. We would urge you to include additional emergency CDFI support in the next round of pandemic relief.

We thank you for the opportunity to share our thoughts and concerns with the House-passed FY 2021 FSGG appropriations bill. Should you have any questions or require any additional information please contact me or Lewis Plush, NAFCU's Associate Director of Legislative Affairs, at 703-842-2261.

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