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National Association of Federally-Insured Credit Unions

February 28, 2020

The Honorable Tina Smith
720 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Ben Sasse
107 Russell Senate Office Building
United States Senate
Washington, D.C. 20510

Re: Introduction of the *Credit Union Governance Modernization Act of 2020 (S. 3323)*

Dear Senators Smith and Sasse:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to thank you for introducing S. 3323, the *Credit Union Governance Modernization Act of 2020*. 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.

We strongly support S. 3323 as it will help protect credit unions and their members from abusive, fraudulent, or criminal activity. Credit unions have an obligation to ensure their cooperatives act in the best interests of their members and local communities. This bill would make it easier for credit unions to remove bad actors who engage in illegal behavior from their membership.

Currently, credit unions can only expel a member of their community by a two-thirds vote of all members at a special meeting and only if the behavior they are engaged in is illegal. With notice requirements, the time it takes to hold a special meeting is significant. If enacted, your legislation would allow credit unions to ensure the safety of their staff and members by adopting an expulsion policy to immediately expel members who engage in abusive or illegal behavior, while maintaining an appeals process that provides due process for the accused member. This common-sense legislation would put safety first, while still protecting the rights of everyday Americans.

We urge your colleagues to co-sponsor this bipartisan measure.

On behalf of our nation's credit unions and their nearly 120 million members, we thank you for your attention to this matter. Should you have any questions or require additional information, please do not hesitate to contact me or Sarah Jacobs, NAFCU's Associate Director of Legislative Affairs, at 703-842-2231 or sjacobs@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the United States Senate