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

July 12, 2017

The Honorable Rodney Frelinghuysen  
Chairman  
Committee on Appropriations  
United States House of Representatives  
Washington, DC 20515

The Honorable Nita Lowey  
Ranking Member  
Committee on Appropriations  
United States House of Representatives  
Washington, DC 20515

**RE: Tomorrow's mark-up of the FY2018 Financial Services and General Government Appropriations bill**

Dear Chairman Frelinghuysen and Ranking Member Lowey:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only trade association exclusively representing the federal interests of our nation's federally-insured credit unions, I write ahead of tomorrow's mark-up of the fiscal year 2018 Financial Services and General Government Appropriations bill to thank the Committee for their work moving this bill forward, but also to outline areas of importance and concern for credit unions.

**NAFCU strongly urges you to support \$250 million in FY 2018 funding for the Community Development Financial Institutions (CDFI) Fund.** As of January 31, 2017, there were 287 credit unions certified as CDFIs. Representing 27 percent of the total number of certified institutions, CDFI certified credit unions hold more than 50 percent of total CDFI assets. Clearly, CDFI credit unions are critical partners in the CDFI Fund's mission. In recognition of this importance, and in exploring ways to enable even more credit unions to be recognized as CDFIs, the National Credit Union Administration (NCUA), the CDFI Fund and Treasury entered into a trilateral Memorandum of Understanding (MOU) in January 2016. A significant component of the MOU included the introduction of a streamlined CDFI application for credit unions, paving the path for more credit unions to seek the designation.

CDFI credit unions predominantly serve low-income areas and other target markets and often are the only financial services options for consumers that live paycheck to paycheck. The CDFI Fund grant program helps credit unions serve communities and consumers that large banks do not focus on. Over the past two years, CDFI credit unions received roughly \$70 million in grant funding to aid in their efforts to offer financial services to their low- and moderate-income members. Without the CDFI grant program, many credit unions would not have been able to offer these products and loans that provide financial stability for members and their families. It is with this in mind that we urge your support in amending the bill to include full CDFI funding. NAFCU would also urge the Committee to restore the funding for the NCUA's Community Development Revolving Loan Fund (CDRLF).

**NAFCU supports the Consumer Financial Protection Bureau (CFPB) governance structure moving from a single director to a bipartisan commission.** Given the broad authority and awesome responsibility vested in the CFPB, a five-person commission has distinct consumer benefits over a single director. Regardless of how qualified one person may be, a commission would allow multiple perspectives and robust discussion of consumer protection issues throughout the decision making process. A bipartisan board structure at the CFPB would also help to provide community financial institutions more regulatory certainty by lowering the possibility that the Bureau could become subject to drastic political swings from a single director that could change with each administration. We urge you to support the amendment to be offered by Representative Amodei to create a bipartisan commission to govern the CFPB.

**NAFCU supports efforts to provide credit unions regulatory relief, such as those found in Title IX of the bill.** There are several provisions in Title IX that would be beneficial to credit unions, however we maintain concerns about Section 906, which would subject NCUA to the congressional appropriations process. The current structure of NCUA, including a 3-person board, has a track record of success and we would urge the Committee to strike this section from the bill.

Finally, we want to be sure unregulated entities, such as payday lenders, do not escape oversight. We would urge the Committee to ensure the provisions of Title IX do not allow this to happen.

Thank you for the opportunity to share our thoughts ahead of the mark-up. We appreciate FSCC Subcommittee Chairman Graves' effort to provide regulatory relief and urge the full Committee to consider our proposals. Should you have any questions or require any additional information please contact me or Allyson Browning, NAFCU's Associate Director of Legislative Affairs, at 703-842-2836 or [abrowning@nafcu.org](mailto:abrowning@nafcu.org).

Sincerely,



Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the House Appropriations Committee