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October 17, 2023

The Honorable Tina Smith
Chairwoman
Committee on Banking, Housing, and Urban Affairs
Subcommittee on Housing, Transportation, and
Community Development
United States Senate
Washington, DC 20510

The Honorable Cynthia Lummis
Ranking Member
Committee on Banking, Housing, and Urban Affairs
Subcommittee on Housing, Transportation, and
Community Development
United States Senate
Washington, DC 20510

Dear Chairwoman Smith and Ranking Member Lummis:

On behalf of the Credit Union National Association (CUNA), I am writing regarding the hearing entitled, “How Community Development Financial Institutions Promote Housing and Economic Opportunity.” CUNA represents America’s credit unions and their more than 135 million members.

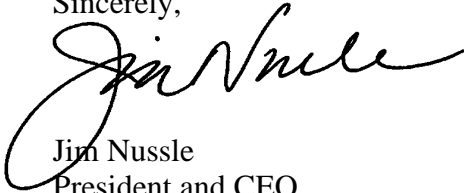
This hearing is extremely important and timely. CDFI-certified credit unions are key to achieving the mission of the CDFI movement. They work every day to expand economic opportunity for people and communities who have been excluded from the mainstream financial system. The 518 credit unions and cooperativas that are currently CDFI certified serve more than 19 million people through more than 3,100 branches, and CDFI credit unions lent more than \$280 billion in their communities last year. They effectively leverage CDFI resources, lending \$12 in their communities for every dollar in award funding. CDFI-certified credit unions account for 61.6% of all loan products, including residential mortgages, offered by CDFIs. And their cooperative structure means that credit unions and cooperativas do well only when their members do well.

However, there is a challenging environment for CDFI-certified credit unions to be able to promote housing and economic opportunity. Currently, CDFI-certified credit unions seeking recertification from the Department of Treasury, and those seeking certification, are waiting for the Fund to release its updated application requirements. Additionally, credit unions have expressed concerns regarding the acceptance of grants tied to CDFI certification maintenance or unreleased reporting requirements. The longer Treasury delays finalization of these requirements, the longer communities across the nation miss out on housing and economic opportunities. Further, if requirements are set outside of the risk tolerance of credit union governing boards, it is possible there may be a decrease of participation by credit unions in this space. This would represent a tremendous loss to underserved and low-income communities given CDFI-certified credit unions primacy in offering mortgage loans and a full array of consumer financial products and services. We urge the subcommittee, through this hearing, to underscore what is at stake as CDFIs wait for the Fund complete its updated certification process.

We are proud and fierce proponents of the CDFI Fund and the work that it does in many overlooked communities. As we remain focused on supporting the CDFI Fund, it is important that we maintain our keen focus on processes that affect getting timely resources out into communities.

On behalf of America's credit unions and their more than 135 million members, thank you for holding this hearing and considering our views on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with a large initial "J" and "N".

Jim Nussle
President and CEO