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The Honorable Kay Granger  
Chairwoman  
Committee on Appropriations  
United States House of Representatives  
Washington, DC 20515

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

Dear Chairwoman Granger and Ranking Member DeLauro:

On behalf of the Credit Union National Association (CUNA), I am writing regarding the consideration by the House of Representatives of H.R. 4664, the Financial Services and General Government Appropriations Act for Fiscal Year 2024. CUNA represents America's credit unions and their more than 135 million members.

This legislation includes funding for critical programs that provide underserved communities with access to mainstream financial services and alternatives to predatory lenders. The bill also provides for much-needed reforms to the Consumer Financial Protection Bureau (CFPB). Specifically, CUNA supports and applauds the bill's provisions to reform the CFPB's structure and funding mechanism. These provisions are crucial as they replace the CFPB director with a five-member commission, as well as require the Bureau to be subject to Congressional oversight and annual funding through the appropriations process. In addition, the bill's provision to strike the Dodd-Frank Act's Section 1071 small business lending data collection is needed to help small financial institutions struggling to meet the CFPB's cumbersome and opaque rulemaking in this area.

As such, CUNA supports the proposed amendment (#231), offered by Representative Andy Ogles (R-TN), that would prohibit funds in the bill from being used to implement or enforce the CFPB's rule entitled "Small Business Lending Under the Equal Credit Opportunity Act."

Despite the bill's welcome regulatory reform and relief, we urge the House to increase funding in certain key areas. First, we continue to recommend that the Community Development Financial Institutions (CDFI) Fund receive an appropriation of \$500 million in Fiscal Year 2024. In addition, we request that the Community Development Revolving Loan Fund (CDRLF) funding be increased to \$6 million. Finally, CUNA requests more funding for the Financial Crimes Enforcement Network (FinCEN) within the U.S. Department of the Treasury.

The Community Development Financial Institutions (CDFI) Fund was established in 1994 by the Riegle Community Development and Regulatory Improvement Act and is administered by the Treasury Department. It makes capital grants, equity investments and awards for technical assistance to community development financial institutions (CDFIs). Examples of CDFIs include community development banks, community development credit unions, community development loan and venture capital funds, and microenterprise loan funds. CDFIs are required to provide a 1:1 match for most of the awarded funds, which are offered on a competitive basis. CDFIs finance community development initiatives such as small businesses, community facilities, and low-income housing.

CDFIs such as Community Development Credit Unions (CDCUs) are charged with supplying low-income, distressed communities with traditional banking services such as savings accounts and personal loans, and offering individuals the tools needed to become self-sufficient stakeholders in their own future. The CDFI Fund uses small amounts of federal dollars to leverage significant amounts of private and non-federal dollars, and has added a tremendous boost to the CDFI industry (which relies heavily upon private sector funds from corporations, individuals, religious institutions, and private foundations).

In line with our support for CDFI credit unions, CUNA opposes the amendment (#117), offered by Representative Glenn Grothman (R-WI), that would eliminate funding for the Community Development Financial Institutions Fund. We support the amendment (#174), offered by House Financial Services Committee Ranking Member Maxine Waters (D-CA), that would increase funding in the bill to match the President's request of \$341 million for the Community Development Financial Institutions (CDFI) Fund.

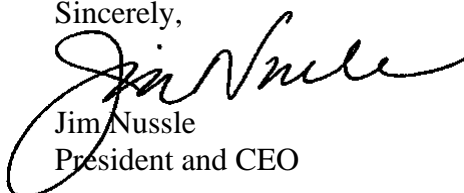
Created in 1979 and transferred to the National Credit Union Administration (NCUA) in 1986, the Community Development Revolving Loan Fund (CDRLF) assists credit unions serving low-income communities to: 1) provide financial services to their communities; 2) stimulate economic activities in their communities, resulting in increased income and employment; and 3) operate more efficiently. No Congressionally-appropriated funds are used to fund the CDRLF's administrative or overhead costs. These costs are paid by credit unions insured by the NCUA. Therefore, every dollar appropriated by Congress to the CDRLF is passed on directly to underserved communities and the credit unions that serve them.

Some of these CDRLF technical assistance grants have been used to help credit unions expand their digital services, such as mobile or home banking or electronic bill payment. Other grants have been used to help small credit unions fight fraud and embed EMV chips in their credit and debit cards. In addition, some grants have been used to open new branches in underserved areas or move from home-based locations to non-residential spaces. Also, some grants allow credit unions to offer services like free income tax preparation and financial literacy classes. Finally, these grants enable small credit unions to offer a new product or service, such a new ATM or an asset liability management model. In an age of rapid consolidation in the credit union and small bank sector, it is vital to allow these small credit unions to compete and not have to close shop or merge with a larger financial institution that may not know the needs of the members of these small credit unions.

The Financial Crimes Enforcement Network (FinCEN), a division of the U.S. Department of the Treasury, is our nation's "Financial Intelligence Unit." FinCEN plays a critical role in combatting money laundering and other illicit uses of the financial system that fuel international terrorism, cybercrime, corruption, human rights abuses, and the illegal trafficking of persons, drugs, weapons, wildlife, and more. Crucially, FinCEN is also a key player in detecting any attempts to evade sanctions or US-imposed import restrictions related to the Russian Federation.

On behalf of America's credit unions and their 135 million members, I urge you to fully fund these three important programs. Thank you for your consideration.

Sincerely,



Jim Nussle  
President and CEO