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October 15, 2019

The Honorable Richard Shelby
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Patrick Leahy
Ranking Democratic Member
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable John Kennedy
Chairman
Subcommittee on Financial Services and
General Government
United States Senate
Washington, DC 20510

The Honorable Christopher Coons
Ranking Democratic Member
Subcommittee on Financial Services and
General Government
United States Senate
Washington, DC 20510

Dear Chairman Shelby, Ranking Member Leahy, Chairman Kennedy, and Ranking Member Coons:

On behalf of the Credit Union National Association (CUNA), I am writing in strong support of the funding level of \$2 million for the Community Development Revolving Loan Fund (CDRLF) in fiscal year 2020, the same amount it has received every year since fiscal year 2015. CUNA represents America's credit unions and their 115 million members.

Created in 1979 and transferred to the National Credit Union Administration (NCUA) in 1986, the 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.

The CDRLF was initially established by a \$6 million Congressional appropriation to assist credit unions serving low-income communities. The CDRLF funds a revolving loan program and a technical assistance program. For the revolving loan program, CDRLF had outstanding loans of \$6.2 million as of August 31, 2019. For the technical assistance program, the CDRLF made 165 technical assistance grants in 2019.

Some of these 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 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.

In 2015, the CDRLF extended a grant to assist in chartering the Finest Federal Credit Union in New York City. Finest FCU, which is headquartered in Manhattan, serves roughly 75,000 employees of federal, state, county and

municipal agencies or departments engaged in police protection in the city of New York. Finest FCU received a low-income credit union designation to help it serve those who serve and protect us.

The CDRLF usually receives requests that greatly exceed available funds and CUNA is concerned that an elimination of this fund will result in fewer low-income credit unions having access to needed capital to provide critical services to low income credit union members.

On September 19, 2019, the Senate Appropriations Committee passed S. 2524, the Financial Services and General Government Appropriations Act for Fiscal Year 2020. This bill did not include the annual \$2 million appropriation for the Community Development Revolving Loan Fund (CDRLF). However, the House-passed H.R. 3351, the Financial Service and General Government Appropriations Act for Fiscal Year 2020 does provide \$2 million for the CDRLF.

As the House and Senate move to reconcile these two bills, I respectfully urge you to accept the House-passed position of continuing the funding for this critically important program at \$2 million for fiscal year 2020.

On behalf of America's credit unions and their 115 million members, thank you for recognizing the importance of the CDRLF program.

Sincerely,



Jim Nussle
President & CEO