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April 9, 2019

The Honorable Gregory Meeks  
Chair  
Subcommittee on Consumer Protection and  
Financial Institutions  
U.S. House Financial Services Committee  
Washington, DC 20515

The Honorable Blaine Luetkemeyer  
Ranking Member  
Subcommittee on Consumer Protection and  
Financial Institutions  
U.S. House Financial Services Committee  
Washington, DC 20515

Dear Chair Meeks and Ranking Member Luetkemeyer:

On behalf of America's credit unions, thank you for holding the hearing entitled, "The Community Reinvestment Act: Assessing the Law's Impact on Discrimination and Redlining." The Credit Union National Association (CUNA) represents America's state and federal credit unions and the 115 million members that they serve.

Though credit unions are not—and, indeed, should not be—subject to the requirements of the Community Reinvestment Act, not-for-profit, financial cooperatives play a critical role in helping banks meet their obligations to serve low- and moderate-income households and other traditionally underserved communities. Specifically, many of the loans originated by credit unions on behalf of their members fit within the criteria of CRA-eligible products due to credit unions' own statutory mission of serving people of modest means. Credit unions sell these loans to banks as part of the banks' overall efforts to satisfy their CRA mandate. This process, in turn, serves as a liquidity resource for credit unions as they then seek to continue their lending efforts in traditionally underserved communities. Accordingly, the resulting Community Reinvestment Act partnerships between banks and credit unions are an important piece of credit unions' efforts to extend financial services to rural, minority, and other traditionally underserved communities across the United States. And, between 2010 and 2018, federal credit unions' efforts to expand into underserved areas gave nearly 30 million individuals living in traditionally underserved communities new access to credit union services.<sup>1</sup>

As the Subcommittee examines ways to improve CRA's impact on redlining and discrimination, we urge it to consider ways to strengthen the partnerships between banks and credit unions. Credit unions have a track record of fairly meeting the needs of all members—regardless of their race, gender, or socio-economic background. Thus, facilitating the partnerships between banks and credit unions can serve as an important mechanism for ensuring that the goals of the Community Reinvestment Act are reached.

On behalf of America's credit unions and their 115 million members, thank you again for holding this hearing on the Community Reinvestment Act and your consideration of our views.

Sincerely,

A handwritten signature in black ink that reads "Jim Nussle".

Jim Nussle  
President & CEO