



Jim Nussle
President & CEO

Phone: 202-508-6745
jnussle@cuna.coop

99 M Street SE
Suite 300
Washington, DC 20003-3799

March 11, 2021

The Honorable Mike Quigley
Chairman
Financial Services and General
Government Subcommittee
House Appropriations Committee
Washington, DC 20515

The Honorable Steve Womack
Ranking Member
Financial Services and General
Government Subcommittee
House Appropriations Committee
Washington, DC 20515

Dear Chairman Quigley and Ranking Member Womack,

On behalf of America's credit unions, I am writing regarding the hearing entitled, "Oversight of the U.S. Postal Service." The Credit Union National Association (CUNA) represents America's credit unions and their more than 120 million members.

Credit unions adamantly support and are diligently working towards the goal of expanding banking access, but we have grave reservations about proposals to leverage the United States Postal Service (USPS) to provide banking services well beyond the Postal Service's core competencies. Adding another complex layer to the already hampered capacity of the USPS, raises several serious regulatory and consumer protection questions, and could leave consumers less protected than they would be at a regulated financial institution. As such, we urge Congress to explore ways to leverage the credit union system to bring about greater and more equitable financial inclusion.

With our financial infrastructure already in place and given our long history of serving communities, credit unions could proudly and swiftly offer banking services to all -- if they were not limited by archaic field of membership restrictions. While credit unions already offer affordable products as well as broad access to banking services through their Shared Branching Network, they are constrained to only accept new members that qualify under a common bond -- like their employer or geographic location. Stated more bluntly, credit unions are currently required to refuse banking services to many underbanked individuals and underserved communities who are not in their field of membership.

When it was first adopted as an industry practice more than a century ago, field of membership was a tool that credit unions used to determine a member's credit worthiness. The idea was that if a member worked on a factory line or lived in the same neighborhood as other credit union members that the membership could better assess whether the member was a worthy credit risk. Today, not only do more sophisticated credit underwriting tools exist, we believe it is unlikely Congress would create a system that allows a financial institution to only serve a limited self-selected group of people at the exclusion of all other groups. Such a concept certainly is oppositional to the goals of expanding access and equity in the financial services sector.

Now more than ever, American's need access to reliable and affordable banking options. Congress should explore taking a more inclusive approach to credit union membership rather than straining the capacity of the US Postal Service.

On behalf of America's credit unions and their 120 million members, we appreciate your attention to this matter.

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 & CEO