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The Honorable Sherrod Brown
Chairman
Senate Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, DC 20515

The Honorable Pat Toomey
Ranking Member
Senate Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, DC 20515

Chairman Brown and Ranking Member Toomey,

On behalf of America's credit unions, I am writing in regard to the hearing entitled, "An Economy that Works For Everyone: Investing in Rural Communities." CUNA represents America's credit unions and their more than 120 million members.

Credit unions are not-for-profit financial institutions dedicated to serving their members, regardless of location or socioeconomic background. As of June 2019, almost one-fourth of all credit unions are headquartered in rural areas, making them uniquely positioned to serve rural communities by providing capital infusions, loans for education, and trusted advice.

Since the Great Recession, the number of bank branches has declined by over 11,000 and according to the National Community Reinvestment Coalition, nearly 90 banking deserts have been created as a result of bank closures and failures. Yet, rural credit union membership has grown rapidly - more than 15 percent since 2013.

Credit unions invest in the rural communities they serve by providing affordable financial services options targeted to the unique needs of their consumers. Rural credit unions serve 9.7 million members – over one-fifth of the nation's rural population.

One of the most important things that Congress could do is empower rural communities through financial inclusion. That means ensuring that federal law permits all federal credit unions to serve rural communities, banking deserts, and all underserved areas. Given the unprecedented economic disruption caused by COVID-19, it is important now more than ever that rural communities have access to a trusted, local financial partner. Credit unions are eager to be that partner, but archaic charter and field of membership restrictions prevent most from expanding more broadly to help those who are most in need.

Under current law, only multiple common bond credit unions are eligible to add underserved areas, including rural communities to their field of membership. If the policy goal is to ensure that all have access to affordable financial services, then the policy should not restrict a subset of member-owned, not-for-profit financial institutions from providing service to these communities.

Allowing credit unions to expand into rural communities and other underserved areas would advance communities throughout the nation by giving tens of millions of consumers access to member-owned financial services. CUNA

conservatively estimates that this modest but meaningful reform of field of membership rules would produce first-year benefits for over one million consumers who now have no realistic, affordable options in the financial marketplace¹.

We hope the Committee will consider legislation that expands the opportunity to serve rural and other underserved communities to all federal credit unions to ensure access to affordable financial services for all.

On behalf of America's credit unions and their more than 120 million members, thank you for the opportunity to share our views.

Sincerely,



Jim Nussle
President & CEO

¹ Assuming first-year membership growth of 5% among credit unions with restricted fields of membership that are not currently operating in underserved areas and 2.5% growth among community-chartered credit unions not currently in underserved areas.