Credit unions are the best way for consumers to conduct their financial services.

Credit unions benefit everyone — whether a member or not.

- Credit union members save over $10 billion each year by doing business with their credit union as opposed to a bank.
- Bank customers benefit about $4 billion, because credit unions are in the marketplace.

The not-for-profit credit union governance model relies on one member, one vote. Unlike banks, credit unions exist to serve their members, not investors.

Credit unions weathered the financial crisis well, but are now challenged by statutory restrictions, regulatory burdens and inconsistent examination practices including:

- New regulatory requirements due to the Dodd-Frank Act and overreach by the BCFP;
- A statutory cap on business lending;
- Overwhelming number of merchant data breaches that cost credit union members millions; and
- A restrictive capital definition.

Credit unions accept that they operate in a regulated environment. However, since the crisis, the increased regulatory burden — which includes more than 200 regulatory changes — has stifled credit unions' ability to serve their members, impeding member access to safe and affordable credit union services.

- When regulations aimed at Wall Street banks and abusers of consumers restrict or eliminate credit unions from offering services, consumers lose. It costs consumers time and money and limits their choices.
- One-size-fits-all regulation does not work for Main Street — local credit unions, small banks and the consumers and small businesses they serve.
- Over regulation has a rigged system favoring the largest institutions who can afford to comply with the “solutions” dreamt up in Washington — the very institutions that caused the crisis that hurt so many.

Credit unions are exempt from Federal income tax because of their structure and mission.

- **Structure:** Member-owned, not-for-profit financial cooperatives.
- **Mission:** To promote thrift and provide access to credit for provident purposes to their members.

The credit union tax status is good public policy.

- During and following the financial crisis, Americans saw credit unions as a safe haven in the financial services sector. Credit unions continued to lend to consumers, homebuyers and small businesses when other lenders were unable or unwilling to do so.
- Credit unions continue to serve all their members, including low-income consumers who are often neglected by traditional financial institutions or targeted by predatory lenders.
- Credit union members benefit in terms of lower rates on loans, lower fees on services and higher returns on deposits.

A tax on credit unions would be a tax increase for 110 million American credit union members.

As Congress considers corrections to the 2017 law, we urge Congress to commit to preserving the credit union tax status.

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