CREDIT UNIONS IMPROVE FINANCIAL WELL-BEING FOR ALL
AMERICA'S CREDIT UNIONS WERE CREATED NEARLY 100 YEARS AGO to promote thrift and provide access to credit for provident purposes. Since that time, credit unions of all sizes have delivered on that mission by improving our members’ financial well-being and advancing the communities they serve.

Benefits to members

• $12.6 billion in annual savings through fewer fees, higher returns, and lower interest rates on loans

• Saving members $5.6 billion in auto loans annually

• Sharing net income with all members

• Easier access to credit

Benefits to everyone

• $4.9 billion annual benefit by presence in local banking markets

• Nearly $25 billion in local, state, and federal taxes annually

• $1.6 trillion in annual taxes paid by credit union members

SOURCE: CUNA, Datatrac

$17.5 BILLION

in financial benefit to members and non-members alike.

9x

This is nearly 9x the $2.0 billion tax exemption that Congress continues to grant credit unions.

PRESERVE THE CREDIT UNION TAX STATUS BY INVESTING IN YOUR COMMUNITY’S FINANCIAL WELL-BEING.
CREDIT UNIONS HAVE WORKED AROUND THE CLOCK to provide members with the necessary resources to keep their members in their homes with the lights on and food on the table amid financial uncertainty.

PERSONALIZED SOLUTIONS
Credit unions are focused on assisting consumers, one member at a time.

95% Offer loan modifications*  90% Waived fees*

SOURCE: CUNA | *the Paycheck Protection Program (PPP)

KEEPING MAIN STREET AFLOAT
Local businesses are the heart of Main Street, and credit unions are here for them.

$47,624 Average credit union-originated PPP loan

$9.7 Billion PPP loans facilitated by credit unions

SOURCE: CUNA, SBA | *data through 11/24/20

Help credit unions to continue serving:

• Allow NCUA to offer temporary forbearance from prompt corrective action for certain credit unions
• Temporarily lift the cap on member business lending
• Continue to fund community development financial institutions

CREDIT UNIONS HELPED THE COMMUNITY:
• Serve meals to first responders
• Provide personal protective equipment to medical centers
• Support food pantries

THROUGHOUT THE COVID-19 PANDEMIC, CREDIT UNIONS SERVED THOSE HIT HARDEST FINANCIALLY.
Credit unions are proud to be the first line of defense during times of financial need. Our not-for-profit structure means lower interest rates and fewer barriers to lending, helping members who most need our services.

Short-term loans from credit unions typically have a 400% lower APR than payday loan companies

Source: CFPB, NCUA, CUNA

Credit unions of all asset sizes provide personal financial counseling and a range of resources to help people find solutions for their individual circumstances, such as:

- Surprise medical billing support
- Stopgap financial solutions when factories close
- Hurricane, fire, and flood relief funds
- Emergency auto repair assistance
- Small dollar loans
- Adoption and fertility treatment loans
- Personalized debt-consolidation support
- Low-hurdle loans to help survivors of domestic violence make a fresh start

“Your local credit union should be your first stop for borrowing money, especially if you have a fair or poor credit score.”

NerdWallet (2019)

Credit unions are people helping people. We work hard to find ways to secure your constituents’ futures.
FOR MANY COMMUNITIES ACROSS THE COUNTRY, small businesses are the main economic driver. A strong Main Street will be a key component in our nation’s economic recovery, and America’s credit unions are already helping these critical institutions rebuild.

204,000 PPP loans
Originated by credit unions to keep local businesses open.

$33 billion in commercial loans
Made by credit unions last year, accounting for crucial funding for entrepreneurs pursuing the American Dream and small businesses looking to keep their doors open or expand.

297,000 jobs
Created through credit union commercial lending in the past year.

$223 BILLION
Credit unions had a $223 billion aggregate impact on the U.S. economy last year, helping working families have more access to the funds that keep them on track.

OUR PEOPLE-OVER-PROFIT MODEL MEANS CREDIT UNIONS RETURN OUR EARNINGS TO OUR MEMBERS AND OUR LOCAL COMMUNITIES RATHER THAN WALL STREET INVESTORS.
Despite outdated statutory restrictions on who we can serve, credit unions are committed to reaching diverse groups to grow our middle class.

- Nearly 50% of credit unions focus on serving low-income individuals¹
- More than half of credit union-originated home loans go to borrowers earning middle incomes or less²
- 3.6x as many credit unions vs banks serve specific minority communities³
- 75% of credit union branches are in middle, moderate, and low-income communities⁴
- Nearly 40% of credit unions are in CDFI investment areas⁴

SOURCE: ¹NCUA ²FFIEC ³NCUA, FDIC, CUNA ⁴NCUA, U.S. Census Bureau, UW Applied Population Lab, CUNA, IMPLAN
Nearly 12 billion records have been exposed due to lax data security standards since 2005.

Source: Identity Theft Resource Center

The recent Solar Winds breach underscores that it is imperative for Congress to pass legislation that holds everyone’s data—and those who keep the data—to a high standard.

Keep data secure and private, no matter who holds it

Laws like the Gramm-Leach-Bliley Act (GLBA) and the Health Insurance Privacy and Accountability Act (HIPAA) are the gold standard but only apply to financial services and healthcare providers.

It is time for data to be protected everywhere; it’s time for Congress to enact a strong, national security standard to apply to every entity that holds data.

Strengthen data security and privacy
The lack of robust data privacy and security standards leaves millions of people and businesses open to attack by fraudsters and rogue state actors.

Preempt state laws with a national data security and privacy law
A strong national standard that preempts state laws would close glaring loopholes that hackers exploit to steal consumers’ data.
AS NOT-FOR-PROFIT COOPERATIVES, we treat our members as if they own the credit union because they do. By taking a few critical steps to modernize the CFPB, you can help credit unions improve the financial well-being of millions of consumers.

Retain a considerate regulatory approach
When consumers urgently needed assistance, recent changes in regulatory approach allowed credit unions to maximize the resources available to help. Retaining this considerate approach is good for consumers and their communities.

Establish a multi-member leadership commission for the CFPB
When regulations change due to a new administration, credit unions are forced to shift resources away from consumers to catch-up. A diverse commission would create a strong, stable, and consistent environment for financial institutions and consumers.

Tailor policies to fit credit unions’ unique model
Policies that apply to cooperative, not-for-profit credit unions should be informed by the NCUA and separate from those meant to rein in abusive Wall Street actors.

Maintain and expand accommodations for small service providers
By providing compliance flexibility—such as reduced remittance requirements and expanded HMDA relief—smaller credit unions can expand services to members.
Help credit unions serve members’ ever-evolving needs in our current operating environment:

- **Retain the NCUA’s independent status**: A separate, independent federal regulator is essential to the safety, soundness and viability of the credit union system.

- **Allow for continued remote examinations**: Throughout the pandemic, credit unions have successfully piloted remote examinations, reducing the resource demands of both institution and agency staff.

- **Shift to technology-driven operations**: Leverage technology that can streamline reporting, eliminate regulatory redundancies, and modernize credit union supervision.

- **Refrain from Share Insurance Fund premium assessments**: Allow credit unions to keep capital on-hand to help communities rebound from the pandemic rather than take unnecessary action to address a temporary decline.

- **Fairly examine credit unions**: Credit unions nationwide should receive fair and appropriate examinations from all NCUA regional offices.

- **Level the examination playing field**: Credit unions with less than $3 billion in assets deserve the same 18-month examination cycle afforded to community banks.

- **Help credit unions succeed**: Apply resources to help credit unions remain compliant rather than creating additional hurdles that further stretch resources.

- **Retain supervisory flexibility**: Exam and compliance flexibility has allowed credit unions to remain focused on members’ needs throughout the pandemic.

A STRONG NCUA WILL HELP CREDIT UNIONS FOCUS RESOURCES ON MEMBERS, ENHANCING FINANCIAL WELL-BEING FOR ALL.
FOR CONSUMERS WHO WANT HOMEOWNERSHIP TO BE A PART OF THEIR FINANCIAL JOURNEY, credit unions are a critical partner to a safe, stable experience. These key principles are crucial to ensuring that credit unions can empower low- and moderate-income homeowners who may not be able to secure affordable, fair, and sustainable mortgages from other creditors:

EQUAL ACCESS TO A SECONDARY MARKET for lenders of all sizes provides consumers with more options when choosing a mortgage partner.

PREDICTABLE, AFFORDABLE MORTGAGE PAYMENTS help qualified consumers realize their dream of homeownership.

A REASONABLE AND ORDERLY TRANSITION out of conservatorship for Fannie and Freddie, with capital requirements that are substantial enough to allow them to operate safely and soundly during an economic downturn, yet reasonable enough to allow the housing finance system to reduce costs through innovation and competition.

PRESERVE WHAT WORKS, such as cost-effective and member-oriented credit union mortgage-servicing options, consumer education and home-purchase counseling, and reasonable conforming loan limits that adequately consider local real estate costs in higher-cost areas.

ENSURE MORE AMERICANS HAVE THE KEYS TO AFFORDABLE HOMEOWNERSHIP BY SUPPORTING RESPONSIBLE HOUSING FINANCE REFORM.
As our economic recovery begins in earnest, modernizing the Federal Credit Union Act will allow credit unions to serve as a critical source of capital for the nation's entrepreneurs and small businesses.

Lift arbitrary business lending caps
Lifting the arbitrary Member Business Lending cap would allow credit unions to further aid their small business members. Lifting the cap for one year following the pandemic would inject $5.5 billion in capital and 50,000 jobs into the economy.

Increase loan maturity limits
Allowing credit unions to service loans with terms longer than 15 years would create better student, agricultural, and business loans for your constituents.

Additional commonsense updates

- Permit establishment of own fiscal year
- Eliminate a requirement to file certain information regarding loan officers
- Enhance flexibility of federal credit unions to schedule board meetings
- Remove outdated responsibilities of federal credit union boards of directors
- Permit electronic balloting for conversions from state to federal charters and from federal to state charters

Make access to financial services more equitable by ensuring that all federal credit unions can serve more communities across the country.

Modernize the Federal Credit Union Act to ensure credit unions can enhance financial well-being and inclusion.