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National Association of Federally-Insured Credit Unions

March 6, 2023

The Honorable Alex Padilla
112 Hart Senate Office Building
United States Senate
Washington, DC 20510

The Honorable Kevin Cramer
330 Hart Senate Office Building
United States Senate
Washington, DC 20510

Dear Senators Padilla and Cramer:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to thank you for your leadership in introducing S. 544, legislation that will make critical improvements to the availability of liquidity for credit unions through the National Credit Union Administration's (NCUA) Central Liquidity Facility (CLF). As you are aware, NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 135 million consumers with personal and small business financial service products.

Increasing flexibility for credit unions' access to the CLF by allowing corporate credit unions to purchase CLF capital stock for specific subsets of members will improve the financial resilience of the entire credit union system and has been a shared advocacy goal of NAFCU and the NCUA Board. In particular, this change will greatly benefit smaller credit unions facing unexpected funding challenges. The current high interest rate environment poses a unique set of challenges for credit unions, and legislation to improve access to the CLF will help mitigate that risk in line with Congress's original intent for the CLF when it was established decades ago. NAFCU is glad to join with the NCUA Board in supporting these CLF enhancements.

We thank you again for your leadership and for the opportunity to share our thoughts on the importance of improving credit unions' access to emergency liquidity. Should you have any questions or require any additional information, please contact me or Jake Plevelich, NAFCU's Associate Director of Legislative Affairs, at jplevelich@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs