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National Association of Federally-Insured Credit Unions

June 10, 2019

The Honorable Nita Lowey
Chairwoman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Kay Granger
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

RE: Consideration of the Financial Services and General Government Appropriations Bill

Dear Chairwoman Lowey and Ranking Member Granger:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) in regard to tomorrow's mark-up of the FY2020 Financial Services and General Government (FSGG) Appropriations Bill. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 117 million consumers with personal and small business financial service products.

NAFCU appreciates and supports the language in the draft bill to keep funding for the NCUA's Community Development Revolving Loan Fund (CDRLF) at a level of \$2 million and to fund the Community Development Financial Institutions (CDFI) Fund at a level of \$300 million. As the Committee is aware, these programs help promote access to capital and local economic growth in low-income communities. CDFI credit unions predominantly serve low-income areas and other target markets and often are the only financial services options for consumers that live paycheck to paycheck. The CDFI Fund grant program helps credit unions serve communities and consumers that large banks do not focus on.

We are also pleased to see the support for the Small Business Administration's 7(a) and 504 loan programs found in the bill. SBA programs are an important tool for credit unions to meet the business lending needs of their members.

NAFCU is also supportive of the language in the report accompanying the FSGG bill to have financial services regulators study the impact of the Current Expected Credit Loss (CECL) standard issued by the Financial Accounting Standards Board (FASB). CECL is the most significant accounting change for the credit union industry in 40 years. We find it particularly concerning that CECL has not been fully investigated or studied, and are pleased to see the Committee attempt to address that concern.

NAFCU urges you to advance this important legislation at tomorrow's mark-up. We urge support for the funding levels in the draft bill and look forward to working with you as this legislation moves through the legislative process. Should you have any questions or require any additional information, please contact me or Max Virkus, NAFCU's Associate Director of Legislative Affairs, at 703-842-2261.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the House Committee on Appropriations