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B. Dan Berger
President & Chief Executive Officer

National Association of Federally-Insured Credit Unions

August 12, 2021

Larry Fazio, Executive Director
Eugene Schied, Chief Financial Officer
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Mid-Session Budget

Dear Mr. Fazio and Mr. Schied:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), I am writing in regard to the National Credit Union Administration's (NCUA) mid-year budget review. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve nearly 125 million consumers with personal and small business financial service products. NAFCU urges the NCUA to promptly schedule its customary mid-session budget review and public meeting to fulfill the agency's commitment to financial transparency. The NCUA has fulfilled this promise each year by providing the public with information concerning the budget and spending followed by a public meeting each July for credit union stakeholders.

The NCUA's mid-session budget review plays an essential role in fostering transparency regarding how credit unions' valuable dollars are being used. As the economy continues to recover from the economic ramifications of the COVID-19 pandemic, NAFCU asks the NCUA to carefully evaluate how it plans to utilize remaining resources in 2021 and revisit its 2022 draft budget which included an 8.3 percent increase to the operating budget in anticipation of travel expenditures. NAFCU appreciates the NCUA's reallocation of funds last year stemming from a reduction in travel expenses in 2020.

Given the difficult economic realities facing credit unions across the country, the NCUA should judiciously manage its budget for the remainder of the year and beyond. NAFCU has consistently urged the NCUA to identify various cost-savings opportunities, best achieved through examination modernization. However, without the opportunity to review the year-to-date spending trends and updated estimates of annual funding during the July Board meeting, it is difficult to evaluate the promised the cost savings associated with various modernization initiatives and how expenditures might continue to change in response to pandemic-related uncertainty. NAFCU appreciates the NCUA's commitment to transparency and looks forward to reviewing the budget this year and updated estimates.

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NAFCU and its member credit unions applaud your leadership and commitment to ensuring a safe and sound credit union system. NAFCU encourages you to continue to make investments in innovative programs that will help credit union members. The mid-year review of the budget is an important time to reflect and identify areas for additional growth and opportunity. Providing more opportunities for direct feedback from credit unions and their members, whether during the budget process or otherwise, fosters accountability and transparency that helps strengthen the credit union system.

I look forward to the NCUA's release of the mid-session budget review and public meeting so we can continue the conversation on strengthening the credit union industry. If you have any questions or concerns, please do not hesitate to reach out to me directly, or Ann Kossachev, NAFCU's Director of Regulatory Affairs, at (703) 842-2212 or akossachev@nafcu.org.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger". The signature is stylized with a large initial "B" and a long horizontal flourish extending to the right.

B. Dan Berger
President & CEO