

COVID-19

Credit unions supporting the road to recovery

Credit unions appreciate the steps taken by the 116th Congress that helped them remain in a position to serve their members, including:

- The enactment and extension of legislation to accommodate troubled debt restructuring;
- Extending the borrowing authority of the Central Liquidity Facility;
- Including credit unions in the Paycheck Protection Program (PPP); and
- Simplifying the PPP process to leverage the power of Community Development Financial Institutions to assist communities in need.

As Congress considers additional pandemic recovery legislation, we encourage the inclusion of temporary flexibility for NCUA to offer forbearance from prompt corrective action for certain credit unions.

Data security

Pass a robust national data security standard to keep Americans safe

The Solar Winds data breach is just the latest in major cyber attacks that put consumers at risk. Securing and protecting consumer data is important not only for their individual financial health but as a further safeguard against rogue international agents and interference by foreign governments. Congress should enact legislation that preempts the patchwork of state laws with a robust national data security and privacy standard that applies to all entities that collect or hold personal data.

Facilitate Financial Equity Through Modernization of the Federal Credit Union Act

Help small businesses by lifting the arbitrary statutory cap on credit union business lending

As the pandemic winds down and the economy

restarts, small business needs will change from survival to recovery. We will need all available credit on the table to help Main Street reopen. The time to prepare for that is now by lifting the arbitrary statutory cap on credit union business lending. Even just temporarily lifting the cap would provide over \$5.5 billion in capital to small and informal business ventures, creating nearly 50,000 jobs just over the course of the next year. Congress should also pass legislation to increase loan maturity limits for federal credit unions.

Additionally, Congress should explore how credit unions could be more of a solution to problems of financial inclusion and equity through modernizing or eliminating credit union field of membership regulations that prevent credit unions from serving everyone who may need safe and affordable financial services.

Protecting the Tax Status

Invest in your community's financial well-being by preserving the credit union income tax status

Credit unions continue to deliver financial benefits that are nearly 9x the “cost” of the federal tax exemption. Credit unions are a small but constant presence in the financial services sector, accounting for 7.4% (2019 estimate) of financial institution assets—a market share that has not changed significantly in over 25 years.

Looking forward

Congress and the Administration Should Operate with a Steady Hand

Congress and the administration should resist the impulse to reverse the last four years of regulatory changes or impose new requirements that could impair credit unions’ work to improve their members’ financial well-being and advance the communities they serve. Instead, regulators should review standards with an eye toward ensuring that consumers continue to have access to safe and affordable financial services provided by credit unions.