



**America's  
Credit Unions**

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99 M Street SE  
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The Honorable Steve Womack  
Chairman  
Committee on Appropriations  
Subcommittee on Financial Services  
and General Government  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Steny Hoyer  
Ranking Member  
Committee on Appropriations  
Subcommittee on Financial Services  
and General Government  
U.S. House of Representatives  
Washington, DC 20515

**Re: Today's Hearing: "President Biden's Fiscal Year 2025 Budget Request and Economic Outlook"**

Dear Chairman Womack and Ranking Member Hoyer:

On behalf of America's Credit Unions, I am writing regarding the Subcommittee's hearing entitled, "President Biden's Fiscal Year 2025 Budget Request and Economic Outlook." With the recent release of the President's proposed budget for fiscal year (FY) 2025, we welcome this hearing and the Subcommittee's diligence in reviewing the Administration's funding requests. We also welcome the opportunity to comment on several of the items in the budget of interest to credit unions. America's Credit Unions is the voice of consumers' best option for financial services: credit unions. We advocate for policies that allow the industry to effectively meet the needs of their nearly 140 million members nationwide.

**Community Development Financial Institutions Fund**

The President's budget proposes \$325 million in new budget authority for FY25 for the Community Development Financial Institutions (CDFI) Fund. America's Credit Unions, in consultation with our partners in the credit union movement, recommends that the Fund receive an appropriation of \$500 million in Fiscal Year 2025. We also support the budget's proposed \$500 million for the CDFI Bond Guarantee Program (BGP), which provides CDFIs with greater access to low-cost, long-term, fixed-rate capital. Specifically, the BGP fully guarantees long-term bonds with maturities of up to 30 years. Since its creation in 2010, this program has guaranteed \$2.5 billion in bonds to 27 CDFI-certified institutions.

The CDFI Fund was established in 1994 by the Riegle Community Development and Regulatory Improvement Act and is administered by the Treasury Department. With 1,456 CDFI-certified institutions nationwide, the Fund makes capital grants, equity investments and awards for technical assistance to community development financial institutions (CDFIs). Examples of CDFIs include community development banks, community development credit unions, community development loan and venture capital funds, and microenterprise loan funds. CDFIs are required to provide a 1:1 match for most of the awarded funds, which are offered on a

competitive basis. CDFIs finance community development initiatives such as small businesses, community facilities, and low-income housing.

CDFIs such as Community Development Credit Unions (CDCUs) are charged with supplying low-income, distressed communities with traditional financial services such as savings accounts, personal loans, and the tools needed to become self-sufficient stakeholders in their own future. The Fund uses small amounts of federal dollars to leverage significant amounts of private and non-federal dollars. This has added a tremendous boost to the CDFI industry, which relies heavily upon private sector funds from corporations, individuals, religious institutions, and private foundations. As the Subcommittee considers CDFI funding, we also encourage you to promote greater transparency and further improvements to the Fund to ensure that it works smoothly for CDFIs.

### **Community Development Revolving Loan Fund**

The President's budget proposes \$4 million in budget authority in FY25 for the Community Development Revolving Loan Fund (CDRLF). We respectfully request that funding for this account be increased to \$6 million. This fund provides revolving loan and technical assistance grant programs to low-income credit unions. Last year, it had \$2.75 million in loans on its balance sheet. In addition, \$3.5 million in technical assistance grants were awarded to 147 low-income credit unions.

Created in 1979 and transferred to the National Credit Union Administration (NCUA) in 1986, the CDRLF assists credit unions serving low-income communities to: 1) provide financial services to their communities; 2) stimulate economic activities in their communities, resulting in increased income and employment; and 3) operate more efficiently. No Congressionally-appropriated funds are used to fund the CDRLF's administrative or overhead costs. These costs are paid by credit unions insured by the NCUA. Therefore, every dollar appropriated by Congress to the CDRLF is passed on directly to underserved communities and the credit unions that serve them.

Some of these CDRLF technical assistance grants have been used to help credit unions expand their digital services, such as mobile or home banking or electronic bill payment. Other grants have been used to help small credit unions fight fraud and embed EMV chips in their credit and debit cards. In addition, some grants have been used to open new branches in underserved areas or move from home-based locations to non-residential spaces. Also, some grants allow credit unions to offer services like free income tax preparation and financial literacy classes.

Finally, these grants enable small credit unions to offer a new product or service, such a new ATM or an asset liability management model. In an age of rapid consolidation in the credit union and small bank sector, it is vital to allow these small credit unions to compete and not have to close shop or merge with a larger financial institution that may not know the needs of the members of these small credit unions.

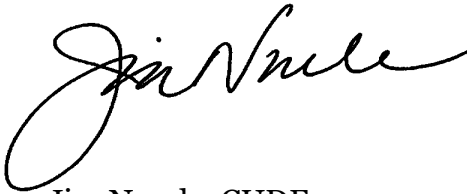
## **Financial Crimes Enforcement Network**

The President has proposed a \$325 million budget in FY25 for the Financial Crimes Enforcement Network (FinCEN) within the U.S. Department of the Treasury. America's Credit Unions supports this request.

FinCEN is our nation's "Financial Intelligence Unit." FinCEN plays a critical role in combatting money laundering and other illicit uses of the financial system that fuel international terrorism, cybercrime, corruption, human rights abuses, and the illegal trafficking of persons, drugs, weapons, wildlife, and more. Crucially, FinCEN is also a key player in detecting any attempts to evade sanctions or US-imposed import restrictions related to the Russian Federation.

In conclusion, we believe these three funding requests are good investments and are fiscally prudent. Credit unions are often the exact types of community lenders that are perfectly suited to help someone make that mortgage payment or receive that small loan to pay their one or two employees. Credit unions, not predatory lenders, should be where these Americans turn for financial assistance. On behalf of America's Credit Unions and 140 million members nationwide, I urge you to fully fund these three important programs. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with a large loop at the end.

Jim Nussle, CUDE  
President & CEO

cc: Members of the Subcommittee on Financial Services and General Government