

March 1, 2024

The Honorable Ron Wyden  
Chairman  
Senate Committee on Finance  
United States Senate  
Washington, D.C. 20510

The Honorable Mike Crapo  
Ranking Member  
Senate Committee on Finance  
United States Senate  
Washington, D.C. 20510

The Honorable Jason Smith  
Chairman  
House Committee on Ways and Means  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Richard Neal  
Ranking Member  
House Committee on Ways and Means  
United States House of Representatives  
Washington, D.C. 20515

Dear Chairmen Smith and Wyden and Ranking Members Neal and Crapo:

We are writing in response to state and national banking trade associations that recently sent yet another letter asking for needless hearings on the credit union industry. Their letter once again reflects a lack of understanding of both the credit union industry and why consumers are choosing credit unions over banks.

This tired attack from the banking trade associations contains numerous false assumptions and baseless claims, and we want to set the record straight. Let's start with the facts.

Credit union members saw more than \$21.5 billion in economic benefits for the 12 months ending September 2023, and non-members received billions more in benefits due to credit unions' presence in the marketplace, according to America's Credit Unions' analysis of NCUA and DataTrac data. We can understand why banks would want to use Congress to eliminate their competition, but this is not in the best interest of hard-working Americans who trust credit unions to provide safe, affordable financial services products.

Also, if banks are so concerned about credit unions causing unfair competition, why are they closing branches by the thousands? From 2012-2023, banks closed 19,301 net branches while credit unions opened 1,373 net branches during the same timeframe. It is deeply cynical of banks to write a letter to Congress complaining about credit unions stepping up to serve the consumers they have abandoned. A thank you might be more appropriate.

Bankers – who spend their lives trying to squeeze every penny of profit out of their customers – still cannot seem to comprehend that credit unions are tax-exempt because of their cooperative not-for-profit structure, which aligns the interests of the credit union with its member-owners. This cooperative structure is the core of the credit union industry and reflects credit unions' commitment to lift up their members and ensure their financial success. Because when credit unions' members succeed, our credit unions succeed and the American economy is stronger. It is plain and simple.

Furthermore, the bankers plead ignorance about why consumers would choose a credit union over a bank. Much of their letter is focused on how credit unions are growing – insinuating that it's somehow a bad thing. The bankers imply that all credit unions must be small institutions that offer

simple products, but that once again belies their ignorance of credit unions' mission and their fear of competition. Credit unions are adding more comprehensive products because they are meeting the demands of their members, who expect their financial institution to offer innovative, competitive financial services products. Growth is a sign of the success of the credit union charter, not a problem requiring Congressional hearings.

Quite ironically, the bankers appear to say the quiet part out loud when they cite Federal Reserve Board Member Michelle Bowman's quote about credit unions competing directly with traditional banks. That competition is exactly what Congress intended and it benefits consumers. Repeated studies have shown that having not-for-profit credit unions competing with banks improves customer service and saves consumers billions of dollars every year in lower fees and better interest rates.

Yes, credit unions are growing because consumers are choosing credit unions over banks. Consumers time and again have indicated credit unions have their best interests at heart, and that they trust credit unions more than banks.

We appreciate the support that your Committees have shown credit unions. There is no doubt that credit unions remain consumers' and Main Street America's best partner for safe, affordable financial services products. Our members have nothing to hide and are always willing to come tell the story of how they help Americans achieve financial stability and pursue their dreams.

Thousands of them will be in town next week to tell their story as part of our Governmental Affairs Conference (GAC) – you can ask them yourself. Let it be known: Credit unions are growing and innovating, but that is because they are doing the job Congress bestowed upon the industry 90 years ago and consumers are taking advantage of the value credit unions provide them.

Thank you for your time and for recognizing that these baseless attacks by banks are a thinly veiled attempt to crush competition, not to exercise oversight.

Sincerely,

America's Credit Unions

Alabama Credit Union Association – League of Southeastern Credit Unions

Alaska Credit Union League

Arizona Credit Unions – GoWest Credit Union Association

Arkansas Credit Union Association

California Credit Union League

Carolinas Credit Union League

Colorado Credit Unions – GoWest Credit Union Association

Credit Union League of Connecticut

CrossState Credit Union Association

Dakota Credit Union Association

Delaware Credit Unions – Cooperative Credit Union Association

Florida Credit Union Association – League of Southeastern Credit Unions

Georgia Credit Union Association – League of Southeastern Credit Unions

Idaho Credit Unions – GoWest Credit Union Association

Hawaii Credit Union League

Illinois Credit Union League

Indiana Credit Union League  
Iowa Credit Union League  
Kansas Credit Union Association  
Kentucky's Credit Union  
Louisiana Credit Union League  
Maine Credit Union League  
MD/DC Credit Union Association  
Massachusetts Credit Unions – Cooperative Credit Union Association  
Michigan Credit Union League  
Minnesota Credit Union Network  
Mississippi Credit Union Association  
Missouri Credit Union Association  
Montana's Credit Unions  
Nebraska Credit Union League  
Nevada Credit Union League  
New Hampshire Credit Unions – Cooperative Credit Union Association  
Credit Union Association of New Mexico  
New York Credit Union Association  
Ohio Credit Union League  
Oklahoma Credit Union Association  
Oregon Credit Unions – GoWest Credit Union Association  
Rhode Island Credit Unions – Cooperative Credit Union Association  
Tennessee Credit Union League  
Texas Credit Union Association  
Utah's Credit Unions  
Association of Vermont Credit Unions  
Virginia Credit Union League  
Washington Credit Unions – GoWest Credit Union Association  
West Virginia Credit Union League  
Wisconsin Credit Union League  
Wyoming Credit Unions – GoWest Credit Union Association