



**America's
Credit Unions**

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99 M Street SE
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April 16, 2024

The Honorable Gary Peters
Chairman
Committee on Homeland Security
& Governmental Affairs
United States Senate
Washington, DC 20510

The Honorable Rand Paul
Ranking Member
Committee on Homeland Security
& Governmental Affairs
United States Senate
Washington, DC 20510

Re: Today's Hearing: "Oversight of the United States Postal Service"

Dear Chairman Peters and Ranking Member Paul:

On behalf of America's Credit Unions, I am writing regarding the Committee's hearing entitled, "Oversight of the United States Postal Service." 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. We would like to take this opportunity to reiterate our members' concerns with the expansion of financial services and postal banking by the United States Postal Service (USPS).

To be clear, America's Credit Unions and our member credit unions strongly support the important core work of the USPS, which credit unions across the nation and of all sizes use to communicate with their members, to send statements, to receive payments, and to market new products or services to their members. For these reasons, credit unions are committed to identifying long-term solutions to ensure an efficient, self-sustaining, and affordable U.S. postal system. However, postal banking is not one of those solutions. The USPS was established to provide letter, parcel, and package delivery services across the country. An expanded foray into financial services would both go beyond the USPS's purpose and powers and add responsibilities in which the USPS has no expertise and does not currently have the infrastructure and capacity to manage.

Providing expanded postal banking services is not an efficient use of the USPS's time and resources, and experience has shown that postal banking does not provide significant consumer benefits. A March 2020 Government Accountability Office study surveyed postmasters across the U.S. and found that a majority of them did not think that expanding into nonpostal areas, such as financial services, "would increase revenues or benefit the community to a great or very great extent."¹ News reports and the USPS's filings with the Postal Regulatory Commission

¹ "Expanding Nonpostal Products and Services at Retail Facilities Could Result in Benefits but May Have Limited Viability," Government Accountability Office GAO-20-354 (March 2020). <https://www.gao.gov/assets/gao-20-354.pdf>.

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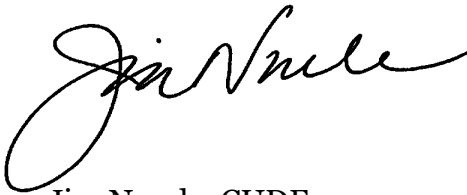
Page 2 of 2

indicate that consumer interest in the recent postal banking pilot program was minimal.² It is time for the USPS to put an end to this experiment and return its focus to the core mission of making sure Americans get their mail in a timely manner.

America's Credit Unions is also very concerned that allowing the USPS to expand into additional financial services will raise a number of serious regulatory and consumer protection questions and present significant competitive issues for private sector entities. Postal banking is not one of the solutions to the current issues facing the USPS, nor is it a viable solution for providing financial services to historically underserved communities. If Congress would like to expand access to financial services, we urge you to consider other steps, such as legislation to allow all credit unions to add underserved communities to their fields of membership. This would be one way to help provide additional access to regulated financial services for those in underserved communities while not creating costly new programs with uncertain effectiveness and impact.

On behalf of America's Credit Unions and the 140 million credit union members, thank you for holding this important hearing and considering our views on the subject.

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 Committee on Homeland Security & Governmental Affairs

² "The Postal Service Has Provided Financial Services to Just 6 Customers Through Its Banking Pilot," Government Executive (January 14, 2022). <https://www.govexec.com/management/2022/01/postal-service-has-provided-financial-services-just-six-customers-through-its-banking-pilot/360804/>; "Fourth Response of the United States Postal Service to Commission Requests for Additional Gift Card Information in the FY2022 Annual Compliance Determination," United States Postal Service (February 29, 2024). <https://prc.arkcase.com/portal/docket-search/advanced/filing-details/128001>.