



**America's
Credit Unions**

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The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Re: Floor Consideration of H.R. 5403, the CBDC Anti-Surveillance State Act

Dear Speaker Johnson and Leader Jeffries:

On behalf of America's Credit Unions, I am writing in strong support of the CBDC Anti-Surveillance State Act (H.R. 5403) and to urge its passage. 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 more than 142 million members nationwide.

While a central bank digital currency (CBDC) might sound like it would be of massive benefit to consumers, it brings with it privacy concerns and many of the design features necessary to achieve certain benefits come with serious tradeoffs that could negatively impact credit unions and pose broader financial stability risks. In some cases, those tradeoffs are difficult to anticipate because underlying regulatory policies—such as what balance to strike in terms of protecting consumer privacy, or how to guard against retail deposit substitution—are not yet developed. If the Federal Reserve were to offer a CBDC directly to consumers, it would be in essence offering consumer accounts, which would constitute a massive expansion of its mission and threaten to erode the financial system. We expect that the net costs of a CBDC will exceed the benefits, and that administration of a CBDC will distract from the Federal Reserve's dual mandate of achieving both stable prices and maximum sustainable employment. As such, we support this legislation to bar the Federal Reserve from issuing a CBDC.

Additionally, we appreciate the continued efforts ongoing in the House to provide regulatory clarity for digital assets as part of a system that ensures equal access for credit unions as other financial institutions and look forward to continuing to work with you in this regard.

On behalf of America's Credit Unions and the more than 142 million credit union members, thank you for your leadership on these issues.

Sincerely,

Jim Nussle, CUDE
President & CEO

cc: Members of the U.S. House of Representatives