

Thank you for your commitment to joining GoWest credit unions in Washington, DC to share your strong advocacy voices with our six-state Congressional delegation, as a collective group of credit union leaders. Our meetings present a true opportunity to connect with key policymakers, to share the economic and community impacts of credit unions, to tell your credit union story, and to advocate for the following credit union priorities:

## **Protection of the Credit Union Tax Status**

***Credit unions are not-for-profit, cooperative financial services providers.***

- Unlike for-profit financial institutions focused on paying Wall Street stockholders, credit unions reinvest their earnings directly in their members through direct benefits that might include things such as competitive interest rates that save their members money on their credit cards and loans, free financial education, and other relevant services consumers need to build a brighter financial future.
- Simply put, the credit union structure delivers real tangible value to member-owners -- our elected officials' constituents -- in each Congressional district, which makes a significant impact in each of the communities across the GoWest region.

**Ask:** Continue to protect the tax status of the nation's credit unions as they continue providing real tangible value to their members, supporting the needs of communities, and providing greater access to financial services for all Americans.

## **Economic Impact of Credit Unions in the GoWest Region**

***Credit unions are essential to each state's economy providing broad economic impact and tangible benefits to member-owners and communities.***

- Credit unions not only serve their members but also help drive local economies, which correlates to positive impacts on all states in the GoWest region. Credit unions' not-for-profit, cooperative structure, local footprint, and community engagement drive a unique impact that benefits the economy and provides consumers with tangible financial services and benefits.
- A 2022 independent analysis performed by renowned economists at ECONorthwest outlines how essential credit unions are to each of our states' economies.

***Please see your individual state's economic impact report for the details, as these reports have been provided to each member of our Congressional delegation.***

## **Interchange**

**Ask:** Oppose expansion of the Durbin Amendment on Interchange to include credit cards.

**Oppose** the misguided concepts outlined in the previously introduced Credit Card Competition Act or inexplicable caps and limitations on the credit card interchange system, as it will only further limit access to financial services, weaken data protection / data privacy efforts, and ultimately hurt consumers.

**Background:** Credit unions use interchange fees to pay for fraud detection, actively employ theft protection measures, provide support for impacted consumers, to replace credit cards that have been compromised, and to cover fraud costs, as needed by our members. Since 2011, the cost of these services has doubled for credit unions while interchange fees have remained stable for merchants, which they offset by passing along the costs of the fees to the very consumers buying the products they sell. This means that consumers and credit unions are paying for these protections even though data breaches often occur on the merchants' systems.

Proposed legislation would extend caps and limitations on the Interchange system for credit cards, which supporters claim would increase competition in the payment space, but it would in fact be a huge windfall for the mega-retailers at the expense of the security of the payments ecosystem and the financial health of everyday consumers.

Extending further caps and limitations on the Interchange system for credit cards will further reduce access to financial services, and hurt the underserved or unbanked, especially in rural parts of the country.

## Modernizing the Federal Credit Union Act

The Federal Credit Union Act includes outdated and archaic restrictions that keep credit unions from truly meeting the broad financial services that our member-owners could utilize. By taking simple, pragmatic steps to modernize antiquated sections of the Federal Credit Union Act, Congress can help credit unions further deliver people-over-profits financial services to more consumers, small businesses, and communities.

### **Credit Union Board Modernization Act ([H.R. 582](#) /Senate Companion Forthcoming)**

By reducing the number of required board meetings each year, credit union staff and director time, expenses, and resources can be channeled toward offering services to their consumer members.

**Ask:** Senators to support **H.R. 582, the Credit Union Board Modernization Act, that was passed in the House** and/or support the senate companion legislation that will be introduced shortly. The legislation will update the Federal Credit Union Act to allow credit union boards to meet not less than six times per year, rather than the current once-a-month requirement.

**Thank:** Members of the House for their unanimous support and passage of H.R. 582, and the following members for their co-sponsorship of the legislation:

#### **118<sup>th</sup> Congress Co-Sponsors:**

Rep. Brittany Pettersen (CO-7)

Earl Blumenauer (OR-3)

Rep. Russ Fulcher (ID-1)

Rep. Derek Kilmer (WA-6)

**Background:** The Federal Credit Union Act currently requires that a credit union board meet once a month, which made sense when the Act was passed in 1934. This outdated requirement forces credit union boards and staff to spend time and resources organizing board meetings every month rather than focusing on member services. It can take hundreds of hours of staff time to prepare for a board meeting, and monthly meeting requirements create travel burdens for the Board of Directors. This is especially burdensome in rural areas, for small credit unions, and during emergencies, such as the pandemic, when credit unions should be focused on helping members. *This is a non-controversial piece of legislation that is pragmatic and supported by leadership on both sides of the aisle. **It has already passed the House**, and we would greatly appreciate support and potential co-sponsorship of this bi-partisan legislation as it heads to the Senate.*

## **Member Business Loan Expansion**

**Ask:** Members of Congress to support efforts to reduce or eliminate the **Member Business Lending cap on credit unions.**

**Thank:** Rep. Suzanne Bonamici (OR -1) for her co-sponsorship last year of legislation that would have raised the Member Business Lending cap to allow more lending to Main Street.

**Background:** Credit unions are eager to aid local and community small businesses with their access to capital and lending options; however, an artificial cap has been established on business lending capabilities. In the past, Congress has introduced legislation that would increase the threshold of loans that count against the Member Business Lending Cap, allowing credit unions to broaden their assistance to small businesses, including family farms and ranches. If the MBL cap were raised or eliminated it would inject billions in capital into small businesses and create tens of thousands of jobs in our region.

## **Loan Maturity Limits**

**Ask:** Members of Congress to support increasing the statutory limit on loan maturity dates.

**Background:** Allowing federal credit unions to originate and service loans with terms longer than 15 years would provide consumers more competitive rates and flexibility to manage loan options. Currently, the Federal Credit Union Act has a statutory limit on federal credit union loans of 15 years, with a limited number of exceptions, such as mortgage loans for a primary residence. The National Credit Union Administration's (NCUA) ability to address this through regulation is limited. The current 15-year limit is outdated and does not conform to maturities that are commonly accepted in the market today. Federal credit unions are currently at a disadvantage as many states have increased the limit for state-chartered credit unions.

## **Data Privacy / Data Protection**

**Ask:** Tell Congress that we need legislation that would provide a strong, national data protection and consumer notification standard with effective enforcement provisions.

**Background:** Retailers and other consumer-focused industries, do not face the same strict data security standards that financial Institutions are subject to under the Gramm-Leach-Bliley Act (GLBA); however, major merchant data breaches expose credit unions to significant monetary costs, fraud reimbursement expenses, and significant reputational risks.

## **SAFE Banking Act**

**Ask:** Ask congressional offices in AZ, CO, OR, WA, and WY to move legislation to provide financial services to legal cannabis industries. Pass SAFE Banking in the 118<sup>th</sup> Congress.

**Thank:** **Senator Jeff Merkley (OR)** for sponsoring the SAFE Banking Act in the past Congress, and the following members of the Senate and House for their co-sponsorship of the legislation:

Sen. Mark Kelly (AZ)  
Sen. Michael Bennet (CO)  
Sen. Ron Wyden (OR)  
Sen. Cynthia Lummis (WY)  
Rep. Ruben Gallego (AZ-7)  
Rep. Diana DeGette (CO-1)  
Rep. Jason Crow (CO-6)  
Rep. Earl Blumenauer (OR-3)  
Rep. Rick Larsen (WA-2)  
Rep. Derek Kilmer (WA-6)  
Rep. Adam Smith (WA-9)

Sen. Kyrsten Sinema (AZ)  
Sen. John Hickenlooper (CO)  
Sen. Patty Murray (WA)  
Rep. Raul Grijalva (AZ-3)  
Rep. Greg Stanton (AZ-9)  
Rep. Joe Neguse (CO-2)  
Rep. Suzanne Bonamici (OR -1)  
Rep. Suzan DelBene (WA-1)  
Rep. Dan Newhouse (WA-4)  
Rep. Pramila Jayapal (WA-7)  
Rep. Marilyn Strickland (WA-10)

**Background:** A significant number of our members of Congress have worked diligently to pass the SAFE Banking Act, in the previous Congress, in order to ensure that legitimate cannabis-related businesses can have access to financial institutions, such as their local credit unions, to safely and securely perform their financial operations without fear of federal retribution from federal regulators. The momentum of the previous legislation stalled out, just before passage in the 117<sup>th</sup> Congress. Future SAFE Banking legislation should ensure that proceeds or funds involved in the activities of cannabis-related business are not considered unlawful activity in the eyes of the regulator, subjecting the funds and the institution to anti-money laundering actions.

## Dispelling the Myth of “Junk Fees”

**Ask:** Help us correct the myths around “Junk Fees.” The language is over-generalized and lumps all financial services providers in with the bad actors who are taking advantage of consumers. Credit unions, as not-for-profit financial cooperatives owned by their members, prioritize doing what’s right for their members. And the reality of providing financial products and services requires the use of reasonable operational fees in some circumstances.

**Background:** There has been a lot of attention in the media lately about the Administration and Consumer Financial Protection Bureau (CFPB) targeting “Junk Fees.” A particular focus, including a lot of misinformation, has been placed on overdraft protection fees, late payment penalties on unsecured credit cards, and NSF fees. Credit unions have an opportunity to educate Members of Congress on how they use, not abuse, fees to support programs, services, and operations of their credit union.

- Credit unions have a longstanding commitment to improving members' financial lives.
- Many credit unions offer the flexibility of overdraft protection services, which allow members to opt-in to carry on in their financial lives and meet commitments during an emergency, without having to turn to predatory payday lending.
- Credit unions have worked to reduce fees and impacts to members who utilize these services as an overall commitment to reduce costs to members.
- Credit unions are reputable, regulated institutions and these programs are one of the numerous tools that allow us, as not-for-profit cooperative financial services providers, to meet our members’ needs, maintain stable operations, and build trust with members at the same time.