

Thank you for joining 2023 Fall Hike the Hill!

The need to continually share the credit union voice with both Congressional and regulatory leaders in Washington, DC, outlining the role credit unions play in the everyday lives and financial well-being of their member constituents could not be more evident. This trip's Hike the Hill contingent will continue providing clear, concise credit union messaging to our six-state GoWest Congressional delegation, while we are on Capitol Hill, as well as spending time with influential leaders in the financial services arena. With recent leadership changes in Congress and the pending addition to the NCUA Board, the consistency and strength of our collective advocacy voice needs to remain strong and unified, in partnership with our national association and league partners. These upcoming meetings present a true opportunity to connect with key policymakers, to share your individual credit union story, and advocate for the following credit union priorities:

Protection of the Credit Union Tax Status

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

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 consumers and businesses.

- Unlike for-profit financial institutions focused providing stockholders with strong dividends, 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 the communities across the GoWest region. Credit unions do not chase risk but work to put money back into the pockets of their member-owners and bolster their overall financial position.
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Expanding Opportunities for Credit Unions to Serve Consumers

Credit unions are the community-based financial institutions serving communities and constituents in your state.

Background: Credit unions exist to serve the needs of their members. By providing more opportunities for credit unions to serve a broader group of consumers, across the nation, it will help diversify deposit options within each of our communities, while also reducing concentration risk in specific sectors of the financial services industry. This can be accomplished by eliminating archaic barriers in the marketplace and **modernizing the Federal Credit Union Act**. We are strategizing a holistic approach to this long-needed update, as it has not been updated in earnest in over 25 years, but moving the legislation outlined below would be a great start to that process:

Current Legislation and Concepts Focused on Credit Union Act Modernization.

There are several policy concepts and introduced pieces of legislation, currently pending before Congress, that would provide some initial operational flexibility and allow our credit unions to serve a broader range of their community and reduce operational hurdles; however, a holistic approach to overhauling the Federal Credit Union Act is needed.

- Ask:** Support legislation and policies to provide operational flexibility and broaden service options for credit unions to serve more individuals, small businesses and communities.
- **Eliminating the Member Business Lending Cap**, thus allowing credit unions to serve a broader group of members, specifically small businesses within our communities, which will diversify deposit options for each citizen in our communities, while reducing concentration and risk in the “too big to fail” institutions.
 - Expand and diversify the investment options for credit unions and allow them to **increase maturity limits on secondary mortgages** from 15 years to the market standards of 30+ years.

Related Legislation

- **Ask for support and co-sponsorship** of the **Credit Union Board Modernization Act** ([S. 610 / H.R. 582](#)), which will update the Federal Credit Union Act to allow credit union boards to meet six times per year, rather than the current once-a-month requirement. *H.R. 582 was passed by the House early in the 118th Congress.*

Thank: Senator Sinema (AZ) for being the original sponsor of this legislation, and the following delegation members for being a co-sponsor of the bill:

Sen. Mike Crapo (ID)

Sen. John Barrasso (WY)

Sen. Cynthia Lummis (WY)

- **Ask for support for the Veterans Member Business Loan Act** ([S. 539 / H.R. 4867](#)) - which would increase the Member Business Lending cap on credit unions, allowing CUs to provide loans to Veteran-owned businesses without impacting the credit unions' MBL cap. Additionally, it would allow FCU loan maturities to go beyond the current 15-year limit for non-primary residences, and allow them to provide market level loan maturities.
- **Update the Field of Membership (FOM) statutes** that will allow credit unions to serve a broader group of the population, not just ones tied to where they work, attend school or church, or are geographically located.
- Work with the credit union system to **maintain deposit insurance equality with for-profit banks for individual accounts, while establishing a targeted small business deposit insurance fund at the NCUA** that will protect payrolls and small business deposits, above deposit insurance levels within credit unions.
- Establish an equitable and efficient **interstate branching and acquisition structure** for the nation's credit union system to allow well-managed, well-capitalized credit unions to more easily serve a more migratory member population.
- **Provide additional liquidity options for credit unions**, by modernizing the National Credit Union Administration (NCUA)'s Central Liquidity Fund (CLF), so it is an active liquidity source for the nation's credit unions, while specifically allowing agency relationships for small credit unions and providing access to privately insured credit unions.
- **Good governance for the nation's credit union system** would include passing legislation to **update outdated and archaic restrictions** that keep credit unions from truly meeting the broad financial services needs of our member-owners.

Interchange

Ask: Oppose expansion of the Durbin Amendment on Interchange to include credit cards. The misguided concepts outlined in the **Credit Card Competition Act** ([S. 1838](#) / [H.R. 3881](#)) will limit access to financial services, weaken data privacy efforts, and hurt consumers.

Background: Credit unions receive interchange fees to support card services and guarantee payment for purchases. Interchange helps pay for fraud detection, theft protection measures, support for impacted consumers, to replace credit cards that have been compromised, and to cover losses due to fraud or data breach. Over the last decade, the cost of providing these services has doubled for credit unions while interchange fees have remained stable for merchants, which many have 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 price 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 reduce access to financial services, and hurt the underserved or unbanked, especially in urban and rural banking deserts across the country. Reducing access to credit and banking services during financially challenged times will only hurt constituents, while benefiting large retail corporations.
- A recent [Cornerstone Advisor Report](#) released in late July and an analysis completed by the [Progressive Policy Institute Analysis](#), in late September, both outline the failed policy around Interchange price fixing and forced network choices, which provides the data to oppose any further expansion.

SAFE/SAFER Banking Act

Ask: Congressional offices in AZ, CO, OR, WA, and WY to co-sponsor and support passage of the SAFER Banking Act ([S. 2860](#)) or the SAFE Banking Act ([S. 1323](#) / [H.R. 2891](#)), legislation to provide financial services to legal cannabis industries. **We urge Congress to Pass SAFE or SAFER Banking in the 118th Congress!**

Thank: Senator Jeff Merkley (OR) for being the original sponsor of both the SAFE and SAFER Banking Act in this Congress, and the following members of the Senate and House for their co-sponsorship these legislative measures:

Sen. Mark Kelly (AZ)*

Sen. John Hickenlooper (CO)*

Sen. Cynthia Lummis (WY)*

Rep. Ruben Gallego (AZ-7)

Rep. Diana DeGette (CO-1)

Rep. Yadira Caraveo (CO-8)

Rep. Andrea Salinas (OR-6)

Rep. Suzan DelBene (WA-1)

Rep. Derek Kilmer (WA-6)

Rep. Adam Smith (WA-9)

Sen. Kyrsten Sinema (AZ)*

Sen. Ron Wyden (OR)*

Rep. Greg Stanton (AZ-4)

Rep. Joe Neguse (CO-2)

Rep. Earl Blumenauer (OR-3)

Rep. Lori Chavez-DeRemer (OR-5)

Rep. Marie G.-Perez (WA-3)

Rep. Dan Newhouse (WA-4)

Rep. Marilyn Strickland (WA-10)

Sen. Michael Bennet (CO)*

Sen. Patty Murray (WA)*

Rep. Jason Crow (CO-6)

Rep. Brittany Pettersen (CO-7)

Rep. Suzanne Bonamici (OR-1)

Rep. Val Hoyle (OR-4)

Rep. Pramila Jayapal (WA-7)

Rep. Kim Schrier (WA-8)

(*Co-Sponsors both SAFE & SAFER Banking Act)

Background: A significant number of our members of Congress have worked diligently to pass the SAFE Banking Act, in previous Congresses, 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 Senate has initiated momentum with the recent mark-up of the SAFER Banking Act in the Senate Banking Committee, and we need to get over the finish line.

Data Privacy / Data Protection

Ask: Congress to introduce and pass 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.

Bolstering Community Development Financial Institutions

Ask: Continue to protect, promote, and fully-fund the CDFI program and allow low-income designated financial institutions to provide lending and business development opportunities in lower income, underserved, and/or disenfranchised communities.

Background: Credit unions have not strayed from their original mission and continue to provide their individual member-owners with an alternative financial services model, where deposits are utilized to improve the financial lives of members, all with the intent of creating opportunity. This model has resulted in a system that is resilient and has withstood numerous economic cycles relatively unharmed. Moreover, the credit union system aligns itself very well with programs and projects that work to provide opportunity and stability for underserved people and communities, which is the exact mission of the Community Development Financial Institutions (CDFI) Fund.

Related Legislation:

- **Protect the CDFI Program**

Ask: Continue to protect, promote, and fund the CDFI program at the Treasury budget amount of **\$341 million** and allow low-income designated financial institutions to continue to provide lending and business development opportunities in underserved communities.

- **Scaling Community Lenders Act** – [S. 1442](#) – would adjust the maximum amount of CDFI assistance funds available to financial institutions to be adjusted for inflation. The legislation would also establish a secondary lending market for the CDFI based loans, which would provide additional funds and lending capability for CDFI purposes.

Ask: Senators to support and co-sponsor efforts to increase lending opportunities within the CDFI program.

Thank: Senator Crapo (ID) for being an original sponsor of this legislation.

- **CDFI Transparency Act** – [S. 2674](#) / [H.R. 3161](#) - would require the CDFI Director to testify before Congress on annual basis if the Chair of the germane committee requests it.

Ask: Members of Congress to support and co-sponsor efforts to increase transparency in the CDFI program by providing regular or requested reports to Congress.

Thank: Rep. Pettersen (CO-7) and Senator Mike Crapo for being the original sponsors of this legislation, and the following delegation members for being a co-sponsor of the bill:

Rep. Derek Kilmer (WA-6)

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 them. 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 needing to resort 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.

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