



DCUC
DEFENSE CREDIT UNION COUNCIL

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Anthony R. Hernandez
President/CEO

December 1, 2021

The Honorable Maxine Waters, Chairwoman
U.S. House Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515-6050

Re: Permanent Enhancements to the NCUA's Central Liquidity Facility (CLF)

Dear Chairwoman Waters:

On behalf of America's 181 Defense Credit Unions and over 30 million members, I am writing in support of the National Credit Union Administration's recent request that any government funding agreement beyond the end of the year include permanent enhancements to the NCUA's Central Liquidity Facility (CLF). The Defense Credit Union Council advocates for all defense credit unions located on every United States military installation around the world and championed this initiative as one of our advocacy goals.

Early in the pandemic, DCUC strongly advocated and encouraged our member credit unions to access the CLF as an important part of responding to the pandemic. Military communities were among the hardest hit as military spouses suddenly found themselves out of work. Consequently, many difficult choices were made to make ends meet. Access to the CLF eased liquidity concerns as defense credit unions made the difference in their communities. Other credit unions did the same in their communities as well.

As a result, there are over 4,100 credit union who currently have access to the CLF (up from 283 prior to the pandemic). Credit unions are well known for coming together during times of crisis. The growth in the number of CLF members over this period is a testament to our national system of cooperative credit.

As our economy continues to recover, approval of this request strengthens the long-term stability of the credit union system and ensures the safety and soundness of the National Credit Union Share Insurance Fund. It also sends the right message as the NCUA, and the credit union industry demonstrated an essential ability in working together to avoid liquidity concerns. Making these enhancements and improvements permanent is needed to maintain financial resiliency for future crises.

Thank you for your consideration of this important issue. As current enhancements to the CLF expire at the end of the year, we respectfully request Congress to include permanent authority in upcoming legislation. At a minimum, we ask Congress to extend these provisions for an additional year. This is critical for continued stability as we continue to see aftershocks as the pandemic ensues.

If there is anything we can do to provide additional information on this or other important measures, please let us know. My office can be reached at (202) 734-5007 or at ahernandez@dcuc.org.

Sincerely,

Anthony R. Hernandez