

**NATIONAL CREDIT UNION ADMINISTRATION
BOARD MEMBER CHRISTIANE GIGI HYLAND**

**REMARKS TO THE
NATIONAL ASSOCIATION OF FEDERAL CREDIT UNIONS
CONGRESSIONAL CAUCUS**

*Mayflower Renaissance Hotel
Washington, D.C.
September 19, 2011*

Thank you for that kind introduction. Good morning.

I was intrigued when I read the advertisement for this conference. This year's theme is "Protect Your Credit Union's Bottom Line." What intrigued me is how you define a credit union's "bottom line." Is it return on assets? Is it preserving the tax exempt status? Is it quantification of member service to all demographics of your field of membership? It's not really an easy question to answer.

The promotional material for this Caucus states, in part:

Over 92 million Americans rely on the service and support of their credit unions. Whether you have 200 or 20,000 members, your legislators need to hear from you first-hand about the work you're doing to help the people you serve, as well as how current laws and pending legislation will affect how you serve them.

I couldn't agree more.

But, **what** you talk about and **how** you say it are extraordinarily important this year. Why? Because, I submit, Washington is focused solely on three things right now: the Joint Select Committee on Deficit Reduction, a.k.a. the "Super Committee"; the President's American Jobs Act; and the 2012 elections. Your challenge is to insert your credit union's concerns into the stormy sea of debate on Capitol Hill.

There are clear legislative priorities that NAFCU pursues on your behalf. These include raising the member business loan cap, Consumer Financial Protection Bureau improvements, and preserving the credit union tax exemption. The last item is a clear advocacy opportunity when there is any conversation about the Super Committee's work. Credit unions need to remain vigilant in demonstrating the value of the tax exemption to the members they serve, particularly as the Super Committee examines all possible avenues to reduce the deficit.

Credit unions should also highlight any programs to provide loans and other assistance to their members if Congress and the White House are unable to avert a default. Credit unions need to demonstrate they stand ready to serve all members who would be affected by a significant halt in federal payments, including military service members, other federal contractors, and federal agencies subject to appropriations and their employees.

What might not be so obvious is how to fit credit unions into the debate about the American Jobs Act. Regardless of your political persuasion, what is clear is that the national unemployment rate continues to hover above 9%. What is equally clear, according to the Census Bureau¹, is that in 2010, median household income declined by 2.3% from the 2009 median and the nation's official poverty rate spiked to 15.1 percent, representing the highest level since 1993, and the third consecutive annual increase in the poverty rate. There were 46.2 million people in poverty in 2010 — the largest number in the 52 years for which poverty estimates have been published.

Credit unions are multi-faceted and multi-relevant to the current debates on the Hill. Credit unions are first and foremost financial service providers, serving consumers of different economic strata. They are sources of financial education and information and often leaders within their communities. They are also employers. Can credit unions benefit from some of the employer incentives in the American Jobs Act? If so, you need to let Congress know.

In addition, credit unions provide loans to small businesses and are often small businesses themselves. Credit unions, in my opinion, need to be part of the debate on how to create jobs and stir our nation's economic recovery. Your trade association, with your assistance, has been engaged in that discussion for quite a while. Efforts to pass a bill raising the Member Business Loan cap, however, have yet to pay off. Perhaps your visits this week will be persuasive enough to motivate Congress to see the jobs-creating opportunity, at no cost to the taxpayer, that raising the member business lending cap can offer.

In conclusion, I come back to the question I posed at the outset of my remarks – how do you define your credit union's "bottom line?" What will you advocate to preserve it? And finally, how will you persuade Congress that your agenda will benefit their constituents and the nation as a whole?

Thank you for listening and I wish you a productive Congressional Caucus.

¹ http://www.census.gov/newsroom/releases/archives/income_wealth/cb11-157.html