

Ohio Credit Union League COVID-19 Congressional Policy Recommendations

The Ohio Credit Union League (OCUL) extends our deep appreciation and gratitude for the robust leadership demonstrated by the Ohio congressional delegation during the COVID-19 crisis. OCUL is grateful for your consistent acknowledgement of the crucial role financial institutions, generally, and credit unions, specifically, play for consumers, businesses, and communities throughout Ohio.

Across Ohio, 257 credit unions serve more than three million consumer and small business member-owners with essential products and services geared towards helping Ohioans achieve their financial dreams. Since the beginning of the crisis, credit unions have focused on meeting members' evolving needs for support, guidance, and relief; protecting members' money, personal finances, and personal information; and fully embracing federal and state encouragement to protect the financial health of all Ohioans impacted by COVID-19.

As Congress develops the next phase of stimulus legislation to help combat the effects of COVID-19, we respectfully request that you consider the following points of concern to Ohio's credit unions:

1. Access and Increased Paycheck Protection Program (PPP) Funding*

To fully encourage and distribute necessary economic relief efforts, **we support committing at least an additional \$225 billion to meet consumer demand for PPP**, which would further empower all financial institutions to meet consumer needs. **We also support additional SBA PPP lender eligibility, specifically for all community-based lenders, including federally and privately insured credit unions.**

**please refer to the attached League and Ohio Bankers League joint support letter for additional specifics*

2. Increased liquidity for Federal Home Loan Banks (FHLBank)*

To further support the 84 Ohio financial cooperatives with membership in FHLB Cincinnati, **we encourage Congress to increase the liquidity for the FHLBank system** so all economic first responders, like credit unions, can quickly serve member needs. Specifically, we support enabling FHLBanks to provide targeted liquidity to members in this crisis, provide statutory certainty for certain FHLBank products, maintain the low risk profile of FHLBanks, and maintain FHLBank access to capital markets to remain a low-cost provider of liquidity on demand.

We also encourage Congress to ensure credit unions are equally included in the Community Financial Institution (CFI) definition moving forward. Including credit unions as CFIs will significantly strengthen the Act and further provide more support and services to communities with pressing needs through credit unions.

**please refer to the attached League support letter for additional specifics*

3. Member-Business Lending Flexibility

We support a bi-partisan proposal to provide credit unions with relief from current member business loan restrictions. Current limits inhibit optimal flexibility needed for credit unions to more widely serve small businesses in a difficult economy. Relief from current restrictions will help credit unions provide member businesses with recovery efforts.

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4. Increased Community Development Financial Institution (CDFI) Funding.

We ask Congress to increase CDFI funding to help community-based financial institutions provide additional support to small businesses and low-income communities. CDFIs are perfectly positioned to help communities recover from the economic disruption caused by the COVID-19 pandemic. They should be able to efficiently utilize these funds and provide emergency financial assistance to the people and small businesses that need it the most.

5. Eliminate the Regulation D Account Transfer Limit

Regulation D places a limit of six transactions per month on certain transfers and withdrawals from a savings or money market account to assure reserve requirements. In a challenging economic environment, the rule is hindering member financial flexibility as individuals impacted by COVID-19 may need immediate account transfers. **We encourage Congress to eliminate these transaction restrictions as credit unions maintain reserves through other controls.**

6. Amend Electronic Funds Transfer Act (Reg E)

The Federal Reserve rule was intended to protect consumers from unauthorized electronic transactions. However, some bad actors have developed schemes to manipulate the rule, particularly with regard to the dispute resolution timeframe requirements. We believe the rule should be amended to provide financial institutions with recourse to defend against frivolous and/or fraudulent disputes. This would give credit unions the ability to provide quicker relief to members with legitimate disputes.

7. Increase Currency Transaction Threshold (CTR)

As individuals impacted by COVID-19 make increased cash transactions for evolving financial needs, **we ask Congress to provide more regulatory flexibility by raising the CTR reporting threshold from \$10,000**, which was set in 1970. Responsibly raising the threshold would empower credit unions to focus on serving member needs, rather than addressing outdated reporting requirements, as cash transactional volume increases.