



**America's
Credit Unions**

January 11, 2024

The Honorable Patrick McHenry
Chairman
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

RE: Today's Hearing: "Oversight of the Department of Housing and Urban Development and the Federal Housing Administration"

Dear Chairman McHenry and Ranking Member Waters:

On behalf of America's Credit Unions, I am writing regarding the Committee's hearing entitled, "Oversight of the Department of Housing and Urban Development and the Federal Housing Administration." America's Credit Unions represents the country's 4,800 credit unions and their 140 million members.

As member-owned, not-for-profit financial cooperatives, America's credit unions play an integral role in helping working families achieve the dream of home ownership through equitable access to affordable and sustainable mortgage products. American families have options in the private sector when seeking financing for their housing needs. The not-for-profit and cooperative nature of credit unions allows them to provide mortgage loans with lower and more affordable rates than loans originated by a bank or a non-depository mortgage company.

America's Credit Unions and our members are strong supporters of several aspects of the Department of Housing and Urban Development's (HUD) strategic plan. Credit unions believe in supporting their members and their communities through investments in those communities and focusing on being industry leaders in fair housing and fair lending. In areas such as promoting homeownership opportunities that serve as the wealth building foundation for many Americans, data shows that credit unions are at par or exceed our counterparts.

Our analysis of the recently released Home Mortgage Disclosure Act (HMDA) data for 2022 shows that credit unions continue making strides reaching low-income and minority borrowers. Credit unions originated a higher share of purchase loans to Black and Hispanic borrowers than banks did (17.6 percent versus 15.5 percent). Over 17 percent of credit union originations were in low- and moderate-income census tracts, which was also higher than banks (15.9 percent). According to an analysis of lending data for the first quarter of 2023, the median interest rate for 30-year mortgages among prime borrowers at credit unions is notably lower than that at banks and mortgage companies.¹ The data demonstrates that this trend holds true for urban and rural borrowers and not just prime borrowers.

¹ America's Credit Unions internal analysis of Equifax Analytic Dataset.

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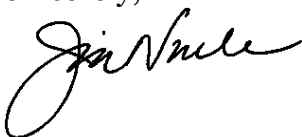
A dialogue on housing affordability also requires looking at what can be done to increase the housing supply and access to it. Credit unions support legislation and policy decisions that would increase the supply of safe, affordable, and reasonably resilient housing, including efforts to make it easier for homebuilders and homebuyers to use manufactured housing to reduce the housing shortage.

The housing market is a critical aspect of our nation's economy, and the future availability of affordable housing is of great importance to our nation's credit unions and their 140 million members. HUD and Treasury continue to work together to improve access to capital, and with roughly 40 percent of certified community development financial institutions (CDFIs) are credit unions, serving a large portion of communities that have historically been underserved by mainstream financial institutions. CDFIs provide access to essential financial services, such as lending, investments, and other forms of funding. Credit unions continue to provide quality loans through solid underwriting practices, and we look forward to continuing being a part of affordable housing solutions that work for everyone.

Finally, credit unions cannot overstate the beneficial impact that modernizing field of membership (FOM) restrictions would have on our abilities to better serve minority and disadvantaged populations. We look forward to engaging with the Committee to develop legislative solutions to address the remaining opportunities ahead of us to improve access to housing and reduce gaps in homeownership rates.

On behalf of America's Credit Unions and the 140 million credit union members, thank you for holding this important hearing and considering our views on the subject.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with the first name "Jim" being particularly prominent.

Jim Nussle
President and CEO

cc: Members of the Committee on Financial Services