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CBAI Urges the NCUA to Withdraw Subordinated Debt Proposal

In a July 7, 2020, comment letter to the National Credit Union Administration (NCUA), the Community Bankers Association of Illinois (CBAI) urged the NCUA to withdraw its proposal to allow credit unions to issue subordinated debt. If approved, the proposal will allow credit unions to issue subordinated debt as an alternate form of capital and extend the benefit of the credit union tax exemption to outside non-member investors. This Proposal seriously undermines the cooperative ownership structure which is the very foundation for the justification for the existence of credit unions. CBAI recommended that the NCUA focus its efforts on following the narrow and intended mission of credit unions which is to serve individuals of modest means and with a common bond.

[Read CBAI Comment Letter to NCUA »](#)

Community Bankers Association of Illinois

901 Community Drive, Springfield, IL 62703
217/529-2265 or 800/736-2224