



CBAI Urges the NCUA to Adopt Bank-Like Anti-Discriminatory Safeguards

In a comment letter dated December 9, 2019, the Community Bankers Association of Illinois (CBAI) reiterated its long-standing concern about tax-exempt credit unions' expansionist agenda. The original Congressional intent for credit unions to serve individuals of modest means and with a common bond has long ago been abandoned, harms tax paying Illinois community banks, and this abuse should be addressed by Congress. This regulatory proposal, however, presents an opportunity for the NCUA to implement reasonable and necessary bank-like regulatory controls and protections to prevent discrimination and redlining by federal credit unions (FCU).

CBAI specifically urged the NCUA to periodically assess how credit unions serve their geographically based field of membership (FOM); increase and measure an FCU's impact on their FOM; consider urban cores excluded from a geographically based FOM; require an FCU to account for the number of low-, moderate- and middle-income census tracts being excluded from the FOM, and whether financial services are adequately being provided to the excluded areas. Additionally, the NCUA should require an explanation about how the excluded urban core will be able to access credit facilities if the FCU leaves, or does not include, that urban core.

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