

Congress of the United States
Washington, DC 20515

April 16, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi and Leader McCarthy,

Small businesses and communities around the country are suffering and need access to relief quickly. As you continue your work to provide funding and resources to our small businesses, we encourage you to remove longstanding barriers that prevent credit unions from fully serving their communities.

Thanks to your leadership, Congress passed H.R. 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act swiftly, and the Small Business Administration and financial institutions are working at a rapid pace to get resources to small businesses and communities. Credit unions across the country are working to provide loans pursuant to the CARES Act programming, but longstanding barriers prevent them from providing a full range of financial support to their small business members.

As we consider pandemic responses, Congress should increase the arbitrary cap that prevents credit unions from lending to more of their small business members. Currently, credit unions are limited to a member business lending (MBL) cap of 12.25 percent of assets. Increasing the cap, or removing it entirely, comes at no direct cost to the taxpayer and would allow local credit unions to effectively and efficiently unleash more capital to provide more loans to their small business members.

Furthermore, the current threshold of what qualifies as a business loan is \$50,000, an amount that has not increased since its inception in 1998, and has not been adjusted for inflation. Any lines of credit or loans to small businesses above this threshold count toward the MBL cap and are subject to additional MBL requirements. In the last twenty years the cost of doing business has increased significantly, and small businesses need access to larger lines of credit for their business needs. Increasing this threshold for the amount that qualifies as a business loan would give credit unions the flexibility they need to offer additional resources and relief to small and micro businesses, especially as those small businesses try to survive during the recovery ahead.

By raising the existing cap on total percentage of assets dedicated to MBLs, and by increasing the monetary threshold of what is considered as a business loan, Congress could immediately expand the resources available to our local communities and small businesses - at no cost to the taxpayer. This is a common sense step to take in any pandemic relief bill.

Our credit unions are working tirelessly through this crisis to provide services to their members. They are leaders in their local communities and are well-positioned to help small businesses weather this pandemic and economic downturn. As you work on the next coronavirus response package to support our communities and protect our economy, we encourage you to consider these important relief measures that will help save small businesses across the country.

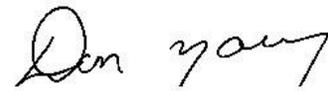
Thank you for your consideration of our request.

Sincerely,



Suzanne Bonamici
Member of Congress

Deb Haaland
Member of Congress



Don Young
Member of Congress

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