2026 Federal Legislative Priorities

STRONGLY OPPOSE

Any Changes to CDFI Fund

Direct member benefits
CDFI Fund grants help credit unions expand affordable lending (small loans, mortgages, business credit) and financial services in underserved and low-income communities, directly increasing access to credit and economic opportunity for members.

Recent funding status
Congress appropriated roughly $324 million for FY25 and FY26 to the CDFI Fund, and the Fund has announced smaller technical assistance awards with additional awards expected later.

Funding distribution challenges
OMB documents showed that under the Trump administration only a small portion of the authorized funds was apportioned, with no broad discretionary awards made for the main CDFI lending programs for a time, causing delays in payouts to credit unions and other CDFIs.

Trump administration actions
Budget proposals once sought to zero out or cut CDFI discretionary awards, and during the government shutdown it issued reduction-in-force notices eliminating CDFI Fund staff although these layoffs were later rescinded after industry and bipartisan congressional pressure.

Federal Credit Card Interest Rate Cap

A one-size-fits-all cap undermines risk-based pricing.
Credit unions rely on risk-based pricing to responsibly extend credit to a diverse membership. An artificial rate cap would force lenders to deny credit to higher-risk borrowers rather than price for risk.

Reduced access, NOT reduced costs.
Economic evidence shows interest rate caps do not eliminate demand for credit; they restrict supply. Consumers denied regulated credit often turn to costlier or less regulated alternatives, worsening financial outcomes.

Disproportionate impact on underserved communities, harming:

- Low- and moderate-income household
- Young and first-time credit users
- Rural and minority communities

Threat to safety and soundness.
Credit card portfolios help credit unions manage risk and remain financially stable. A mandated cap would reduce revenue needed to absorb losses, invest in fraud prevention, and maintain free or low-cost member services.

A better alternative.
Credit unions are actively exploring a *voluntary, market-driven approach* in which card issuers independently limit credit card interest rates to **no more than 18%**, rather than imposing a federally mandated cap.

Credit Card Competition Act (CCCA)

Government intervention in private payment networks.
The CCCA would require financial institutions to route transactions over government-mandated networks, disrupting secure, longstanding payment systems without evidence of consumer benefit.

Higher fraud and operational risk.
Alternative networks often lack comparable investments in fraud prevention, cybersecurity, and dispute resolution—raising fraud losses and compliance costs for credit unions.

Costs shift to consumers and small businesses.
Despite claims of lower fees, the CCCA does not guarantee savings and instead risks:

- New or higher account fees
- Increased costs for community-based financial institutions
- Reduced card rewards and benefits

Competitive disadvantage for credit unions.
Unlike large national banks, credit unions lack the scale to absorb higher compliance and infrastructure costs, placing member-owned institutions at a structural disadvantage.

CAROLINAS CREDIT UNION LEAGUE

2026 Federal Legislative Priorities

STRONGLY SUPPORT

Senate Legislation

S. 522 — Credit Union Board Modernization Act (Sen. Hagerty)
What it does: Modernizes outdated board meeting requirements by allowing greater flexibility in how often federally chartered credit union boards must meet.
Why it matters: Reduces unnecessary regulatory burden while preserving strong governance.

Expanding Access to Lending Options Act (Sen. Cramer)
What it does: Authorizes the NCUA to raise the loan maturity cap from 15 to 20 years and allow 30-year loans for one- to four-unit residential properties.
Why it matters: Expands access to affordable credit and lowers monthly payments.

S. 2545 — NCUA Central Liquidity Facility (CLF) Enhancements Act (Sen. Padilla)
What it does: Permanently enhances emergency liquidity access through the CLF.
Why it matters: Strengthens credit union stability during periods of financial stress.

S. 2704 — CDFI Fund Transparency Act (Sen. Daines)
What it does: Requires annual congressional testimony on Treasury's CDFI Fund operations.
Why it matters: Reinforces credibility, transparency, and bipartisan support for the CDFI Fund.

S. 2019 — Task Force for Recognizing and Averting Payment Scams (TRAPS) Act (Sen. Cramer)
What it does: Establishes a federal task force to combat payment scams through research, education, and coordinated enforcement.
Why it matters: Improves fraud prevention and member protection.

House Legislation

H.R. 4167 — Expanding Access to Lending Options Act (Rep. Fitzgerald)
What it does: Provides the NCUA Board flexibility to extend loan maturities for certain loans.
Why it matters: Supports more affordable, tailored lending options.

H.R. 1799 — Financial Reporting Threshold Modernization Act (Rep. Loudermilk)
What it does: Raises the Currency Transaction Report (CTR) threshold from $10,000 to $30,000.
Why it matters: Reduces compliance burden without weakening safety and soundness.

H.R. 6536 — Rural Depositories Revitalization Study Act (Rep. Norman)
What it is: Directs federal agencies to study the decline of rural depositories and the impact that decline has on access to credit and basic financial services.
Why it matters: Rural credit unions often serve as the last remaining local financial institution in many communities. This study can support future legislation on charter modernization, capital flexibility, or examination reform

H.R. 4936 — Task Force for Recognizing and Averting Payment Scams (TRAPS) Act (Rep. Nunn)
What it does: House companion to establish a federal task force addressing payment scams.
Why it matters: Enhances coordinated efforts to protect consumers from fraud.