CAROLINAS CREDIT UNION LEAGUE

2026 Hike the Hill
Legislative Priorities

Issues

I. **Preserve the Credit Union Tax Status**

   A. There is still a possibility that Congress will advance additional reconciliation bills.

   B. This could reignite the credit union tax status debate as both the administration and congress will be searching for "pay-fors."

II. **Regulatory Burdens and Compliance Costs**

   A. Excessive and overlapping regulatory requirements from the CFPB, NCUA, and FinCEN are driving up costs and limiting service to members.

   B. Concerns include overdraft/NSF fee proposals, data privacy compliance, and expanded Bank Secrecy Act reporting obligations.

   C. A few specific legislative fixes include:

      1. S. 3616/H.R. 4167, the *Expanding Access to Lending Options Act* (Sen. Cramer/Rep. Fitzgerald)
         - Would allow the NCUA to increase federal credit union loan maturity caps from current 15-year limit to 20, or more if deemed appropriate.
         - Offers longer repayment terms for a wider variety of secured loans, giving members more affordable monthly payment options without Congress needing to amend the law again every time market conditions change.
         - Cosponsors: Rep. William Timmons (SC-04), Rep. Chuck Edwards (NC-11), & Rep. Pat Harrigan (NC-10)

      2. H.R. 1799, the *Financial Reporting Threshold Modernization Act* (Rep. Loudermilk) & S. 2918, the *STREAMLINE Act* (Sen. Kennedy)
         - Both would raise the Currency Transaction Reporting (CTR) threshold from $10,000 to $30,000.
         - Cosponsors: Rep. Tim Moore (NC-14), Rep. Sheri Biggs (SC-03), & Sen. Tim Scott (R-SC)

III. **Additional Fraud Protection Tools**

   A. Fraud losses and cyber threats are escalating, straining resources.

   B. Credit unions need support for modernized cybersecurity standards and parity with banks in data protection frameworks.

   C. Legislative Co-sponsorship Asks:

      1. H.R. 9668, the *STOP Senior Fraud Act* (Rep. Don Davis)
         - Would allow financial institutions, including credit unions, to refuse or temporarily delay certain transactions when they reasonably believe the transaction involves the financial exploitation of an older adult or vulnerable person.

      2. S. 2019/H.R. 4936, the (TRAPS) *Task Force for Recognizing and Averting Payment Scams Act* (Sen. Cramer/Rep. Nunn)

- Would create a federal task force that brings together regulators, banks, and credit unions to establish mechanisms to combat payment scams.

IV. **Expanding Access to Affordable Housing**

A. A. The affordability challenges facing prospective homeowners continue to grow due to elevated home prices, higher interest rates, limited housing inventory, and rising construction costs.

B. B. Credit unions play a critical role in expanding access to homeownership by providing affordable mortgage products, personalized financial counseling, and responsible lending options to families and communities.

1. H.R. 7647 – MORE Opportunities for Homeownership Act (Rep. Fitzpatrick)
    - Would expand opportunities for credit unions to support homeownership by improving access to mortgage lending and providing greater flexibility for credit unions serving their members.

V. **Liquidity and Interest Rate Environment**

A. Rising interest rates, economic uncertainty, and tighter financial margins can create liquidity challenges for financial institutions, including credit unions.

B. Credit unions remain well-capitalized and financially strong, but access to a robust liquidity backstop is critical to ensure they can continue serving members during periods of financial stress.

1. S. 2545, the *NCUA Central Liquidity Facility Enhancements Act* (Sens. Padilla and Cramer)
    - Would modernize and strengthen the National Credit Union Administration's Central Liquidity Facility (CLF) by expanding access and improving its ability to provide emergency liquidity support to credit unions during times of market disruption.
    - Most benefits smaller community credit unions, ensuring increased reliable liquidity in more rural areas.
    - The Senate passed S. 2545 language in previous NDAA's.

VI. **Continuing Robust Support for CDFIs**

A. The Community Development Financial Institutions (CDFI) Fund provides critical support to mission-driven financial institutions serving underserved communities, including low-income, rural, and economically distressed areas. Through grants, loans, and technical assistance, the CDFI Fund helps expand access to affordable financial products and services.

B. Demand for CDFI support continues to grow. Continued appropriate funding is necessary, particularly in rural and underserved communities where CDFIs help provide access to capital, support small businesses, and promote economic opportunities.

1. For every $1 provided by the CDFI Fund, CDFIs leverage at least $8 in private sector investments.

C. S. 2704 - *CDFI Fund Transparency Act* (Sen. Daines)

- Would increase transparency and accountability within the CDFI Fund by requiring annual testimony before the Senate Banking Committee and House Financial Services Committee regarding the Fund's operations and activities.