/ inclusiv /

June 26, 2023

Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

RE: Request for Information Regarding Climate-Related Financial Risk

Dear Board Members:

Thank you for the opportunity to submit comments on the National Credit Union Administration's (NCUA) Request for Information on Climate-Related Financial Risk (the RFI). In the past decades, changes to our climate have become more apparent. Communities once safe from extreme weather and natural disasters are now vulnerable as seas rise and new storm patterns surge. And, across the country, credit unions provide critical financial services in the most climate-vulnerable communities. We believe that NCUA can and should play a critical role in ensuring that the credit union system remains alive and strong in every corner of the country. We would like to thank NCUA for your commitment to better understanding how climate-related financial risk impacts the wide range of credit unions serving many different communities across the country.

In this letter we have proposed some potential forms the NCUA's support could take. We recommend the NCUA engage deeply with credit unions in climate-vulnerable communities to inform program design and ensure its approach is truly supportive of institutions that are not only financial first responders in underserved communities but also climate first responders.

Below we have outlined how NCUA can develop supportive guidelines and procedures that enable credit unions (CUs) to mitigate climate-related financial risk.

- NCUA can help CUs to prepare for, respond to, and recover from climate risk. This should include:
    - Training and guiding CUs to create "Climate Resilience Business Continuity and Recovery plans (which could be created by NCUA by expanding on current CU Business Continuity and Disaster Recovery plans)
    - Creating a dedicated climate resilience staff position at NCUA to support CUs
    - Targeting NCUA support to climate-vulnerable communities, particularly in low- and moderate-income areas of the country
    - Building an insurance fund to support CUs hit by climate events
    - Taking lessons from CUs that lead in climate resilience

- Create a clear path for credit unions to ramp up green lending (electric vehicles, clean energy, energy efficiency, and climate resilient building retrofits) that diversify credit union portfolios and strengthen their local communities. To support these efforts:
    - Train examiners in green lending and its benefits to credit unions. Hundreds of credit unions already offer green loans, and many more are starting to offer them, or will be offering them soon. Ensure that examiners understand how these loans perform.
    - Create a permanent rule for 20-year unsecured home clean energy and efficiency

improvements. Many of the clean energy technology equipment options, such as solar panels, inverters, and heat pumps, have useful lives of 20 years and longer, making a 20-year term affordable and appropriate.
    - NCUA staff should understand and guide CUs in best practices in consumer protection in green lending.

- Ensure NCUA policy supports credit union participation in the greenhouse gas reduction fund. Drive the growth, financial resilience, and diversification of the credit union movement by ensuring that credit unions are positioned to take advantage of the $374 billion in climate-related federal dollars available through the Inflation Reduction Act.

- Recognize that supporting climate-vulnerable CUs and green lending can help to advance the whole of government Justice40 initiative.

About Inclusiv
Inclusiv is the national network of community development credit unions (CDCUs) committed to promoting financial inclusion and equity through credit unions. The Inclusiv network represents more than 470 credit unions serving more than 18 million people in predominantly low-income urban, rural, and reservation-based communities across 47 states, Washington DC, the U.S. Virgin Islands and Puerto Rico. Inclusiv channels capital to and the builds capacity of these institutions that are dedicated to serving low-income people and redlined and disinvested communities that mainstream financial institutions fail to serve. We design, implement, and track numerous initiatives aimed at enabling credit union members to use their credit unions to build wealth and assets.

Inclusiv launched our Center for Resiliency and Clean Energy in 2019 to support our member CDCUs in developing affordable loan products for energy improvements that reduce energy burden, improve health outcomes, and combat climate change. In the past three and a half years, in partnership with the University of New Hampshire, we have trained almost 400 lending professionals that represent a network of 200 community-based financial institutions in solar finance. The Center recently launched a new Consumer Green Lending Training to support credit unions interested in developing energy efficiency, electric vehicle, electrification, and climate resiliency loan products.

1. Support credit unions so they can prepare for, respond to, and recover from climate risk.

Credit Unions Already Respond to Climate Events to Support their Operations and Their Members
Climate change and climate events can cause damage and destruction that impacts the bottom line of a credit union. Proper planning can help to protect the credit union from physical and financial risk. Disaster recovery and business continuity plans are active in every credit union to protect the integrity of credit union operations and member accounts. And today, when climate events hit, many credit unions already provide both immediate emergency loans to their members, along with loans that help communities rebuild after the disaster has passed and prepare for the next disaster.

Specifically, many credit unions offer “green loans” to finance clean energy, resiliency, and energy efficiency, which can help members lower their energy costs throughout the year, access emergency back-up power, and complete building improvements that create more resiliency against wildfires, floods, hurricanes, and other climate events.

Whether by ensuring members can access their cash during a hurricane, making distributed renewable energy affordable so communities have off-grid power during blackouts, exploring new opportunities for community economic development, or by creating pop-up credit union branches to provide services after a flood, credit unions are creating a new paradigm for how financial institutions can drive climate resilience.

NCUA Can Help CUs Prepare by Supporting Climate Resilience Business Continuity and Recovery Plans
Since climate-related events may affect credit union operations, and so many credit unions have already had to respond to climate events, we recommend that NCUA significantly increase guidance to credit unions on climate resilience. Specifically, we believe

- Credit unions would benefit from **NCUA providing training, guidelines, and support to help them develop "Climate Resilience Business Continuity and Recovery Plans."**
- The shortest path for credit unions to achieve this could be for NCUA to **adapt the "Business Continuity Plan" and the "Disaster Recovery Plan" to integrate climate-related physical risks.** NCUA will need to provide in-depth training and ongoing support to credit unions as they start to learn about how to assess their climate risk and develop these plans.
- **The addition of a dedicated climate resilience staff member at NCUA** to advocate for credit unions and serve as a central point of contact between credit unions and NCUA.

Target Support to Credit Unions Serving Climate-Vulnerable Communities
Many credit unions in the United States, particularly Community Development Credit Unions (CDCUs), serve climate-vulnerable communities and as they are often the only safe and affordable financial services option in these communities, they play a critical role in their members' lives. At the same time, climate-vulnerable communities are, by definition, more exposed to climate-related risks, including financial risks like damage to homes and cars that serve as loan collateral as well as economic shocks like community-wide job losses or income reductions as businesses shutter or are slow to reopen after a disaster. Given that the frequency and intensity of climate-driven disasters will increase in the coming years, it is important for the NCUA to understand the risks credit unions are facing.

CDCUs already play critical roles in building community resiliency, supporting their communities in recovering from and adjusting to adversity or change. Though climate change affects us all, increasingly frequent natural disasters have an outsized impact on the people and communities CDCUs serve. CDCUs are uniquely poised to build resilience to climate-related natural disasters locally in the most economically and environmentally vulnerable communities. We urge the NCUA to use the understanding it develops through this RFI to develop new programs and update its practices to support credit unions facing climate-related financial risks and help them navigate the challenges they and their communities will face. We hope that NCUA works hard to protect these vital institutions so that these communities don't lose their credit unions and the critical financial services they provide.

Train Low- and Moderate-Income CU Members in Resiliency Home Improvements
To further protect credit unions and increase resilience in their lending portfolios, NCUA could help credit unions to make classes available for credit union members/borrowers on how to evaluate a property for climate risk before buying or renting, and how to retrofit and protect property from common local climate events. This could include training on how to flood proof, how to fireproof, what type of building materials are most protective, and any other measures that could be taken to protect the home, such as clearing dry brush and dead trees in areas that are prone to fires.

Build Out an Insurance Fund to Support Credit Unions Hit by Climate Events
The National Credit Union Foundation's CUAid disaster relief program[1] was developed by the Foundation in cooperation with state credit union foundations, state credit union leagues, and the Credit Union National Association's Disaster Preparedness Committee in 2006. This program raises donations that support credit unions, their employees and volunteers who are impacted by events such as hurricanes, tornadoes, floods, earthquakes, wildfires, and other disturbances so they are able to recover more quickly so they can support the credit unions' members.

Taking lessons learned from the CUAid program, given that climate-related risk impacts every single American, NCUA should build out an insurance fund to support credit unions that are hit hard by climate events, so they can stay in business. This insurance fund could operate hand-in-hand with credit unions' "Climate Resilience Business Continuity and Recovery Plans" and should be thought of as a way to preserve credit unions. This fund could take lessons from the NCUA's Minority Depository Institution Preservation program. In addition, as credit unions start to identify their needs, this may also present an opportunity for NCUA to partner with other programs, such as FEMA's National Flood Insurance Program and HUD's Mortgage Insurance for Disaster Victims to further support credit unions and their members as they recover from the devastation caused by climate events.

Inclusiv Has Learned Climate Resilience Best Practices from Dozens of Credit Unions
Across the United States, CDCUs on the frontlines of climate change have demonstrated their commitment to supporting communities affected by climate events, providing critical aid and resources. These lenders represent a lifeline for their communities, providing access to affordable financial services and credit. The credit unions best able to maintain business continuity and more quickly recover from disastrous climate events have shared some best practices with Inclusiv.

- Operational Planning to Support Community During and After a Crisis - Before a climate event hits, CUs can prepare in the following ways:
    - develop contingency plans
    - stock up on, test, and prepare back-up power sources (such as fuel, batteries, solar generators)
    - backup software systems
    - purchase food and water to support staff providing member services through crisis and aftermath
    - order additional cash for vaults
    - designate emergency response roles for all staff members

- Communication – clear and timely communication with staff and members is important
    - Well before a climate event, CUs should have a communications plan in place, staff members trained, and a messaging system selected and tested for emergency staff and members communications
    - When a CU recognizes that a climate event is imminent, staff member responsibilities should be reviewed, members should be alerted so they know the emergency financial services the CUs will provide (and multiple forms of communications will be important, including automated phone calls, texts, and social media)

[1] https://www.ncuf.coop/disaster-relief/

    - Local partnerships should be established before climate events and when a climate event is approaching, CUs should make contact with local government officials, community organizations, local businesses, critical vendors, faith-based organizations, and others to assess how to these groups my partner with the CU and how the CU might partner with these groups to support each other during and after the climate event
    - A team should be designated to run communications and, if possible, that team should relocated prior to the climate event to a location out of the path of destruction so they can maintain access to working telecommunications.

- Rapid Recovery of Operations – immediately after a climate event, CU staff must be kept safe and members must be able to access emergency cash
    - In post-disaster times, access to financial services - specifically cash - is essential to buy food, fuel and basic supplies. The ability to re-open branches shortly after the storm has had a profound impact on the communities being served.
    - To resume operations, credit unions need to make sure that the immediate needs of CU employees are met. We have heard stories of CU staff helping to patch and rebuild colleagues' homes. We have also heard of CUs providing financial assistance, food, supplies, gasoline, laundry services, childcare services, and other support to their employees. And again, as mentioned above, the CUAid disaster relief program supports these efforts.

- Regulator Flexibility
    - Regulators have the opportunity to be flexible with CUs that make it through a climate event.
    - Often the individual CUs bear the full risk of taking the essential steps that enable people to withstand the crisis. NCUA could support these institutions to mitigate that risk – and even to provide reserves to support this responsiveness. Financial regulators could help to save lives and livelihoods by developing standing policies to make regulations more flexible during emergencies.

2. **Create a clear path for credit unions to ramp up green lending (electric vehicles, clean energy, energy efficiency, and climate resilient building retrofits) that diversify credit union portfolios and strengthen their local communities.**

Credit union green lending can drive emissions reductions and costs savings as historically redlined and under-resourced communities are typically more pollution burdened and residents have longer commute distances and less efficient homes and appliances than residents of affluent communities. Addressing these disparities by investing in clean energy solutions, electric vehicle lending, and energy efficiency home upgrades in low-income and under-resourced communities will result in significant greenhouse gas emissions reductions.

In addition to lowering emissions, low-cost financing to support energy efficiency upgrades and clean energy projects can support communities of color in lowering utility bills, which is particularly important because households of color spend a disproportionately large share of their incomes on energy costs compared to white households. This is called "energy burden" – the percentage of household income spent on energy costs. According to the American Council for an Energy-Efficient Economy, Black households have an energy burden that's 43% higher than White households' energy burden, while

Native American households have an energy burden that's 45% higher and Hispanic households 20% higher than White households' energy burden. And with energy prices rising, many people are struggling to afford their utility bills or pay for gas for long commutes. For example, in 2022, consumers paid 14.3% more on average for electricity than in 2021, more than double the overall 6.5% rise in prices, according to data from the Bureau of Labor Statistics.

Many credit unions already have green lending expertise and every day more and more are working to develop new green loan programs to help their members address skyrocketing energy costs and build resiliency in their communities. According to research conducted by Inclusiv in 2022, 338 credit unions offer or are developing dedicated green loan products. A sample of just 30 credit unions offering dedicated green loan products reported investing about $1 billion in green projects over the last three years. In addition to the products that are marketed as dedicated green loans, hundreds of other credit unions around the country finance thousands of green home improvements and electric vehicles every day via standard home improvement and vehicle loans.

Train Examiners in Green Lending and Its Benefits to Credit Unions
In addition to supporting air pollution reduction, good jobs and climate resilience, green lending also benefits credit unions in myriad ways. Inclusiv, in partnership with the University of New Hampshire, has provided green loan product development training to 400 lending professionals from 200 community-based financial institutions over the past 2.5 years. As more credit unions gain expertise in green lending and scale green loan portfolios, it is critical that the NCUA train examiners to understand and evaluate green loan portfolios and the specifics of green lending so that they can provide appropriate oversight, support and feedback for the credit unions they supervise. NCUA could partner with groups like Inclusiv to identify and develop training for NCUA examiners, along with credit union staff and board members in green lending.

Credit unions that offer green loans report that benefits of developing a green lending program include:

- Portfolio diversification
- New loan products with very low historical default rates
- Community goodwill
- New members

Create a Permanent Rule for 20-Year Unsecured Home Clean Energy and Efficiency Improvements
For the 338 CUs that are already moving forward with green lending, along with the hundreds more that will be entering the space in the coming years, being able to rely on and plan for 20-year green loan products would further enable credit unions to expand affordable green lending in communities across the U.S.

The racial wealth gap, an ongoing consequence of redlining and financial exclusion that has resulted in communities and families of color accumulating far less wealth than White communities and families, is well documented. Compounding the economic disparities stemming from the racial wealth gap, as we mentioned above, our current energy system disproportionately burdens communities of color and low-income communities.

As financial cooperatives committed to investing in strong and healthy communities, credit unions are uniquely poised as vehicles for change. CDCUs support communities and people with limited access to safe financial services by offering affordable financial products and services that meet the needs of their members and communities. And CDCUs can and already do finance green home improvement projects (such as energy efficiency and clean energy) that reduce household energy burden while increasing access to clean, efficient, and green energy sources.

For low-income and low-wealth borrowers, barriers to accessing green home improvement projects and the ability to reap the related benefits include (1) lack of broadly available, affordable financing for green home improvement projects, and (2) limited or no ability to take advantage of federal tax credits as, often, taxable income is below levels that would allow them to use these credits. CDCUs have expertise and proven success developing and implementing products that provide affordable financing for green home improvement projects, which, when combined with the proposed 20-year term could put green improvements in homes that have the greatest need.

Green lending credit unions have designed consumer and residential loan products that finance home improvement projects, such as: energy efficiency upgrades for heating and cooling; solar and solar-powered battery storage projects; weatherization; and other utility-bill savings solutions.

227 of these CU green lenders (or 58% of all CU green lenders) have one of more of the following designations: MDI, CDFI, and/or LICU (43 of these green lenders are MDIs, 66 are CDFIs, and 211 are LICUs). These lenders have developed successful green lending programs designed to serve low- and moderate-income communities and communities of color and finance a wide range of clean energy and energy efficiency technologies. Green lending programs that reach deeper into communities commonly use a variety of tools (such as interest rate subsidies and special grants) to make green home improvements affordable. However, these tools do not reach many borrowers who are struggling with high energy costs and for whom an extended term would make these projects a viable solution for their budget and provide, over time, significant protection against rising energy costs.

Many of the clean energy technology equipment options, such as solar panels, inverters, and heat pumps, have useful lives of 20 years and longer, making a 20-year term affordable and appropriate. These lenders are positioned to use 20-year loans to scale affordable financing that makes green projects accessible to the most climate-vulnerable communities. A rule that allows 20-year terms for the full range of green home improvement loans would help scale this vital lending and support deeper affordability for people living on low incomes.

Most credit unions that offer green home improvement loans have terms of up to 15 years for consumer and mortgage lending, but would like to be able to go longer, in certain cases because:

- The performance of green home improvements, such as efficient heating systems and rooftop solar arrays, is quite predictable over longer loan terms. For example, Lawrence Berkeley Lab released a study on “Long-Term Performance of Energy Efficiency Loan Portfolios” in March 2022.[2] They reviewed 52,511 unsecured consumer/residential energy efficiency loans originated across four states over 13 years. These 52,511 loans had an average term of 121 months and an average gross annualized charge-off rate of 0.65%.
- Borrowers often pay green home improvement loans off early due to home sales or refinancing and/or when receiving extra cash. For this reason, the average life of an unsecured green home improvement loan is between 7-8 years. This data is based on loans to date, which have been largely made to middle- to upper-middle-income households.
- Low- and moderate-income (LMI) borrowers have typically not pursued green home improvement

loans from the credit unions that offer these loans. Anecdotally, we believe this is due to the lack of availability of affordable products and lack of awareness of the benefits and costs to the consumer.

- Some LMI markets lack green lenders, or, in the absence of ethical green lenders (such as credit unions), the space is filled with "predatory" green lenders that use aggressive sales techniques paired with high interest rates, hidden fees, and unscrupulous underwriting practices.
- As utility costs have been rapidly increasing in many parts of the country, green home improvements can help to lower and stabilize utility bills. In some markets borrowers may benefit from local net metering policies and other energy bill credits that lower the cost of green home improvements.
- 20-year terms are often needed for solar projects to pencil and are an industry norm for unsecured solar loans. Many markets have had an influx of solar sales calls from installers. Often these installers want to offer 20-year loans and will partner with predatory lenders in the absence of responsible community-based lenders, such as credit unions.
- Now that interest rates have gone up, the ability to offer a 20-year loan term is essential to project cash flow.
- Credit unions that serve LMI borrowers need the longer term to help lower costs, which help members transition to more efficient and cleaner home energy equipment.
- Longer and more flexible loan terms could enable credit unions to better tailor loan products to be affordable to a broader section of their membership.

The green lending market is known for streamlined, timely loan decisions and processes that support the green project life cycle.

- It is important to look at ways to lower loan origination transaction costs and improve turnaround time while mitigating risks appropriately.
- While 2nd mortgages and other Real Estate loan products are options to offer a longer term. The costs and time to complete these loan transactions is often an additional barrier to the LMI and other disadvantaged groups we are focusing on reaching.
- Most lenders offer green home improvement loans as an unsecured loan product.
- Some credit unions secure these purchase money loans with "chattel property" using UCC fixtures financing filings recorded in the land records, which provides some protections to the lender.

Green lending may improve a credit union's financial health.

- These loans tend to range from $20,000-$50,000 and may include the green system (such as a solar system), weatherization improvements, roof repairs, the cost of labor and additional equipment (such as battery storage and system monitoring).
- With the increasing interest rate environment, along with increasing property values, credit unions are looking to diversify their balance sheets and bring new, high performing assets onto their books.
- Green home improvement loans are made to homeowners, and therefore tend to perform well, with historically low default rates and better interest rates than auto and home mortgage loans.
- Green loans tend to increase new member acquisition. Credit unions report that a high percentage of green loans (75%-90%) reach credit unions through referrals by networks of vetted installers and contractors, increasing new credit union members and new market opportunities.
- Credit unions are focused on their members' and market needs and as such will be key to driving this capital into their local communities, ensuring that their members benefit from these investments while using local businesses and contractors, keeping these dollars circulating within their local communities.
- We are seeing an increase in credit union members expecting their credit unions to demonstrate

their commitment to environmental sustainability.
- As climate-related changes to weather patterns increase disaster events, credit unions offering green loans can help to drive resilience in their portfolios and mitigate insurance risk.

CU Best Practices for Green Loan Consumer Protection and CU Financial Health
Many credit unions currently engaged in green lending recommend the best practices below to ensure green loans effectively meet low- and moderate-income people's needs and ensure credit unions' green lending programs are sound. NCUA could offer guidance to CUs with green loan products, and could consider including the following best practices:

Monthly Utility Bill Savings for Members
- Do not assume that all energy improvements result in lower energy costs.
- Consider including a demonstration in the loan file that the useful life of the underlying "green equipment" would be within the term of the loan.
- Consider reviewing the projected utility bill savings and compare them to the projected loan payments during the underwriting process.
- Consider including home energy education as part of financial coaching services to help members determine if green home upgrades paired with the proposed monthly loan payments will help to lower monthly household expenses.

Member Education on Total Project Cost
- Consider educating members on how to recognize low-interest solar loans offered by fintechs that might carry a hidden dealer fee that drives up the total project cost and the total loan amount (typically these hidden dealer fees are 15-25% of the baseline project cost).
- Although longer loan terms are sometimes needed to ensure affordability, LMI and other underserved borrowers are sometimes offered longer terms than necessary, requiring borrowers to pay more than they should over time.
- Determine which ancillary products can be included in the loan-to-value determination.

UCC Filing
- Consider a UCC filing when loans exceed 15-year terms, particularly when loan-to-home value exceeds 100%.

Regulatory Risk
- Consider the local utility regulatory environment and whether there is a risk that change to local net metering rules will change borrower cash flow during the project lifespan.

Managing Contractor Risk
- Consider advising members to get multiple quotes from different contractors and request clear and transparent pricing with cost breakdown for labor and equipment purchase to ensure fair pricing and identify hidden fees.
- Suggest guidance on how much contractors and installers can be paid upfront, and how they can be paid.
- Allow credit unions to have an emergency fund with which to assist borrowers in case contractors go out of business before job completion.

3. Drive the growth, financial resilience, and diversification of the credit union movement by

ensuring that credit unions are positioned to take advantage of the $374 billion in climate-related federal dollars available through the Inflation Reduction Act.

Credit unions can and should be leaders in driving climate investment in their local economies – the credit union system should not miss out on the Inflation Reduction Act's (IRA) historic investment and on the opportunity to forever expand the reach and scope of the credit union system. Although many details of the IRA rebate programs and Greenhouse Gas Reduction Fund implementation are still being finalized, it is already clear that IRA's $374 billion investment in clean energy and sustainability is just the beginning of a broader shift toward equitable climate finance. According to a Credit Suisse report, IRA could catalyze as much as $1.7 trillion in climate spending in the United States over the next decade. Credit unions should act now to ensure these investments reach and benefit their members and communities.

In addition, as part of the IRA, the $27 billion Greenhouse Gas Reduction Fund (GGRF) is poised to transform climate finance. Credit unions will be eligible to receive funds from two of the GGRF grant pools, the National Clean Investment Fund, and the Clean Communities Accelerator Fund, that total $20 billion. Credit unions will play a major role in ensuring this funding reaches all communities, particularly historically redlined, rural, immigrant and other underserved communities, equitably. This funding will take the form of technical assistance and equity grants, subordinated debt, and other supports. As a result of this funding, credit unions will be able to scale their green lending, with a focus on core credit union strengths: consumer, auto and home improvement lending – all with a green lens.

Ensure NCUA Policy Supports Credit Union Participation in the Greenhouse Gas Reduction Fund
The NCUA's subordinated debt rule created barriers to smaller and less-resourced credit unions accessing subordinated debt and eliminated the secondary capital framework. The NCUA's recent commitment to address these barriers and ensure equitable access to subordinated debt will be key to ensuring that credit unions can participate fully in the Greenhouse Gas Reduction Fund.

To ensure the GGRF legislation lives up to its promise, NCUA can support credit unions by making permanent the interim rule that enables credit unions to offer 20-year unsecured loans for home energy and energy efficiency improvements such as rooftop solar panels and efficient HVAC systems. When a household takes out a loan to finance a green home improvement project, with proper underwriting, typically the new monthly loan payment reduces and/or replaces their monthly utility bill, unlike other home improvements that don't necessarily have this outcome. This is particularly important in enabling LMI households to be able to afford these clean energy and energy efficiency projects. Although the IRA's cost saving incentives (that are mentioned above) will lower the total costs for clean energy and energy efficiency upgrades, LMI households may still require a longer loan term than the current 15-year limit on credit union unsecured lending for affordability, which also translates into better repayment habits.

4. Advance the Whole of Government Justice40 Initiative
The Greenhouse Gas Reduction Fund's success will be measured, in part, by whether 40% of the benefits of the Fund flow to these historically disinvested and pollution-burdened communities, as required by the Justice40 Initiative. The credit union movement is key to ensuring that the IRA's tax credits and the Fund's investments meet Justice40 goals given that community development and mission-driven credit unions are inclusive, diverse and many are already engaged in high-impact green lending across the country.

The commitment of Justice40 has the potential to improve the air and water quality in low-income communities, address the disproportionate adverse impacts of pollution, and reduce energy cost burden for those who have shouldered more than their fair share. Green lending to meet these goals includes loans to finance projects that lower utility bills, increase energy resiliency in the face of disasters like hurricanes and wildfires, reduce air pollution, lower greenhouse gas emissions, and reduce energy or water usage. It can include offering auto loans for new or used electric vehicles, small loans to help people purchase energy efficient appliances and take advantage of the IRA's tax credits, or loans to fund the installation of efficient heating and cooling systems, like heat pumps.

Thank you for the opportunity to provide feedback to NCUA on this important issue. Please contact Neda Arabshahi, VP Center for Resiliency and Clean Energy (narabshahi@inclusiv.org) with any questions about these comments.

Sincerely,

Cathie Mahon
President/CEO, Inclusiv