Inclusiv 2018-2019 Advocacy Platform

Inclusiv promotes the financial independence and well-being of working families and communities by expanding access to safe and responsible financial products and services through credit unions. More than 300 credit unions are certified as Community Development Financial Institutions (CDFIs) investing in economically vulnerable communities. These CDFI credit unions or CDCUs currently serve more than 9.7 million members with more than $99 billion in combined assets in rural and urban communities across 46 states. As the national trade association and CDFI intermediary committed to expanding, growing and strengthening these mission-driven credit unions, Inclusiv advocates for policies that strengthen the institutions *and* the members and communities they serve.

1. Invest in Community Development Financial Institutions (CDFIs) to rebuild American infrastructure and local economies

CDCUs are one of the most effective mechanisms to channel capital into under-resourced communities, including those left behind by the economic recovery, lack of business infrastructure and that have limited opportunities. CDCUs provide affordable credit to consumers, boost entrepreneurship, expand businesses and facilitate homeownership.

Rebuilding America's infrastructure must include investment to grow and expand CDCUs. The largest dedicated funding source is Treasury's CDFI Fund. CDFI Fund awards generate billions of dollars annually in loans and investments to build and improve homes, increase energy efficiency, grow businesses, create jobs, increase job mobility, expand access to affordable health and child-care, and create greater financial capability to expand consumer purchasing power. Inclusiv seeks to strengthen the federal CDFI Fund, increase its effectiveness and spark state and local investment in community development finance.

Inclusiv advocates for a robust and growing CDFI Fund with better representation of credit unions across all programs of the Fund.

- Preserve and grow appropriations to the CDFI Fund, directing a portion of those resources to expanding consumer lending in underserved communities.
- Develop and maintain strong standards and definitions of what constitutes a CDFI.
- Achieve greater institutional diversity in CDFI Fund awards and increased transparency in the evaluation process.
- Increase technical assistance resources to expand the number of institutions accessing New Markets Tax Credits, and the CDFI Bond program which yield substantial returns to institutions and communities.

- Foster the formation of state CDFI funds to leverage and expand access to credit and affordable financial services.

2. Fulfilling the Promise: Placing the Member First

As financial cooperatives, our institutional interests align with the success and well-being of our members. Predatory lenders undermine the financial and economic security of community development credit union members, borrowers and communities. CDCU members are healthier and stronger when rational, consistent and durable consumer protections are in place.

In the lead-up to the Great Recession, rampant and irresponsible lending drove consumers and homeowners into dangerous levels of financial and economic insecurity. We must engage with regulators to craft protections that keep an even playing field.

CDCUs must have a greater voice in the development of regulation that will curb abuses from predatory players. Smart regulation can serve to both even the playing field and ensure healthier borrowers, members and consumers. By engaging with regulators and legislators to get it right, we will preserve that credit union difference, protect our members and our markets, and allow us and all Americans to thrive together in the future.

- Inclusiv will support the **legal authority for the CFPB under Dodd-Frank.**
- Support the existence of robust consumer protections at the federal and state level.
- Fight to ensure that for-profit predatory lenders and non-regulated financial service providers are subject to equal supervision and accountability standards as regulated depository institutions.

3. Sustain and grow service to and engagement with low-income and underbanked consumers through regulatory opportunity and incentives at NCUA

Ensuring regulators recognize the unique value-add of community development financial institutions is critical to increasing service to those who need it most. Inclusiv will work vigorously with NCUA to reduce regulatory burden and increase consistent and relevant performance metrics for community development credit unions. Successful CDCUs employ a range of products and services to reach underserved members. Regulators need to have a better understanding of financial tools and mitigation strategies that enable institutions to take appropriate risk to serve their market well. They need to support and foster growth into underserved communities and better recognize how leveraging outside capital enable institutions grow and better serve their communities.

- Increase capital into the credit union system by working with NCUA to strengthen secondary capital rules and standardize the review process.
- Provide regulatory flexibility and incentives for CDCUs to serve people of modest means by streamlining the process to expand fields of membership into LMI communities.
- Prioritize CDCUs and minority designated credit union bidders in mergers with struggling CDCU and minority credit unions to ensure the retention of service to low-income members and communities of color.
- Establish greater transparency in the agency to include examination tools, examiner training and supervisor materials, and clear and transparent processes for addressing grievances with particular agency personnel that provides for greater accountability and resolution.

Improve regulator training of examiners and supervisors to become better-versed in the use of secondary capital to build credit union financials; and risk management and mitigation strategies to limit the narrow definitions of risk solely driven by consumer credit score and category.