Community Reinvestment Act

The Community Reinvestment Act (CRA) was originally imposed on commercial banks in 1977 due to widespread discriminatory lending practices against minority and lower income communities. For decades, commercial banks engaged in "redlining" loans which was a formal, systematic, and blatant process that blocked credit extension to these communities all across the country.

STANCE
The Defense Credit Union Council is opposed to any CRA legislation that would impose the same regulatory compliance burdens on defense credit unions as commercial banks.

TALKING POINTS

- Defense Credit Unions are member-owned financial institutions serving our Nation’s military, many of whom come from these formerly "redlined" communities.

- Defense Credit Unions have NEVER engaged in such behavior and have NEVER been accused of such behavior by anyone who has examined our history and role in Defense Communities.

- Defense Credit Unions have a strong reputation of extending credit in a full and fair manner for all members, including those on the lower socio-economic ladder. This is who we are! Additional regulations are unnecessary, costly, and threaten the ability to continue extending this level of service.

- CRA impact Defense Credit Unions:
  - In many cases, the only military financial institution on base (one that understands the mission and the people) is a Defense Credit Union as banks continue to close base branch offices.
  - In addition to MLA compliance, technology challenges, and industry consolidation - imposing CRA on Defense Credit Unions could cause many to fold.
  - Without a military financial institution on base, the military risks having safe financial products and services along with expeditionary mission cash and day-to-day management of the installation’s cash and deposits.

30 SECOND PITCH
"Defense Credit Unions have a strong record for serving our military and the defense communities in which they live. Imposing CRA limitations on Defense Credit Unions is a step in the wrong direction. Serving the underserved is who we are!"