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National Association of Federally-Insured Credit Unions

April 29, 2019

The Honorable Elijah Cummings
Chairman
Committee on Oversight and Reform
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jim Jordan
Ranking Member
Committee on Oversight and Reform
U.S. House of Representatives
Washington, D.C. 20515

Re: Tomorrow's Hearing on "The Financial Condition of the Postal Service"

Dear Chairman Cummings and Ranking Member Jordan:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) in conjunction with tomorrow's hearing entitled "The Financial Condition of the Postal Service." NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 116 million consumers with personal and small business financial service products.

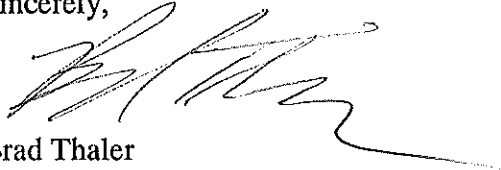
NAFCU strongly supports the important work of the U.S. Postal Service, which credit unions across the nation and of all sizes use to communicate with their members, to send statements, to receive payments, and to market new products or services to their members. For these reasons, credit unions are committed to identifying long-term solutions to ensure an efficient, self-sustaining, and affordable U.S. postal system. However, postal banking is not one of those solutions.

Although there have been a number of proposals over the past few years to turn the U.S. Postal Service into the world's largest shadow banking system, NAFCU and our member credit unions are very concerned that allowing the U.S. Postal Service to provide banking services will be beyond its core competencies, will raise a number of serious regulatory and consumer protection questions, and will present significant competitive issues for private sector entities. We are pleased to see that the President's Task Force agrees with NAFCU, concluding that "given the USPS's narrow expertise and capital limitations, USPS should not pursue expanding into new sectors, such as postal banking, where the USPS does not have a demonstrated competency or comparative advantage, or where balance sheet risk would be added." Moreover, the U.S. Postal Service also opposes the authority to provide banking services, as expanding into this area would almost certainly not help its financial situation.

NAFCU encourages Congress to focus on reducing costs and increasing efficiencies to put the U.S. Postal Service on a sound and sustainable financial path over the long run. Postal banking legislation would do just the opposite. Therefore, NAFCU urges the Committee to encourage the U.S. Postal Service to focus on its core business of physical mail delivery, and not be distracted by expanding its mission to businesses outside its area of expertise.

On behalf of our nation's credit unions and their more than 116 million members, we thank you for your attention to this important matter. Should you have any questions or require any additional information, please contact me or Alex Gleason, NAFCU's Associate Director of Legislative Affairs, at 703-842-2237 or agleason@nafcu.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Thaler', with a long, sweeping underline that extends to the right.

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the U.S. House Committee on Oversight and Reform