



April 1, 2022

The Honorable Ed Perlmutter  
Chairman  
Subcommittee on Consumer Protection and  
Financial Institutions  
House Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Blaine Luetkemeyer  
Ranking Member  
Subcommittee on Consumer Protection and  
Financial Institutions  
House Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Perlmutter and Ranking Member Luetkemeyer,

On behalf of the Virginia Credit Union League which represents Virginia's 109 member-owned not-for-profit credit unions and their 15 million members, I am writing regarding the hearing entitled, "The End of Overdraft Fees? Examining the Movement to Eliminate the Fees Costing Consumers Billions." After watching the hearing, the League wishes to emphasize certain points.

Overdraft protection services were created to allow consumers the ability to access funds where the cost of a transaction exceeds their current account balance. As required by law, users of overdraft protection must actively opt-in to the service. In most cases, overdraft protection is utilized by members to allow them access to essential goods or services when faced with an unexpected financial emergency or other cash shortfall, thus allowing a member's transaction to go through even if funds are not available in their account. Credit unions continue to hear from their members that overdraft protection is an important part of the benefits they receive as part of their membership.

Changes in member usage, improvements in technology, as well as a study of their own member's needs, has led many of Virginia's credit unions to proactively take steps in redesigning their overdraft protection programs while ensuring the service remains in place to protect their members. Credit unions have long had programs linking a member's savings account or a line of credit to ensure members are less likely to incur a fee if forced to overdraw their account. Additionally, credit unions often couple these programs with their financial literacy programs to help educate members on money and budget management to help avoid future or frequent overdraft use. It is important to note that each credit union must tailor their products and services to fit the needs of their members.

Credit unions were founded with the purpose of promoting thrift and providing provident credit. As not-for-profit financial cooperatives, any earnings a credit union acquires are reinvested into the credit union and distributed amongst its members by providing lower rates on loans, increased dividends, and reduced fees. Credit unions remain member owned, allowing one vote per member regardless of their means. They continue to exist to serve their members, putting people over profit, while providing the best products and services available in the marketplace. We strongly believe credit unions should retain the autonomy and flexibility to work with their members to develop solutions to secure their financial well-being.

We share Congress' concern for the financial well-being of America's consumers, especially those of who are underserved and thank you for holding this important hearing. Virginia's credit unions stand united in opposition to any

federal or state legislation, or regulation which intentionally or unintentionally restricts credit unions' ability to provide safe and fair services to their members to ease the burden of short-term financial difficulties.

Sincerely,

A handwritten signature in black ink that reads "Carrie R. Hunt". The signature is written in a cursive, flowing style.

Carrie R. Hunt  
President/CEO  
Virginia Credit Union League

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