



July 27, 2020

The Honorable Nita Lowey
Chairwoman
House Committee on Appropriations
H-307, U.S. Capitol
Washington, D.C. 20515

The Honorable Kay Granger
Ranking Member
House Committee on Appropriations
H-307, U.S. Capitol
Washington, D.C. 20515

Dear Chairwoman Lowey and Ranking Member Granger:

On behalf of the Consumer Bankers Association (CBA), I write in opposition to the amendment offered by Congressman Bill Pascrell and Congresswoman Marcy Kaptur to the fiscal year 2021 appropriations act for Financial Services and General Government that would fund a pilot program for postal banking activities. CBA is the voice of the retail banking industry whose products and services provide access to credit for millions of consumers and small businesses. Our members operate in all 50 states, serve more than 150 million Americans and collectively hold two-thirds of the country's total depository assets.

CBA strongly opposes allowing the U.S. Post Office to offer consumer banking services. The American financial system is a well-regulated, highly complex marketplace that operates under free market principles. CBA members have the expertise and capacity to serve customers' needs in a way the post office would find difficult. Effectively and safely providing these services requires an institution to have decades of experience in risk management, regulatory compliance, consumer protection, and privacy protection – areas the U.S. Postal Service has little to no knowledge. Additionally, the entrance of a government-subsidized entity into the consumer financial market would not only affect the competitiveness of the nation's thousands of financial institutions currently serving consumers and small businesses but would also expose American taxpayers to financial risk.

A more effective and efficient approach to help expand consumer access to traditional banking services is to enhance the ability of banks to innovate. Every day banks continue to develop and leverage the latest technologies to provide products and services that meet the diverse needs of the U.S. consumer. Improvement in the delivery of safe and innovative products and services has the potential to serve many Americans that are underserved. Advances in innovation of financial services will drive financial access and promote inclusion for those who struggle finding mainstream financial services.

On behalf of CBA's members, I strongly urge you to reject this amendment to the FY 2021 Financial Services and General Government appropriations bill.

Sincerely,

A handwritten signature in black ink that reads "Richard Hunt". The signature is written in a cursive style.

Richard Hunt
President and CEO
Consumer Bankers Association

CC: The Honorable Jim McGovern; Chairman, Committee on Rules
The Honorable Tom Cole; Ranking Member, Committee on Rules