2025 CALIFORNIA CONGRESSIONAL SUCCESSES

Summary

The 119th Congress began on January 3, 2025. During this time, the White House, U.S. Senate and House of Representatives transitioned to Republican leadership. Nationwide, 63 new Members of Congress were sworn in, and 14 new U.S. Senators began their terms in Washington, DC.

Through all these transitions, congressional leaders from California in the House of Representatives and U.S. Senate proved to be champions of the credit union movement within the first nine months of the two-year congressional session. Their leadership is built upon the foundation of unyielding advocacy from credit union leaders who sent letters, knocked on doors and met with congressional leaders at an astounding pace. This is a recap of successes achieved thus far in 2025.

CA Success by the Numbers

- This year, out of 10,649 bills introduced, only 36 were signed into law — FOUR of those bills benefit credit unions — an outstanding achievement.
  - 5 Nationwide Priorities Led by Californian Members of Congress and/or Senators
  - 4 Credit Union Priorities Signed into Law
- 341,371 messages sent to Washington, DC in support of the CU tax exemption
- 200+ votes, co-sponsorships, and signatures in support of credit union priorities
- 200+ in-person engagements with congressional offices
- 75+ meetings with advocacy partners
- 60+ Marketers engaged to launch Don't Tax My Credit Union campaign
- 4 Nationwide Leadership Initiatives from League Staff
- 1 news interview on ABC News with Eagle Credit Union on Don't Tax My Credit Unions (view here)
- 1 California Credit Union CEO, Ana Fonseca, Testified on Committee (more here)
- Nearly $1,000,000 pledged for the California State University DC Scholars Program

CU Tax Exemption Protected: Nearly $312 million saved in taxes

As part of H.R. 1, the tax reform bill, credit unions advocated for policies to meet the needs of more than 144 million credit union members nationwide, and more than 13 million in the State of California. If credit unions would have been taxed at the 21% corporate rate, the industry would have paid approximately $312 million in taxes.

In January, a letter circulated among House Republicans highlighting potential tax programs to cut, including the CU tax exemption. This 50-page document included hundreds of tax benefits up for consideration to cut. Just a few months later, House Republicans in the Ways & Means Committee met to discuss potential tax benefits to cut to raise revenues – again, credit unions were mentioned during discussions.

League staff worked collaboratively with America's Credit Unions to develop a bipartisan letter to the House Ways & Means Committee on the preservation on the tax exemption. Ultimately, 9 Members of Congress from California in the House of Representatives signed the letter.

In the US Senate, an amendment was introduced by Senator Padilla to protect the credit union tax exemption. He was the only senator in the nation to put forth a measure to protect the credit union industry.

Between January and the passage of H.R. 1, credit union advocates in California sent nearly 360,000 messages to Washington, DC. At one point, California outpaced the entire country in messages sent to the nation's capital.

Eagle Credit Union and California's Credit Unions were featured by ABC News to discuss the importance of the credit union tax exemption.

California Legislators Lead on 5 National Credit Union Priorities

- **100%** of the California congressional delegation voted for the Board Modernization Act, which would reduce the mandatory meetings for federally chartered credit unions. **Introduced by Congressman Juan Vargas of San Diego (CA-52)**, the bill passed unanimously in the House of Representatives and both U.S. Senators from CA have cosponsored the bill.
- Senator Padilla introduced the **Central Liquidity Facility (CLF) Enhancements Act**, which would empower corporate credit unions to act as "member agents" and purchase capital stock in the CLF for a subset of smaller asset sized credit unions, creating flexibility for these credit unions to quickly access liquidity through the CLF. He later introduced this bill as an amendment to a must-pass bill.
- Over 100,000 messages were sent to Senator Padilla's office to protect the CU not-for-profit cooperative model. In response, **Senator Padilla introduced an amendment to protect the credit union tax exemption** during Senate considerations of H.R. 1, the tax reform bill.
- **Congressman Sam Liccardo (CA-16) introduced the Supporting Upgraded Property Projects and Lending for Yards (SUPPLY) Act**, a bipartisan bill to help address the national housing shortage. The bill expands access to financing for Accessory Dwelling Units (ADUs), also known as backyard cottages, granny flats, or in-law suites. The bill was endorsed by California's Credit Unions and is listed as a priority bill for America's Credit Unions.
- **Congresswoman Young Kim pressed Treasury Secretary Bessent** during a hearing on proposed cuts to the Community Development Financial Institutions (CDFI) program. Preserving the CDFI program is a priority of America's Credit Unions.

4 Credit Union Priorities Signed into Law

- **Credit Union Tax Exemption:** The credit union tax exemption was preserved with the tax reform bill, H.R. 1, signed into law.
- **GENIUS Act:** This bill sets a federal regulatory framework for US payment stablecoins, also known as digital assets, backed by reserves on a 1:1 basis. A win for credit unions in the bill is that CUSOs can issue stablecoins. This capability was not included in earlier versions of the bill.
- **The Homebuyers Privacy Protection Act:** Credit unions advocated for the advancement of this bill. The bill prevents credit reporting agencies from selling "trigger leads" without a homebuyer's consent.
- **Repeal of Consumer Financial Protection Bureau (CFPB) Overdraft Rule:** The CFPB issued a rule that would cap overdraft fees at $5 for financial institutions over $10 billion in assets. Congress voted on a measure to repeal that rule through the Congressional Review Act (CRA). The bill passed Congress and was signed into law. Members of the California congressional delegation voted for the bill, even though it may make them political targets during the upcoming election.

200+ Votes, Cosponsorships and Letter Signatures on Credit Union Priorities

Members of the California Congressional delegation demonstrated strong support for credit union priorities by signing letters, cosponsoring bills, and voting for pro credit union measures on the House and Senate floor. Below is a list of some of the measures Californians have supported:

- Bipartisan letter to House leadership in support of the credit union tax exemption
- H.R. 1, which preserved the credit union tax exemption
- The GENIUS Act, which sets a federal regulatory framework for stablecoins
- The Task Force for Recognizing and Averting Payments Scams (TRAPS) Act, which creates a taskforce of federal agencies and community leaders to identify and address fraud and scams.
- The Veterans Members Business Loan Act, which would exclude loans to veterans from the credit union member business loan cap of 12.25% of the credit union's assets.
- The Expanding Access to Lending Options Act, which would expand loan maturities to 20 years for business loans.
- The American Access to Banking Act, which would streamline the chartering process for new credit unions and banks.
- The Anti-Central Bank Digital Currency Surveillance Act, which would prohibit the Federal Reserve from issuing a central bank digital currency to individuals.

- The Homes for Every Local Protector, Educator and Responder of 2025, which creates a special Federal Housing Administration (FHA) mortgage program for first responders.
- The Home of Your Own Act, which would create homeownership assistance grants.
- The Supporting Upgraded Property Projects and Lending for Yards (SUPPLY) Act, which would expand access to financing ADUs.
- The Congressional Review Act (CRA) resolution of disapproval repealing the CFPB's overdraft rule that capped overdraft fees at $5.
- The National Credit Union Administration Central Liquidity Facility (CLF) Enhancements Act, which would empower corporate credit unions to act as "member agents" and purchase capital stock in the CLF for a subset of smaller asset sized credit unions, creating flexibility for these credit unions to quickly access liquidity through the CLF.

100% Engagement with Congressional Offices, including House Leadership & Freshmen

House Leadership: Pete Aguilar (Democratic Caucus Chair) and Ted Lieu (Vice Chair)
Credit Unions met with Congressman Pete Aguilar and Congressman Ted Lieu to discuss the credit union difference. Rep. Aguilar and Rep. Lieu are the third and fourth highest ranking members of the Democratic Caucus in Congress. These powerful positions steer national policy decisions for 213 democrats in Congress.

House Financial Services Ranking Member: Maxine Waters
Congresswoman Maxine Waters is Ranking Member on the House Financial Services Committee. This Committee oversees all federal agencies related to financial institutions, including the National Credit Union Administration, Department of Treasury, Federal Reserve and others.

100% Engagement with Freshmen Members of Congress
California welcomed 9 new Members of Congress in the House of Representatives and 1 new US Senator. Credit union advocates and League staff engaged with every congressional office, whether through lobby day visits, district visits or PAC events. This is critical to education early on the credit union difference and building champions in Congress for the not-for-profit cooperative model that credit unions leverage to invest in communities. Freshmen from California include:

- US Senator Adam Schiff
- Rep. Lateefah Simon (CA-12)
- Rep. Adam Gray (CA-13)
- Rep. Sam Liccardo (CA-16)
- Rep. Luz Rivas (CA-29)
- Rep. Laura Friedman (CA-30)
- Rep. Gil Cisneros (CA-31)
- Rep. George Whitesides (CA-27)
- Rep. Derek Tran (CA-45)
- Rep. Dave Min (CA-47)

Nearly $1,000,000 in Pledges for Cal State University DC Scholars Program

California's Credit Unions is partnering with the California State University (CSU) Foundation to develop an endowment for the CSU DC Scholars Program. The DC Scholars Program sends interns to Washington, DC twice a year. The endowment would generate up to 14 scholarships annually, each valued at $2,500. Scholarships would be awarded to students who intern for a Member of Congress, US Senator or the Department of Treasury.

Credit unions across California have pledged nearly $1,000,000 for this effort. Once achieved, credit unions will build a pipeline of interns who may go on to serve as senior policy advisors in Congress, or perhaps elected officials in the future. It is an investment in the future, and the longevity of the credit union movement.

California Credit Unions Lead on Federal Advocacy: 4 Examples of Industry Leadership

- **Don't Tax My Credit Union, Spanish Campaign:** For the first time ever, California's Credit Unions offered a Spanish option for advocacy. Hundreds of messages were sent to Washington, DC to preserve the credit union tax exemption in Spanish. California is the first in the country to offer this level of bilingual advocacy for a priority issue.
- **American Association of Credit Union Leagues:** Staff from California's Credit Unions serve on the Regulatory Advocacy Committee and Legislative Advocacy Committee. This leadership gives League staff the opportunity to have a preview of national advocacy efforts and to influence strategy during critical times.
- **Safeguarding Credit Union Branches and Staff:** Credit unions asked how to safeguard their employees

and members in the event Immigration and Customs Enforcement (ICE) visits a branch. League staff provided straightforward guidance on how staff should respond, with an emphasis on following the law, keeping operations orderly, and ensuring the safety of everyone inside the branch. This information was shared through several webinars reaching hundreds of individuals. Two webinars were hosted – one with a focus on credit unions in Nevada, California and Utah; a separate webinar was hosted in conjunction with AACUL and attended by credit union advocates throughout the country.

- **National Defense Authorization Act:** California's Credit Unions led an effort with America's Credit Unions and AACUL to examine how to advance credit union priorities through the NDAA, a must-pass bill. As a result, amendments in support of CDFIs, expanding access to the CLF and raising the Currency Transaction Report (CTR) threshold were introduced.