

Dear [Member of Congress],

The Dakota Credit Union Association is the professional trade association serving 63 credit unions that employ nearly 2,400 individuals across the Dakotas. With more than 557,000 members in North and South Dakota, we (the CEOs of state and federally chartered credit unions across the Dakotas), express our concern regarding the tax reform debates in Congress, concerning recent proposals that may revoke our federal tax exemption.

Credit unions like ours are not-for-profit institutions, and this tax status allows us to return profits directly to our members through better loan rates, lower fees, and higher savings returns.

Here in the Dakotas, credit unions have a long-standing tradition of putting people before profits. More than 550,000 of our friends, neighbors, and local businesses rely on credit unions for fair and affordable financial services. The federal tax exemption allows credit unions to reinvest in their communities—offering lower loan rates, higher savings returns, and personalized service that big banks simply don't provide.

If Dakota credit unions lose their tax-exempt status, the economic impact would be severe—families could face higher fees and interest rates, small businesses may lose access to critical lending, and rural communities already struggling with limited financial options would be further underserved. These increased costs and reduced access to essential financial services would significantly diminish the economic advantages credit unions provide.

Military families will also take a direct hit. Nationwide, seventy-four military-focused credit unions, many serving bases in our region, provide financial services to over 35 million service members, veterans, and their families. Taxing these institutions is effectively a tax on those who have served our country.

The for-profit bank argument conveniently ignores their own taxpayer-funded advantages. They enjoy lucrative tax loopholes, abandon rural communities when profits shrink, and have repeatedly needed government bailouts when their risky decisions backfire. Meanwhile, not a single penny of taxpayer money has ever gone to bail out a credit union.

The financial benefits provided by credit unions are substantial, both nationally and within the Dakotas. In the United States, credit unions offer their members reduced fees, higher savings rates, lower loan interest rates, and dividends, all of which contribute to significant economic value.

In North and South Dakota, these benefits are particularly pronounced. Over a recent twelve-month period, Dakota credit unions delivered over \$75 million in direct financial benefits to their members. This translates to approximately \$159 per member or \$333 per

member household in South Dakota, and \$112 per member or \$236 per member household in North Dakota.

This is a fight that impacts every credit union member across North and South Dakota, and beyond. If Congress starts taxing credit unions based on asset size, it won't be long before all credit unions are in their crosshairs. The Dakota Credit Union Association, alongside America's Credit Unions, is standing firm against this attack, but we need the voices of our members, leaders, and communities to be heard.

During recent visits to your office in March, we thanked you for your commitment to understanding our unique structure and how we positively impact our communities. However, due to the current tax reform conversations and efforts in DC, we must express our vital concerns as our members are at risk. The current tax reform efforts supported by some in the banking sector could impose taxes on credit unions that would have a direct and detrimental impact on our members—effectively a tax on them, not just on us.

We thank you again for your support. We continue to ask for your diligence in continuous opposition to any legislative measures that may remove tax exemptions for credit unions. Such actions would not only harm the financial well-being of 557,000 members but also undermine the economic stability of our communities.

Thank you for your attention to this important matter.

Sincerely,

INSERT CEO SIGNATURES

A handwritten signature in black ink, appearing to read "Jeff Olson", written in a cursive style. The signature is positioned above a horizontal line.

Jeff Olson
Dakota Credit Union Association President/CEO