

**NOMINATIONS OF TODD M. HARPER, JUDITH
DELZOPPO PRYOR, AND OWEN EDWARD
HERRNSTADT**

HEARING
BEFORE THE
COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

ON

NOMINATIONS OF:

TODD M. HARPER, OF VIRGINIA, TO BE CHAIR OF THE NATIONAL CREDIT
UNION ADMINISTRATION

JUDITH DELZOPPO PRYOR, OF OHIO, TO BE FIRST VICE PRESIDENT OF THE
EXPORT-IMPORT BANK OF THE UNITED STATES

OWEN EDWARD HERRNSTADT, OF MARYLAND, TO BE A MEMBER OF THE BOARD
OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES

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C O N T E N T S

THURSDAY, SEPTEMBER 30, 2021

	Page
Opening statement of Chairman Brown	1
Prepared statement	31
Opening statements, comments, or prepared statements of:	
Senator Toomey	3
Prepared statement	32

NOMINEES

Todd M. Harper, of Virginia, to be Chair of the National Credit Union	
Administration	5
Prepared statement	33
Biographical sketch of nominee	35
Responses to written questions of:	
Chairman Brown	84
Senator Toomey	89
Judith DelZoppo Pryor, of Ohio, to be First Vice President of the Export-Import Bank of the United States	6
Prepared statement	61
Biographical sketch of nominee	62
Responses to written questions of:	
Chairman Brown	98
Senator Toomey	100
Senator Menendez	103
Senator Tillis	106
Senator Kennedy	108
Senator Cramer	110
Owen Edward Herrnstadt, of Maryland, to be a Member of the Board of Directors of the Export-Import Bank of the United States	8
Prepared statement	72
Biographical sketch of nominee	73
Responses to written questions of:	
Chairman Brown	114
Senator Toomey	114
Senator Menendez	118
Senator Kennedy	120
Senator Cramer	121

ADDITIONAL MATERIAL SUPPLIED FOR THE RECORD

Letter submitted by NAFCU	126
Letter submitted by CUNA	130

NOMINATIONS OF TODD M. HARPER, JUDITH DELZOPPO PRYOR, AND OWEN EDWARD HERRNSTADT

THURSDAY, SEPTEMBER 30, 2021

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The Committee met at 9:28 a.m., via Webex and in room 106, Dirksen Senate Office Building, Hon. Sherrod Brown, Chairman of the Committee, presiding.

OPENING STATEMENT OF CHAIRMAN SHERROD BROWN

Chairman BROWN. The Senate Committee on Banking, Housing, and Urban Affairs will come to order.

Today's hearing is hybrid. Our witnesses are in person. Members have the option to appear both in person or virtually. For those joining remotely, a few reminders: There will be a slight delay before you are displayed on the screen. When you start speaking, please click the mute button until it is your turn to speak. You should all have a box on your screen labeled "clock." For those of you joining virtually, you will have a bell ring at 30 seconds, then when your time is up. We will move on if there is a technology issue.

Our speaking order, as usual, will be by seniority of the Members who have checked in before the gavel came down, either in person or virtually, and then by seniority of Members arriving late, alternating between Democrats and Republicans.

The Committee meets today to consider the nominations of Todd Harper to be Chair of the National Credit Union Administration, Judith Pryor to be First Vice President of Export-Import, Owen Herrnstadt to be a member of the board of directors of the Export-Import Bank. We thank the nominees for appearing. We extend a warm welcome to their family and friends in attendance.

To the nominees, thank you for your willingness to serve in these important roles. For Ms. Pryor and Mr. Harper, thank you for your continuation of service.

If confirmed, the nominees before us today would play pivotal roles in ensuring the safety and soundness of our credit union system and supporting U.S. workers and manufacturers as they compete in a global marketplace.

As Chair of the NCUA, Mr. Harper, would lead an independent agency responsible for regulating and chartering Federal credit unions, ensuring the deposits of some 5,000 federally insured credit

unions, protecting the millions of credit union members. As First Vice President and member of the board of directors, Ms. Pryor and Mr. Herrnstadt would be two of five directors of EX-IM, play an important role in helping level the playing field by stepping in to offer export financing when the private sector is unwilling or unable to provide it. The nominees before us are well qualified for these roles. They possess the background, training, and experience to take on the many challenges that this country faces today.

Mr. Harper is President Biden's nominee for Chair. He was first confirmed by the Senate with a bipartisan vote to the three-member board in 2019, designated as Chairman this year. Prior to serving, he was the Director of the NCUA's Office of Public and Congressional Affairs and Chief Policy Advisor to 2 former chairs. As the first NCUA career staff member to serve on the board, he understands the role that credit unions play in local communities. He is the first openly gay leader of any Federal financial regulatory agency. Mr. Harper previously served as a staff in the U.S. House of Representatives, including Staff Director for the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises.

Congratulations, Mr. Harper, on being renominated and welcome back to the Committee.

In July, President Biden renominated Judith Pryor to the board of directors. She is proudly a native Ohioan, hailing from the eastern Cleveland suburb of Richmond Heights. She has more than 25 years of international business, finance, and public policy experience. The Banking and Housing Committee supported her nomination as a board member of EX-IM in 2018 and 2019. She worked with former Chair, Republican Kimberly Reed, and current board member, Spencer Bachus, to reopen EX-IM after a 4-year shutdown of all medium and large transactions, which abandoned workers and stalled the creation of more manufacturing jobs. Prior to joining EX-IM, Ms. Pryor served as Vice President for External Affairs at OPIC.

It is always good to see an Ohioan on the panel. Ms. Pryor knows how important EX-IM is to my State, so many States represented by Democrats and Republicans on this Committee. Congratulations and welcome.

The final nominee today is Owen Herrnstadt. For 30 years, Mr. Herrnstadt has served in various roles at the International Association of Machinists and Aerospace Workers, an organization representing hundreds of thousands of workers from across the country and a very important organization in my State. He currently serves as Chief of Staff to the International President and Director of Trade and Globalization. He assists in running one of the largest manufacturing and transportation unions in the country, spanning several industries, working with many leading export companies. At IAM, he has developed policy on international trade and human rights and international labor standards, all very important to me and to this Committee. He served on the EX-IM Advisory Committee.

Welcome, Mr. Herrnstadt. Thank you for your many years, especially on behalf of working people.

A confirmed board is important to continue the bipartisan work started under President Trump to rebuild the capability of the Bank. American workers and businesses need a fully functioning EX-IM. The pandemic slowed all economic activity, but China continued its massive deployment of export financing to assist their State-backed companies. 2020 EX-IM's medium and long-term export credit financing was one-tenth the amount offered by the Chinese Government to their exporters.

I worked with Chair Crapo, Chairwoman Waters, and Ranking Member McHenry on the 2019 reauthorization to ensure that EX-IM is focused on economic competitiveness with China and expanding small business support. Our nominees today will be charged with continuing implementation of that bipartisan reauthorization.

Ranking Member Toomey.

OPENING STATEMENT OF SENATOR PATRICK J. TOOMEY

Senator TOOMEY. Thank you, Mr. Chairman.

Mr. Harper, Ms. Pryor, Mr. Herrnstadt, welcome to the Committee.

Mr. Harper has served on the NCUA's bipartisan board since being confirmed in 2019 before he was named NCUA's Chair in January of '21. He appeared to have a reasonable approach to regulation and a good working relationship with his colleagues. However, since being named Chair, it seems that Mr. Harper has been prioritizing the Administration's global warming agenda in a way that raises some questions that I would like to explore.

Just last month, in a meeting on August 19, 2021, with the NCUA's newly formed Climate Financial Risks Working Group, Mr. Harper noted, "Credit unions feel that membership is often tied to a specific work site or an industry like an oil refinery or agriculture." And then a separate quote, "To remain resilient, such credit unions will need to consider adjusting their fields of membership, altering their loan portfolios, or protecting the collateral that backs their homes." I hope that these quotes are not intended to suggest that there should be an allocation of credit based on perceived climate risks, and I look forward to exploring that with Mr. Harper.

Turning to the EX-IM Bank, Ms. Pryor has been nominated to serve as the First Vice President, and Mr. Herrnstadt has been nominated to serve on the board of directors. I continue to remain deeply skeptical of the EX-IM Bank and its mission and its role in the global economy. Since joining the Senate, I have advocated for sensible reforms to EX-IM, but proponents of EX-IM continue to block these reforms. In my view, it was ill advised for Congress to reauthorize EX-IM in 2019 for an historic 7 years, without a major reform at all, to protect Federal taxpayers, and taxpayers ultimately bear the risk that is taken by EX-IM Bank.

And let us be clear. EX-IM wins business by either systemically underpricing the risk that private markets would otherwise absorb or taking on risk the private markets would not bear at any price. Since 2018, EX-IM's default rate has tripled to 1.5 percent, and it may soon breach the 2 percent statutory caps on defaults. Now Congress has laid out a clear, corrective measure in the event that the default rate cap is breached, and that is that EX-IM must tem-

porarily freeze lending that exceeds its current book of business until the default rate drops back below the 2 percent statutory cap.

Unfortunately, the Biden administration wants to avoid such reasonable taxpayer protections. Instead, the Biden administration is asking that Congress double the EX-IM Bank's default rate cap to 4 percent. So instead of fixing a default problem, the Biden administration wants to ignore the problem of rising defaults by changing the metrics and simply tolerating still more defaults. But as I say, these defaults can lead to taxpayer bailouts of EX-IM as has happened in the past.

As part of EX-IM's reauthorization in 2019, Congress created a new EX-IM China program to compete with the People's Republic of China and its massively subsidized export credits. Just as I feared then, the Administration is now proposing that we engage in a race to the bottom with the Chinese Government, of all people. Specifically, as the Chinese Government increases their giveaways to their exporters, the Administration is looking to match those giveaways at the expense of U.S. taxpayers. We should not be competing with China by adopting their worst practices. This is not the way to win a competition with the Chinese Communist Party.

I am concerned that propping up exports for this program will lead to further Government subsidies. A U.S. export economy dependent on Federal credit subsidies is not a recipe for long-term success. Rather, it leads to crony capitalism and the ossification of an economy.

And of course, there is already crony capitalism at play in EX-IM financing. Take, for example, one transaction that Ms. Pryor voted for in 2021. It is a deal guaranteeing an \$85 million loan from JPMorgan to Qantas Airline for the purpose of buying jet engines from General Electric.

So let us see. JPMorgan is the largest bank in America. Qantas is the largest airline in Australia. General Electric is one of the largest industrial companies in the world. Why do these companies need the American taxpayer to subsidize the deal? The obvious answer is they do not. These are some of the biggest, most sophisticated companies in the world with full access to the capital markets every single day of the week.

Now I recognize that my views are not the consensus views on this Committee. I would prefer that we did not have Federal taxpayers subsidizing these transactions at all. But still, I would hope that there is at least an agreement among our nominees that EX-IM should not be the lender of first resort and, as required per statute, EX-IM "should supplement and encourage, and not compete with, private capital."

I look forward to hearing Ms. Pryor and Mr. Herrnstadt on this aspect of EX-IM activity and their plans should they be confirmed.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Ranking Member Toomey.

Would the witnesses please stand and raise their right hands. Do you swear or affirm the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HARPER. I do.

Ms. PRYOR. I do.

Mr. HERRNSTADT. I do.

Chairman BROWN. And do you agree to appear and testify before any duly constituted committee of the U.S. Senate?

Mr. HARPER. I do.

Ms. PRYOR. I do.

Mr. HERRNSTADT. I do.

Chairman BROWN. Thank you. Please be seated.

If you would like to introduce family or friends as you begin your testimony, feel free to. Mr. Harper, you are now recognized for 5 minutes.

**STATEMENT OF TODD M. HARPER, OF VIRGINIA, NOMINATED
TO BE CHAIR OF THE NATIONAL CREDIT UNION ADMINIS-
TRATION**

Mr. HARPER. Chairman Brown, Ranking Member Toomey, and Members of the Committee, I am humbled to appear before you today and grateful to President Biden for nominating me to serve a full term on the NCUA board. I am also thankful to my longtime partner, Thomas Beers, for supporting my commitment to public service.

Since the late 1990s, I have worked as an advisor, manager, and executive on banking, insurance, and securities legislation and regulation. These jobs have given me broad knowledge of financial services policy and a deep understanding of the many issues facing our Nation's \$2 trillion credit union system. These experiences have also deepened my appreciation for the role that the system of cooperative credit plays in the lives of one in three Americans.

In speeches, I often talk about my parents, Dr. Ronald and Christine Small, and how they showed me the importance of forging consensus and bipartisan agreement. Today, I would like to share another story about them, one that led me to become an NCUA member and also to study business at Indiana University.

In 1974, we moved to a new neighborhood, and I started earning \$2 a week for completing chores. Two blocks away from our house was a candy store, a terrible temptation for a 7-year-old. Soon, to pay for my purchases, I was spending my entire allowance and even dipping into my other assets, a coin collection of silver quarters, nickels, and dimes. So when the holidays arrived, I had no money for gifts. I was in a tough spot. Fortunately, I obtained an interest-free loan from a local cooperative, the "Bank of Mom and Dad," and learned important lessons about budgeting and saving that changed my habits. Soon, I was teaching my older brother about compound interest and calling banks to determine which paid the highest interest on deposits.

Looking back, I realize how lucky I was to learn about budgeting and saving at an early age. Many Americans do not learn these lessons in either the home or the classroom. While at the NCUA, I have worked to close that gap in financial education. The Agency also works to expand access to safe, fair and affordable financial services, especially for households of modest means. This commitment to serving the underserved inspires me.

Likewise, my experience in working through several financial crises has informed my regulatory philosophy. Independent regulators like the NCUA need to be fair and forward-looking, innovative and inclusive, risk-focused and ready to act when needed, and engaged

appropriately with all stakeholders to develop effective regulation and efficient supervision.

This thinking has guided my response to the pandemic's fallout. Accordingly, my colleagues and I have worked to adopt temporary liquidity reforms and implement targeted capital standards to address a dramatic rise in insured shares. Alongside other regulators, we have also encouraged lenders, the pandemic's financial first responders, to work with borrowers experiencing difficulties. And I have advanced economic equity by emphasizing fair lending oversight and supporting grant initiatives to expand fair access to financial services.

If confirmed, I would continue focusing on credit union members, the system's resilience and strength, and the NCUA's readiness to address expected increases in credit defaults as pandemic relief programs end. Consistent with the law, I would also continue prioritizing capital and liquidity, cybersecurity, consumer financial protection, and diversity, equity, and inclusion.

In closing, our Nation stands at a critical crossroad. We should pursue a path that will strengthen the system of cooperative credit, increase access to affordable credit in underserved communities, and create greater economic stability for families. My experience, knowledge, and dedication have well prepared me to navigate this road.

If I am fortunate enough to be confirmed for a full term on the NCUA board, it would be an honor to continue working with the talented and dedicated staff at the Agency to protect consumers and maintain safety and soundness of credit unions. Thank you for considering my nomination. I look forward to your questions.

Chairman BROWN. Thank you, Mr. Harper.

Ms. Pryor. Welcome to the Committee, Ms. Pryor.

STATEMENT OF JUDITH DELZOPPO PRYOR, OF OHIO, NOMINATED TO BE FIRST VICE PRESIDENT OF THE EXPORT-IMPORT BANK OF THE UNITED STATES

Ms. PRYOR. Thank you, Mr. Chairman, Ranking Member Toomey, Members of the Committee. I am honored to appear before you today as the nominee for First Vice President of the Export-Import Bank of the United States. I am deeply grateful to President Biden for nominating me, and I welcome the opportunity to continue to serve my country.

I would like to acknowledge my husband, David Pryor, Jr., and the virtual presence of family and friends around the country. I would not be here today without their steadfast support and encouragement. My son, Hampton, cannot be here today, but I feel his presence and acknowledge his perseverance, which inspires me daily.

If confirmed, I pledge to carry out EX-IM's mission with honor and integrity and to be a responsible steward of taxpayer dollars. I thank you, Chairman Brown, and the Members of the Committee and staff who have supported me, encouraged me, and placed their trust in me. I have met many of you since I was first nominated in 2017, and I have learned of your priorities related to EX-IM and how we can work together to help American exports succeed glob-

ally. Should I be confirmed, I look forward to continuing to work with each of you to support American jobs through exports.

I spent 25 years in leadership roles in the business community, including 17 in the satellite communications industry. This was followed by 6 years at OPIC and 2 years on EX-IM's board. I would bring a unique combination of leadership experience to the role of First Vice President, and my international business experience provides helpful context for the challenges U.S. exporters face when navigating new overseas markets.

There are more than 110 export credit agencies globally. Today's American exports compete on quality, service, and in many cases, against Government-backed financing. A fully functional EX-IM with Senate-confirmed leadership can better support U.S. jobs by facilitating exports as EX-IM fills the gap in private sector financing. When the transaction is too small for a private sector institution to take on or the company wants to sell to a riskier market or they have liquidity issues due to financial events such as the ongoing global pandemic, EX-IM can help. Many of my meetings as a board member introduced me to workers and entrepreneurs who have sold their products overseas with EX-IM's support, from makers of specialized bottling equipment and custom weaving looms to satellite launch service providers.

Ninety-five percent of consumers live outside of the United States, presenting tremendous opportunity for American workers. Foreign buyers have a choice. Let us make sure American goods and services are top of mind. The U.S. makes and creates high quality, exceptional products, and American industry is more likely to adhere to high environmental and social standards, which become a certainty with EX-IM. As a tool in the U.S. Government toolbox, EX-IM helps these export-ready companies reduce risk, access capital, and sell with globally competitive payment terms.

I am grateful to this body for confirming me in 2019 to serve on EX-IM's board. I am exceptionally proud of the work we did to reinvigorate EX-IM and to support thousands of American jobs after a nearly 4-year absence of a board. And I am proud of our efforts to modernize policies and provide tools to support U.S. jobs when the COVID-19 pandemic shut down the global economy.

Should I be confirmed, I would look forward to building on those accomplishments and returning to work with a team of highly qualified, passionate professionals, including Congressman Bachus, who remains on the board. I would also hope to continue my outreach efforts with a focus on clean energy and exports to Sub-Saharan Africa. These areas provide enormous opportunity for overseas growth, and EX-IM can play an important role in leveling the playing field.

Distinguished Members of the Committee, thank you again for the opportunity to appear before you today as I respectfully ask for your support to serve as First Vice President of EX-IM. I believe my experience and background demonstrate my commitment to EX-IM's mission and to modernizing the Agency so it can be effective for years to come. If confirmed, I look forward to working with you, the business community in your States, insurance brokers, and lenders across the country to accomplish EX-IM's mission of

supporting and sustaining American jobs through exports. Thank you.

Chairman BROWN. Thank you, Ms. Pryor.

Mr. Herrnstadt is recognized for 5 minutes.

**STATEMENT OF OWEN EDWARD HERRNSTADT, OF MARYLAND,
NOMINATED TO BE A MEMBER OF THE BOARD OF DIREC-
TORS OF THE EXPORT-IMPORT BANK OF THE UNITED
STATES**

Mr. HERRNSTADT. Chairman Brown, Ranking Member Toomey, and distinguished Members of the Committee, I am honored to appear before you today as a nominee to serve on the Export-Import Bank of the United States board of directors. I want to begin by thanking President Biden for his confidence in nominating me to this important position. I would also like to thank the Committee for scheduling this hearing and considering my nomination.

Before I share more about my experience for the position, I would also like to recognize and thank my family who have joined me today: my wife, Stacey Grundman; my son, Eli; and my daughter, Dana, who is watching from her home.

I am truly honored to be nominated for the board of directors of the Export-Import Bank. If confirmed, I believe that I could provide a critical voice in fulfilling EX-IM's mission of creating and supporting U.S. jobs by providing support to exporters of all sizes across our Nation's industrial and service sectors.

I currently serve as the Chief of Staff for the International Association of Machinists, starting out in the IAM's Legal Department in 1987. I also have served on the Advisory Committee to EX-IM, the U.S. State Department's

Advisory Committee on International Economics, and was a member of the board of directors of the Baltimore branch of the Federal Reserve Bank of Richmond. I am a member of the Council on Foreign Relations and served as Co-Chair of the American Bar Association's International Employment and Labor Law Committee. I have also taught as an adjunct professor of law at American University and Georgetown University, teaching employment law and international labor law.

All of these experiences have contributed to my understanding of the critical role that EX-IM serves in assisting the United States and its exporting industries to meet the challenges of growing global competition, especially from countries like China. I am also well aware of EX-IM's critical role in supporting the creation of jobs here at home as well as bringing vital manufacturing supply chains back to the United States. I understand the critical importance of a diversified EX-IM portfolio that expands support for businesses and industrial sectors of all sizes, including businesses that may not now be familiar with its programs. I am deeply committed to assisting EX-IM become more transparent, strengthening its efforts to minimize risk to American taxpayers, and working with Members of this Committee to better fulfill its mission.

Over the years, I have had the opportunity to learn about and be involved in strategic analysis and policymaking matters related to different aspects of the global economy that have emerged during my professional career. I have witnessed the importance of the

global economy to the lives of workers, their families, and communities throughout this country. I have seen them prosper when global competition is fair and seen lives and communities ruined when global competition is unfair. EX-IM provides key tools that can be used to level the global playing field for U.S. businesses and workers as they meet challenges of international competition.

In my many roles, I have voiced issues relevant to American workers in many contexts. I have always sought to do so in a professional and pragmatic manner that allows consensus building and progress on key matters. I have repeatedly shown that I am committed to the task at hand and can get the job done by listening, learning, and working with everyone. I believe I have the expertise, keen perspective, and insights to support and contribute to the critical mission of EX-IM as a member of its board of directors.

Thank you again for the opportunity and honor to appear before you today. I look forward to your questions.

Chairman BROWN. Thank you, Mr. Herrnstadt.

I will start the questioning with Mr. Harper. Please be as brief as you can because I have 5 minutes and I want to ask a question of each of you.

Mr. Harper, one thing we have tried to do in this Committee is make sure that the economy and financial system work for everyone. Credit unions play, as we discussed yesterday, a critical part. Now what are some of the ways we can strengthen consumer protection and make sure credit union members can have access to affordable financial products and services?

Mr. HARPER. Certainly. First of all, we are the only Federal financial institutions regulator that does not conduct and assign a separate consumer compliance rating for credit unions. I believe that for credit unions that are large, a billion dollars-plus, have become very sophisticated—we have 392 of them at this point in time, with 86 million members—we should be going in and looking at their consumer compliance systems, how they are performing, to help them. It is really a tune-up and an oil change and a safety check so that if they find problems they can fix them before they become bigger. That is the biggest way.

The second is to stay focused on fair lending. We have been increasing our fair lending program at the Agency in recent years, and we are doing targeted reviews at any risk-focused exam this year on fair lending. And we need to continue to expand that to make sure that there is fair and equal access to credit out there. Thank you.

Chairman BROWN. Thank you very much, Mr. Harper.

Ms. Pryor, thank you, as a board member, and Mr. Bachus and Chair Reed, for the work that you all did to reopen EX-IM. If you are confirmed as First Vice President, what have you learned from the EX-IM reopening and from the pandemic that will inform your future work at the Bank?

Ms. PRYOR. Senator Brown, it was a pleasure serving with Chairman Reed and Spencer Bachus as we reopened EX-IM after a 4-year absence for long-term financing. There is an incredibly passionate, dedicated staff at EX-IM, and we helped with outreach efforts—business development efforts, if you will—as we worked to remind everyone that EX-IM was again open for business.

We also took a look at a number of policies with an eye to modernizing those, some of which were from EX-IM's reauthorization, including the appointments of a chief ethics officer and a chief risk officer. And we also reviewed a number of policies that are designed to not only help exporters but to ensure that we are protecting U.S. taxpayer resources. Those include economic impact and crowding in the private sector, or what we call our additionality policy.

Last, related to COVID-19, we acted quickly as a board to provide temporary liquidity relief measures, to put those in place for supply chains and workers around the country, in response to the pandemic.

If I am confirmed, I would continue to carry out these activities moving forward, first and foremost, supporting the Bank's mission of supporting U.S. jobs through exports.

Chairman BROWN. Thank you, Ms. Pryor.

Mr. Herrnstadt, the 2019 reauthorization authorized the programs on China and transformational exports to help American workers and exporters compete fairly with China in emerging industries like renewable energy. You have had a long history of advocating for workers in a really important way, putting workers at the center of your career. What lessons concerning China's industrial policy and strategic goals will guide your work as a member of the EX-IM Bank?

Mr. HERRNSTADT. Thank you, Senator. I have sounded the alarm for many years over the growing threat of China to our Nation's economy, our Nation's businesses, and our Nation's workers. I have seen firsthand how it is for U.S. businesses and U.S. workers to compete with a country like China that does not play by the rules, that relies on subsidies, massive funding of its own export credit agencies, if I understand it correctly, to the tune of \$18 billion, its lack of transparency, and its unwillingness to abide by international social and environmental standards, let alone labor and human rights.

I have spent much of my career supporting American exports and American jobs and the high environmental and labor standards we have. I know that when competing head-on American workers and American businesses can win. That is why I also welcome the bipartisan transformational program that Congress passed when reauthorizing the Bank. Thank you.

Chairman BROWN. Thank you, Mr. Herrnstadt.

Senator Toomey is recognized.

Senator TOOMEY. Thank you, Mr. Chairman.

Mr. Harper, as I noted in my opening statement, I am concerned about financial regulators attempting to impose a climate change agenda even though financial regulators are not actually environmental regulators and tend not to have expertise in this area. You have had a lot to say about the risks of climate change and extreme weather. You have talked about rising sea levels and extreme weather events. You said recently, "The NCUA should now focus on the financial risks related to climate change."

In the many decades that credit unions have flourished in this country, all across this big continental Nation of ours, as you know,

we have extreme weather events every year. They have always happened. They continue to happen.

I am aware of a grand total of one credit union that failed as a result of an extreme weather event, and that was related to hurricane Katrina, which of course, nobody knows whether or to what extent that had anything to do with climate change, but it was certainly a severe hurricane. That particular failure cost the insurance fund, Credit Union Insurance Fund, \$500,000. Are you aware of any other credit union failures as a result of extreme weather?

Mr. HARPER. I had staff look into this issue. There is a second credit union that also failed after Katrina, and there were a large number that were merged because of declining membership bases as their population——

Senator TOOMEY. Do you know how much the second one cost the insurance fund?

Mr. HARPER. I do not know off the top of my head. We will get back to you.

Senator TOOMEY. OK. So for a sense of scale here, the \$500,000 loss that we know of for the credit union that failed as a result of a storm that may or may not have had anything to do with climate change, that compares to losses to the insurance fund that are unrelated to climate. Do you happen to have any idea how much the insurance fund lost or had payouts it had to make post-2007?

Mr. HARPER. So there was a recent GAO study that said we had lost \$1.5 billion on the Share Insurance Fund over I believe it was the last 15 years, but I would need to double-check that.

Senator TOOMEY. Yes. So the figure I have is \$2 billion, but maybe we are looking at slightly different periods of time or something like that.

I just want to point out that the \$2 billion in losses, the GAO report did not suggest that any of that had anything to do with extreme weather or rising sea levels. Instead, they cited deficiencies in NCUA's oversight and weaknesses at the credit unions themselves in their risk management that had nothing to do with climate. Of course, \$2 billion is 4,000 times \$500,000.

My point in this is that the real risks to the insurance fund, to the credit unions themselves are the more mundane, ordinary management of their lines of business, and I hope that in your role that that is what your focus will be on.

Mr. HARPER. So we as an agency, we should be looking at all material risks. I know that I was talking with a number of our examiners in the wake of hurricane Ida and how much time they had spent working on disaster recovery plans with the credit unions, urging them to step up. That is part of the all material risks that we should be looking at overall.

Senator TOOMEY. I just hope you appreciate the scale of this.

Let me move on because I have got limited time here. Ms. Pryor, I mentioned during my opening comments that the largest and, arguably, most successful bank in America got an EX-IM guarantee to provide financing for the largest airline in Australia and one of the most successful in the world so that they could buy engines one of the largest industrial companies in the world. Do these companies have access to private capital?

Ms. PRYOR. Senator, we look at each of the transactions that come before the board, weigh them against our statutory requirements and EX-IM policies.

Senator TOOMEY. I know. I understand. But it is a simple question, though.

Ms. PRYOR. Yeah.

Senator TOOMEY. Does Qantas Airline, does JPMorgan, and General Electric, do they have access to private capital?

Ms. PRYOR. One of the policies that we implement on the board is what we call, as I mentioned in my opening remarks, additionality or crowding in the private sector, to make sure that if private sector financing is available that is the first—

Senator TOOMEY. I will try a third time. Do these three firms have access to private capital?

Ms. PRYOR. Senator—

Senator TOOMEY. It is not a hard question. I think we both know the answer.

Ms. PRYOR. Yes, you are right; it is not.

Senator TOOMEY. OK.

Ms. PRYOR. And I cannot speak to them. I know that these came before us, that we followed OECD pricing guidelines, that we review all of our internal policies, including those related to whether or not the private sector can fund the transaction.

Senator TOOMEY. I am sure you followed internal policies. I just wish you could be direct about this. We all know that the largest and most successful firms in the world, in the history of the world, have access to private capital. They can borrow money to buy airplanes. I am sorry, to buy airplanes and to buy components for airplanes.

The only reason they would turn to EX-IM instead of doing it the way most transactions are done is if they got more favorable terms, which makes my point. The taxpayers are subsidizing these giveaways to these big, very, very successful companies and clearly displacing private capital. This is a transaction that illustrates that.

Chairman BROWN. Senator Tester is recognized from his office, remote.

Senator TESTER. Thank you, Mr. Chairman, Ranking Member Toomey.

Look, I would be hard to disagree with Ranking Member as the taxpayers are subsidizing some of the big businesses so they can be competitive because, quite frankly, other countries are subsidizing their biggest businesses in order to be competitive. That is why we need the EX-IM Bank.

And I will also point out that the taxpayer also subsidizes climate change, and that is why we do not have the bank failures we have or credit union failures. We have got forest fires. We have got drought. We have got floods. I had the worst year I have ever had on the farm, not by a little bit, by a lot. We have got hurricanes. I am going to stay in business because of the Federal Government, on my farm. And my neighbors are going to stay in business because of the Federal Government. And you can say that same thing about the hurricanes. And by the way, if they would not have stayed in business, those banks would be in a world of hurt and they would go broke, too.

So I think you are right on both counts. You know, the taxpayer subsidizes climate change, and it subsidizes some of the biggest businesses. For good reason on both, I might add.

I have a question for Pryor and Herrnstadt. Sorry for using your last names. For Judith and Owen. And it goes to what many of us are passionate about, and that is small businesses and how can EX-IM help small businesses export their goods and services. So what steps do each of you—and we will start with Judith—do you think the Bank can take to increase its presence and outreach in rural States to help more small manufacturers export?

Ms. PRYOR. Thank you, Senator. It is nice to see you again. Small businesses are very important to EX-IM, and if I am to be confirmed, I will make sure that this remains a top priority. EX-IM helps reduce the risk of exporting. In fact, 90 percent of EX-IM's transactions are with small businesses. We acted quickly during COVID to ensure that we could ease paperwork deadlines and waived fees so that we could keep workers working and keep small businesses afloat. We have expanded our digital outreach capabilities. Everything had to go online, as you know: webinars, online events. We really leaned in to help the staff with their outreach efforts here.

This is a top priority, and if I am confirmed, it would remain a top priority. And I would very much welcome the opportunity to work with you and other Members of the Committee in your States to help us continue to grow this educational effort so that we can help more small businesses succeed in the international marketplace.

Senator TESTER. Owen, would you like to respond to that, too?

Mr. HERRNSTADT. Yes. Thank you, Senator. Small business means jobs for American workers, and it means support for American communities. And if confirmed, expanding the Agency's engagement with small businesses that are ready to export is a priority. Should I be confirmed, I look forward to working with your office and stakeholders in your States to helping more small businesses become aware and learn about the valuable and critical tools the Bank has to offer them.

Senator TESTER. Another question for both Pryor and Herrnstadt. Look, our largest manufacturing competitors, including China, operate large-scale export credit agencies, unfortunately, true. And the fact is according to the 2020 Competitiveness Report there are 115 export credit providers around the world.

Look, I want business to be done in America. I want manufacturing to be done in America. Can you guys share your views on the importance of the EX-IM Bank when it comes to not only competing with China but keeping manufacturing in this country?

Ms. PRYOR. Senator, you are absolutely right. China poses a real threat to the United States, and to its \$18 billion-supported, the U.S. was a mere \$1.8 billion in 2020 numbers. We recognize that China poses a unique challenge for the U.S.

There are two elements in the 2019 reauthorization, one that helps—involves the State Department so that we can rely on them to assure we are looking at the transaction thoroughly if there is Chinese involvement in the deal. The other is the China and Transformational Exports Program, and this is designed to help

the U.S. compete. It allows us to offer competitive rates and terms in 10 key sectors, everything from water desalination to renewable energy to quantum computing.

One example of how we have been able to level the playing field is Weldy-Lamont. This is a small business in Illinois. It will build out a distribution network in Senegal, 400 rural communities, including microgrids. It is a true success story of how when all of Government works together we can accomplish things for American exporters.

I would just say that foreign buyers have choices and we need to make sure that we are on top of that list. We provide quality products, transparency, value, and we follow high environmental and social standards.

Senator TESTER. Thank you. I would just like to have you write that answer for the record because I do not want to hold Tillis up. All right? Thanks.

Chairman BROWN. The Senator from North Carolina is recognized from his office, remote.

Senator TILLIS. Thank you, Mr. Chairman, and thank you, Senator Tester.

Ms. Pryor, the U.S. Department of Commerce estimates that the international nuclear reactor export market is valued at between 500 and 750 billion dollars. I read another report that estimates export revenues in total could range between \$1.3 trillion and \$1.9 trillion between now and 2050. Of course, the EX-IM Bank can play a key role in enabling U.S. energy and technology companies to access and lead these markets through the 21st century. What can you do specifically to ensure that EX-IM is fostering U.S. access to this potentially \$1.9 trillion market?

Ms. PRYOR. Senator, each transaction that comes before EX-IM is reviewed individually. We are demand-driven. We will follow the statutory requirements as well as policies to ensure that we are managing risks and mitigating risks that might be supported with a particular project. It is very clear in our charter; on one hand, we cannot discriminate by sector. So as I mentioned earlier, we will look at each transaction individually based on the merits of that transaction and proceed from there.

Senator TILLIS. Thank you, Ms. Pryor.

Mr. Harper, I think you are probably aware of the proposal being advanced by my colleagues on the other side of the aisle to make financial institutions report nearly all transactions made in personal checking accounts. There is a one proposal for any transaction over \$600. There is another proposal—I am trying to figure out exactly what the details are—that would be a gross of \$10,000 in deposits on an annual basis. I think both the proposals are bad in my view. But, can you confirm for me that credit unions would be included under this, what I consider to be, an overreach of policy?

Mr. HARPER. So I have not looked at the details of legislation, but the reports I have seen is that credit unions are included along with banks.

Senator TILLIS. Do you believe that—I think the big banks, with their underlying information systems and compliance, are probably going to be able to absorb the regulatory burden, the incremental

cost for reporting relatively easy. But, would you also agree that between credit unions and small banks that there is going to be a disproportionate impact in terms of these banking operations besides the individuals being reported on?

Mr. HARPER. So I will agree that there will be administrative costs to the proposal, but I can't comment as to whether it would be disproportional or not because I do not know what the proposal is in its entirety.

Senator TILLIS. I think that what the American people need to wake up to is that this is a massive overreach into the privacy of people who are using banking institutions to deposit. The \$10,000 threshold would pretty much capture as large a swath over a period of time. I mean, somebody making minimum wage or just above minimum wage would likely be triggered either in the \$10,000—certainly be triggered in the \$600 transaction amount, but most likely in the \$10,000 transaction amount. I think it is an overreach, and I hope it is something that does not get passed to the President's desk.

Mr. Chairman, I am going to yield back the rest of my time.

And I look forward to both of you. Congratulations on your nominations. I intend to support both of you.

Thank you, Mr. Chair.

Chairman BROWN. Thank you, Senator Tillis.

Simply because I cannot see who is in their office and maybe about to click on their camera, I will call on Senator Warren, remote, if she is available or Senator Van Hollen, remote from his office, if he is available. I know they will be back but whether they are ready now.

[No audible response.]

Chairman BROWN. Senator Cortez Masto, from her office.

[No audible response.]

Chairman BROWN. Senator Warnock, from his office.

[No audible response.]

Chairman BROWN. Senator Menendez, from his office.

[No audible response.]

Chairman BROWN. Senator Kennedy, from Louisiana is recognized, in person.

Senator KENNEDY. Thank you, Mr. Chairman.

Congratulations to you all.

Ms. Pryor, I wanted to ask you a couple of questions. I looked at your resume. You certainly have an impressive amount of experience, particularly with the Export-Import Bank. In the past, EX-IM—and I am not saying this is your fault, but EX-IM has confected a lot of transactions with companies that owe huge amounts of money through final judgments in back taxes. How come?

Ms. PRYOR. Senator, I am not sure that I can help here. I am not sure to whom you are referring. What I can tell you is that each of the transactions that come to the board for long-term financing we review very thoroughly and do tremendous background checks and review them against statutory requirements, reauthorization language, internal policies, including things like economic impact, ultimately, to ensure a reasonable assurance of repayment.

Senator KENNEDY. Yes, ma'am. Well, I think that it is not—I guess it is not altogether EX-IM's fault because I think EX-IM has a rule, correct me if I am wrong, that companies are supposed to self-certify that they are current in their taxes. And unfortunately, in our world sometimes people lie. If you return to EX-IM, would you agree to access the data bases that we have to review applications to make sure that the companies are current in their taxes? And I am not talking about someone with a tax dispute with the IRS. I am talking about somebody who is subject to a final judgment in favor of the IRS, that they just did not pay their taxes.

Ms. PRYOR. Senator, I will confirm that I would continue to ensure that the staff, to the best of their ability, gather the necessary information——

Senator KENNEDY. Right.

Ms. PRYOR. ——to review these transactions. I am not sure whether this is one of the items that is considered, but I have made a note to look at that.

Senator KENNEDY. Sure.

Ms. PRYOR. And if I am confirmed, I am happy to work with your office to do——

Senator KENNEDY. Right. Yes, let us work together because there is plenty of data bases out there. All you have got to do is run the name through and you get a clean tax record or they say, whoa, there is a problem here.

Ms. PRYOR. Right.

Senator KENNEDY. Let me ask you one other question based on your experience at EX-IM. What would you say to the allegation that I have heard that EX-IM helps too many companies that do not really need it, that they could access capital on their own and that that uses a scarce resource inefficiently and takes away money from companies that really do need your help?

Ms. PRYOR. Senator, what I would say is every time we look at a transaction we follow what is included in our charter, and one of those elements says that we must ensure a competitive playing field for American exports. So—and along with that, our mission, of course, to support U.S. jobs through exports. So what I would say is that when EX-IM is able to level the playing field for American exporters they can win. We produce quality products. We are transparent. We hold our projects to high environmental and social standards, especially when EX-IM is involved, and ultimately support our mission of growing and supporting U.S. jobs through exports.

Senator KENNEDY. Last question. In light of the escalation of America's tensions with China—and by "China," I do not mean the people of China; I mean the Communist Party of China—do you think EX-IM Bank's role has changed at all or should change?

Ms. PRYOR. Well, in our 2019 reauthorization, Congress has asked us to address China through a program that we fondly call CTEP—because we would not be an agency if we did not have an acronym—but the China and Transformational Exports Program, and that is designed to help the U.S. be more competitive in 10 key sectors. Now we were just starting the work on this before I left the Agency in July.

Senator KENNEDY. Yes, ma'am.

Ms. PRYOR. There is a lot to do. It is a new program. It is going to require a lot of attention. And if I am confirmed, I will commit to you that I will continue to make sure that the staff pushes forward with this. I recognize that China poses a unique challenge for the United States, but it is something that we have to keep top of mind when we are helping U.S. exporters and supporting jobs.

Senator KENNEDY. OK. Thanks very much.

Ms. PRYOR. OK.

Senator KENNEDY. Congratulations to all of you.

Ms. PRYOR. Thank you so much.

Chairman BROWN. Thank you, Senator Kennedy.

Senator Cortez Masto, from her office, is recognized.

Senator CORTEZ MASTO. Thank you, Mr. Chairman, and congratulations to all of the nominees. Appreciate you being here this morning as well.

Chairman Harper, let me start with you. Discussion around cybersecurity. In your August written testimony, you noted that NCUA's efforts to address cyber threats. I guess my question to you is: How does NCUA's Community Development Revolving Loan Fund grant initiative support cybersecurity investments, and can you talk a little bit about how the NCUA is working to address cybersecurity threats?

Mr. HARPER. Certainly, Senator. The Community Development Revolving Loan Fund is a fund that is appropriated by Congress each year. We assume the administrative cost. So every dollar that goes into the fund, that is appropriated, we put out. This year we brought back our cybersecurity grants. We gave out approximately \$500,000 worth of them. The maximum was \$7,000. These went to smaller, low-income credit unions, typically less than \$100 million size in assets, so that they could take and get the programs and the support that they need to support them on cybersecurity overall.

Taking a bigger step back on cybersecurity, certainly our goal is to try and stop all material risks, both within the Agency and within the system. We have been increasing our sophistication in examination systems. We currently have a program that is in pilot called InTReX-CU, and we hope to roll that later next year so that we can improve our cybersecurity oversight. Thank you, Senator.

Senator CORTEZ MASTO. That is wonderful to hear. Thank you.

Another question I have: I was supportive of the Anti-Money Laundering and Corporate Transparency Act of 2020. How is the NCUA implementing the significant changes occurring under the Act, and are there any concerns that we need to be aware about in Congress with respect to implementation of the Act?

Mr. HARPER. I very much appreciate the question. First, staff at all of the agencies are meeting on a weekly basis to develop the draft materials as well as to refine the plans for implementing the law. In addition, the principals at the agencies meet on a monthly basis. I met with my counterparts just earlier this week on Monday, working through those issues. At this point in time, I am not aware of any concerns about implementing the law except that it does take us some time, and we are working as quickly as possible.

Senator CORTEZ MASTO. I appreciate that. And so as you work to implement it please work with my office if there are any con-

cerns in the implementation or anything that we would need to be aware of. I would appreciate knowing that so we can correct it if need be.

Ms. Pryor, let us talk about supply chain constraints. I know that EX-IM plays an important role in financing U.S. exports. In July of 2020, EX-IM's board utilized the temporarily expanded Supply Chain Finance Guarantee program and Working Capital Guarantee program to help ensure that a liquidity crisis did not become an insolvency crisis. A year later, what are some of the consistent COVID-19-related problems, specifically the supply chain problems, still being felt, and what can Congress do to help alleviate those pains for U.S.-based exporters?

Ms. PRYOR. Thank you, Senator. Yes, you are right. We implemented those during my time when I was still on the board. Within a month after COVID-19 began shutting down the global economy, we implemented liquidity relief measures designed to help small businesses and workers with liquidity issues. One example of a supply chain guarantee that you referred to is 60 suppliers that were small businesses and fed into a U.S.-based steel exporter just needed liquidity relief. So we were able to provide them help so that they could keep their employees working.

And the same thing with working cap. For Embraer, in Melbourne, Florida, we were able to support through that transaction 800 jobs, and they actually hired 70 new workers. Their payment terms provided that they would be fully paid once their business jets were delivered to the buyers. But with the global economy shutdown, nobody could go get those planes.

So continuing to help small businesses by limiting or easing restrictions, requirements, deadlines for their paperwork is another way.

Senator, I am not at the Bank right now, but I very much would look forward to working with you, if I am confirmed, to discuss ways moving forward that we can continue to help small businesses and workers and other businesses around the country remain solvent and liquid, and I look forward to that opportunity if I am confirmed.

Senator CORTEZ MASTO. Thank you. I will take you up on that.

Mr. Chairman, I know my time is expired. I will submit the rest of my questions for the record.

Congratulations again to all the nominees.

Chairman BROWN. Thank you, Senator Cortez Masto.

Senator Cramer from North Dakota is recognized.

Senator CRAMER. Thank you, Mr. Chairman. Thank you, Senator Toomey.

Thanks to all of you and congratulations to each of you.

I am going to jump right to you have been talking about China and the authorization, a real responsibility we gave to the Export-Import Bank in the reauthorization to focus on competitiveness, particularly to mitigate some of the challenges of doing work in China. We have also had, I understand, a pretty robust discussion about climate. And so I am going to try to combine the two and talk specifically at the Export-Import Bank about the opportunity, I think, the China challenge presents and a recognition that trans-

ferring U.S. climate guilt through policies that embolden our competitors, who have no climate conscience, makes no sense.

So given the fact that the United States is the leader in reducing greenhouse gas emissions and China is like the world's worst polluter and accelerating greenhouse gas emissions, is there opportunity within the energy sector, the entire energy sector, to help both develop and then market technologies such as carbon capture, utilization, and storage, other clean coal technologies, nuclear most certainly, other clean energies, hydrogen, a lot of emerging opportunities?

So I would like to hear each of you from the Export-Import Bank. Just maybe help me envision a little bit the opportunity to solve all kinds of problems at the Export-Import Bank.

Ms. PRYOR. Thank you, Senator. A couple of thoughts on that. First, you know, we are demand-driven. So any energy project that comes before the board is weighed on the merits of that particular transaction. EX-IM's mission is to support U.S. jobs through exports. Those companies need to be export ready. So I would think that this was a great opportunity for a whole-of-Government approach, for other U.S.G. agencies to help along those early stage businesses or technologies that will help transition us to less carbon-intensive projects, including carbon capture and sequestration or fusion, hydrogen, et cetera.

Mr. HERRNSTADT. Thank you, Senator. I think it presents a great opportunity for U.S. workers and U.S. businesses and the Bank's mission to support exporters that support jobs. I must confess I am not at the Bank now, and if confirmed, I am looking very forward to discussing this matter with you and getting your ideas and, of course, discussing the matter with EX-IM's staff, other members of the board and stakeholders, to find out their ideas, how we can move forward.

Senator CRAMER. Thanks to both of you. You will be invited. I helped lead the charge to reauthorize the Bank a couple years ago with Senator Sinema, and the China obligations, it is a challenge for sure. It is an important one but so are these other things.

And I just think I loved your answer, by the way, about a whole-of-Government approach because that is one of the challenges I see in our Government are all these silos that do not necessarily work together, and we talk at each other instead of with each other. And I really do think there are solutions out there that bridge all of this.

With that said, I want to just quickly switch to you, Mr. Harper, to talk a little bit about I have a number of credit unions that are very concerned about concentration rules and particularly in the ag sector. In fact, it is so interesting that we have this discussion today. Just yesterday, I was talking about the fact that the crop insurance program RMA over USDA does not differentiate in its risk management between confectionary sunflowers and seed sunflowers in assessing the risk but uses enterprise units. I just think we need to do a lot more.

So for many of our credit unions in rural America, the lack of sort of differentiating crop types and, rather, using concentration rules just to sort of lump them all together is not an appropriate assessment of risk in my view. I just would love to talk to you more

about it when we have more time but maybe get some initial thoughts about what we should be doing.

Mr. HARPER. No, no, certainly. And I had a chance to talk to your staff before we began today. Certainly, one of the complaints I do hear out of credit unions is in ag lending it is our examiners, they do not know the particular crop; they do not know how this type of farm works. And so that is—certainly, I would commit to you, if confirmed, to working with you to make sure that we get more specialized training for our examiners and help in our exams of credit unions in that way.

Senator CRAMER. Thanks to all of you.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you.

Senator Warren from Massachusetts is recognized.

Senator WARREN. Thank you, Mr. Chairman, and congratulations to all of you on your nominations.

I want to talk about credit unions. Credit unions play a critical role in our economy. They provide Americans; they provide borrowers; they provide consumers, with high quality, no-nonsense financial services that they need. They are unique among financial institutions. Credit unions strive to put their customers ahead of profits. And that is, after all, the credit union motto: "Not for profit, not for charity, but for service." In keeping with their service mission, credit unions are required to comply with Federal consumer protection laws that help ensure that their members are treated fairly and are safe from the kinds of predatory tricks and traps and scams that risk blowing up families' finances.

Chairman Harper, the NCUA recently conducted a review of credit unions' compliance with our consumer protection laws. So can you say something about what you found in your review and whether credit unions could do a better job of protecting consumers from predatory and discriminatory practices?

Mr. HARPER. Thank you, Senator. I really appreciate the question. We did quality control reviews of our credit unions that were examined last year, and we had approximately seven, eight consumer financial protection rules that we looked at. In some areas, credit unions were doing very well, but there were three areas that stood out where we saw a higher proportionality of problems. The first was the Electronic Fund Transfer Act. The second was the Truth in Lending Act. And the third was the Fair Credit Reporting Act.

And not having proper programs in place there could result in faulty credit reports, which leads to higher cost of credit or not getting claims fixed in time. So we are working on education for credit unions about how they can improve there. I will leave it at that.

Senator WARREN. Good. You know, I appreciate that you have conducted this review because credit union customers are counting on NCUA to protect them from unsafe financial practices and products, especially because most credit unions are exempt from the oversight of our dedicated consumer watchdog, the Consumer Financial Protection Bureau.

But I am concerned that NCUA is not doing enough to ensure that credit unions are living up to their responsibilities. Unlike other agencies, the NCUA does not currently have a formal process

to supervise and enforce credit unions' compliance with consumer protection laws. This is even as credit unions customers are facing growing risks. The number of large credit unions, which tend to offer more complex and riskier financial products, similar to what big banks have to offer, continues to grow every year.

So, Chairman Harper, how could a dedicated consumer protection compliance program at the NCUA help credit unions and their customers?

Mr. HARPER. Great question. I want to put it in context just a little bit about what you said there. Today, we have 392 credit unions with more than \$1 billion in assets.

Senator WARREN. More than \$1 billion, "B."

Mr. HARPER. One billion.

Senator WARREN. Mm-hmm.

Mr. HARPER. And they serve 86 million members. So it is quite a sizable part of the credit union system.

Right now, in the banking world, the banking regulators go and they will do a separate consumer compliance exam and assign a separate rating for consumer compliance outside of the CAMEL system. We do work within the CAMEL system. We incorporate it into the management rating, but we do not look at the comprehensive picture. We look at discrete laws separately, and we do that on a rolling basis.

By going in and looking at a dedicated program focused on our larger credit unions, we would be able to see where problems are and help credit unions fix the problems before they grow into big ones.

Senator WARREN. I think that is a really helpful move to think about here. You know, our financial institutions need to be built around meeting consumers' needs, not taking advantage of them, and that is why a thriving and healthy credit union system is so important and why it is so critical that the NCUA take consumer protection seriously and look at it in the strongest possible terms. The NCUA's oversight needs to keep up with the changing credit union landscape and the heightened risks that it presents to customers. So I look forward to working with you to make that happen, Chairman Harper. Thank you.

Thank you, Mr. Chairman.

Chairman BROWN. Senator Daines is recognized from his office, remote.

Senator DAINES. Thanks, Chairman Brown.

I would like to start by discussing the very troubling proposal we have seen from the Democrats to impose these burdensome and intrusive IRS reporting requirements for financial institutions. This proposal, frankly, is chilling. It would require credit unions to report sensitive financial account information for nearly all of their customers. Beyond the burdens it will place on financial institutions, this is an intrusion on the privacy of law-abiding Montanans and Americans. In the wake of several cyber attacks on, and potential insider leaks of, information from Treasury and IRS, I think there is a real question as to whether taxpayers can reasonably trust the IRS to safeguard this information.

The Credit Union National Administration, the National Association of Federally Insured Credit Unions, and others have all voiced

their serious opposition to this proposal, noting correctly that credit unions already face a wide range of reporting responsibilities. These include Forms 1099 and 1098, suspicious activity reports, currency transaction reports, and many others.

Question for Chair Harper: Do you have an opinion on this proposal, and could you describe how this might impact your ability as a regulator?

Mr. HARPER. So thank you. I am aware of the proposal. I have not gotten down into the details of the proposal, but what I would like to do is to take a look at it more closely and get back to you if that is OK.

Senator DAINES. Does it seem like a bit of an overreach?

Mr. HARPER. Again, I have not looked at the details of it. I was asked earlier whether there would be administrative costs associated with this. Yes, there would be administrative costs, but I cannot characterize how big, how much, without taking a deeper look at it.

Senator DAINES. I would like to turn to the next question and get your opinion on the structure of the NCUA board.

Mr. HARPER. Sure.

Senator DAINES. Generally speaking, I believe boards with larger numbers of members foster diversity of thought and opinion. Group thinking Government, though, can be a dangerous thing, and it is very easy to slip into when there are fewer people around to voice opinions. The NCUA has a three-member board but only had two people from 2016 through 2019. In fact, since the NCUA came into existence back in 1979, the board has had a total of only 22 members over that span of time. Chair Harper, do you think NCUA may benefit from having a larger board, or do you think the current three-member board is sufficient?

Mr. HARPER. So I think there are advantages and disadvantages. Certainly, a disadvantage of going to a larger board would be higher costs for those boards and perhaps slowing down the process. On the flip side of that, though, it would create more voices at the table, as you pointed out, in order to have more informed decision-making. In addition to that, I know that State regulators have long called for an increase in the size of the NCUA board.

And one last observation, the Sunshine Act rules make it difficult for me to talk one on one with my fellow board members because when you have a three-member board two people talking together is a majority and you have to notice that. So a larger board would facilitate the board-member to board-member interaction.

Senator DAINES. Thank you for the comment. I just would note that looking at the reality of how many board members have actually been in these positions, and given again we had nearly a 4-year run of having only two board members—with the vacancies and so forth, and only 22 members since 1979, I think there is an argument here that just based on the reality of how many board members actually are sitting in the assigned seats we may consider making that larger.

It seems to me that everyone agrees the recent and temporary drop in the National Credit Union Shared Insurance Fund's equity ratio was due primarily to unprecedented shared growth, resulting from Government stimulus and changes in consumer spending be-

cause of COVID-19. Thus, it seems that NCUA should think very carefully before taking any drastic action regarding how the NCUSIF is managed. Chair Harper, would you agree with that overall assessment?

Mr. HARPER. I certainly think that we have seen a large number of insured shares coming into the system because of the Government stimulus programs as well as changes in consumer habits. We need to continue to watch where the equity ratio is. It is currently at 1.23 percent. It is expected to grow up to 1.28 percent by the end of the year, which will be above the 1.2 percent where we are required to develop a plan for bringing the fund up to its normal operating level.

Certainly, I recognize this is not the right time to be charging a premium. I would like to see actually a countercyclical approach, where we are building reserves in good times so that when bad times hit you are not trying to shake the premiums and assessments precisely at the moment when the credit union may be experiencing losses.

Senator DAINES. Chair Harper, thank you.

Chairman BROWN. Senator Menendez is recognized for 5 minutes.

Senator MENENDEZ. Mr. Harper, last time you were before this Committee, you recognized that “Hispanic hiring is a weakness for the Agency, and we are underperforming there, and we are going to be working on that to bring more people in.” How has the NCUA addressed this weakness in Hispanic hiring?

Mr. HARPER. So first of all, I was not able to say it at the time, but I am now able to say that our new head of the Office of Minority and Women Inclusion is somebody of Hispanic descent. In addition to that, the board, as part of its mid-session budget, just authorized two things. One is to look at culture and diversity in how we do the hiring process to address the very issue of improving hiring. The second thing that we have done is a pay equity report that we have funded that we are going to be taking a look at to make sure that people are getting what they earned and that there are not disparities based on race, sex, or other factors.

Senator MENENDEZ. Well, I appreciate pay equity. That cuts across many lines. And it is nice to have a culture diversity engagement. I am looking forward to see the individual who, as you say, was hired.

But this is not a new issue for the NCUA. The Agency’s 2021 Office of Minority and Women Inclusion Report found that “NCUA’s Hispanic-Latino population continues to be an underrepresented group as compared to the civilian labor force.” Knowing this, I would hope you would have a plan to increase Hispanic hiring. It is the largest minority in the country as of the last census. It has a \$1.7 trillion domestic marketplace. I do not understand how we serve that universe when we are woefully underrepresented with it.

So if you are confirmed as Chairman, and it is an open question in my mind, you will have the power to actually diversify the senior staff, and that is something that I would be looking forward to seeing a commitment on.

Mr. HARPER. And, Senator, first of all, if confirmed for a full term, you have my full commitment. My first hiring decision that I made when I came onto the NCUA board was to hire Katherine Galicia, who is of Hispanic heritage. I knew that that would be an important issue. She was qualified. She had the skills, the knowledge, and having worked here in Washington, DC, You have my full commitment that if confirmed I will work to ramp up our Hispanic hiring to the extent that we can find and identify issues.

One issue that we have found is that because so many of our jobs are examiners and they are on the road quite often, that is often something that Hispanic populations do not necessarily want to be on the road as much. We are reengineering the way in which we do work, and I am hopeful that will be more on a virtual basis. That will help to solve that problem.

Senator MENENDEZ. Thank you.

Ms. Pryor and Mr. Herrnstadt, the most recent EX-IM competitiveness report noted that only 14.6 percent of EX-IM's direct small business support went to minority and women-owned businesses. There is a mountain of evidence that these businesses were among the hardest hit by the pandemic. So it is critical that they have access to the tools and assistance to remain competitive. What would you do, if confirmed, to improve the accessibility of EX-IM's services for minority and women-owned businesses?

Ms. PRYOR. Senator Menendez, nice to see you again. Thank you for that question. Minority and women-owned businesses play an important role for the Bank, and there is a team dedicated to support outreach efforts. In fact, once the Bank had reopened and we had a board quorum again, I and Chairman Reed and Spencer Bachus spent much of our time helping with outreach efforts and business development efforts to minority and women-owned businesses and other small businesses around the country, vet-owned and those with disabilities as well.

As our charter dictates, we are trying to lean in as best we can. I would commit to you that we will continue to do this, were I to be confirmed. Outreach is paramount to our success in supporting small businesses of all kinds. And I would be happy to work with you and your State and other States to increase those efforts so that more small businesses are educated about how EX-IM can help them derisk their export sales.

Senator MENENDEZ. Would you like to opine, Mr. Herrnstadt?

Mr. HERRNSTADT. Yes. Thank you very much, Senator. I deeply share with you your commitment to equality, equal opportunity, inclusion, accessibility, and diversity. On that, if confirmed, I very much look forward to working with you and others from this Committee, elsewhere, as well as the Export-Import Bank staff to see how things can be done better, how things can be improved to address this incredibly important issue.

Senator MENENDEZ. Well, I appreciate those answers. I will just make an overall comment for all on this panel and for others. You know, the commitment to diversity starts at the very top. If there is not a clear message from the top that others in your overall domain will be judged in part by how they create a diverse workforce, it will never happen. So all the good intentions in the world will

not ultimately realize in making a difference. So I hope that you take that to heart.

I have other questions which I will submit to the record. Thank you very much.

Chairman BROWN. Thank you, Senator Menendez.

Senator Warnock is recognized from his office if his screen is turned on.

[No audible response.]

Chairman BROWN. Senator Ossoff from Georgia is recognized.

Senator OSSOFF. Thank you, Mr. Chairman.

Thank you to our panel. Congratulations on your nominations.

Ms. Pryor, Georgia, like all of the States represented by Members of this Committee, has a thriving network of producers exporting agricultural products, manufactured goods, aerospace products, and services globally. We also host, as you know, the largest single container terminal in the United States and the fastest growing deepwater port in the United States at the Port of Savannah.

I was looking at a comparison of U.S. export financing with major commercial powers around the world. China has provided, in 2020, \$18 billion in medium and long-term export credit. France, \$12.1 billion. Germany, \$8.6 billion. Italy, \$8.4 billion. Republic of Korea, \$5 billion. EX-IM authorized \$1.8 billion in official medium and long-term export credit financing. It is not the only agency doing that work, but it does the bulk of that work. How would you compare U.S. export promotion policies and financing with other great economic powers and major competitors?

Ms. PRYOR. Senator, first, let me say that after a 4-year absence of a board quorum, the Bank was unable to authorize any medium or long-term financing. So we were focused on small business during the time—I should say, “the Bank was.” I was not at the Bank then.

This is something that if I were to be confirmed I would continue to focus on. Outreach and business development efforts are the best way to remind people that EX-IM is back in business, that we are here to help and support their overseas projects, that we can finance buyers who are interested in American goods and services, and that we can level the playing field.

Senator OSSOFF. Ms. Pryor, how would you contrast the quality, not just the quantity, but the quality and the quantity of U.S. financing for exports with other major commercial powers and international competitors?

Ms. PRYOR. I would say that EX-IM is more constrained than many of its counterparts, other ECAs. China—not transparent at all, so it is really hard to know exactly what is happening there. But with our fellow ECAs, European ECAs, G7, G20, I would like to see us work more closely with them. But at the end of the day, they are supporting their exports, and so we are often in competition with them.

Senator OSSOFF. Right. And so, for example, France, \$12.1 billion, 2020, medium and long-term export credit, dwarfing ours. Now maybe that is because we are taking a more prudent approach. Are the constraints in place appropriate, or does the Agency or does Congress need to modify the law in order to authorize

and encourage more of this activity to help Georgia producers and other producers get their products to global markets?

Ms. PRYOR. Thank you, Senator. If I am confirmed, this is something that I would like the board and the EX-IM staff to take a closer look at. We really need to determine ways to continue to put exports first, put U.S. workers and jobs first by modernizing our policies or taking a look at those, working with you, remaining within our statute and the law, if you will, but figuring out ways that we can help promote exports because in the end, you know, Americans produce quality products, we are transparent, we hold these projects to high economic and social standards, and many other ECAs in the world do not do that.

Senator OSSOFF. OK. Well, it is not a trick question.

Ms. PRYOR. Yeah.

Senator OSSOFF. I am earnestly seeking your guidance based on your experience, whether we in Congress need to legislate in order to remove constraints that may be unnecessary impediments to supporting Georgia's exporters and others.

A question, please, for you, Mr. Harper. How do the authorities that the NCUA would have, and has, to promote sound cybersecurity practices at credit unions contrast with the authorities that regulators of commercial banks can apply?

Mr. HARPER. So one very big difference is that banks, bank regulators have the ability to go and see third-party vendors. The NCUA does not have that authority. So it is a blind spot for us. It is a blind spot, in fact, that FSOC, GAO, and our own inspector general have asked us to close.

Senator OSSOFF. And do you have the authority to close that without congressional action?

Mr. HARPER. No. That would require a statutory—

Senator OSSOFF. OK. Well, if confirmed, will you sit down with me and my staff and the Chairman and determine whether there is some action that we should take swiftly?

Mr. HARPER. Absolutely. We are working on a white paper that I will provide to you as soon as possible, if confirmed.

Senator OSSOFF. Thank you.

Thank you, Mr. Chairman.

Chairman BROWN. The Senator from Minnesota is recognized for 5 minutes.

Senator SMITH. Thank you, Chair Brown and Ranking Member Toomey.

And welcome to all of our panelists. Thank you so much for being here and thank you for your willingness to serve.

I am going to, this morning, direct my questions to Mr. Harper. Mr. Harper, thank you very much for our conversation recently and also for your work on the NCUA board over the last couple of years.

I appreciated the conversation that we had recently about on my bipartisan bill the Credit Union Employee and Member Safety Act, which is designed to simplify the process for expelling a credit union member who violates credit union rules. And this bill, as you and I discussed, came to be because I heard alarming concerns from Minnesota credit unions, talking about experiencing members who were harassing of staff, stealing credit union assets, or com-

mitting other crimes. And luckily, Minnesota's State legislature has already changed the law for State-chartered credit unions so that they can address these challenges, but I think that this is something that we need to address for federally chartered credit unions as well. So I just wanted to say that I look forward to working with you on this issue.

Mr. HARPER. Absolutely.

Senator SMITH. I want to address my other question to you also. This is around the issues of climate risk. We had Chair Powell here in front of this Committee earlier this week, and I have asked him several times, though not this week, about climate-related risks in the financial system. And as the top regulator of credit unions, what do you see as the climate risk affecting credit unions.

Mr. HARPER. So there are certainly several. We have seen increasing number of storms, sizable storms, overall increasing costs, and those affect credit unions in different ways depending on where they are situated and located throughout the country. Our focus on climate financial risk is really taking a look at all material risks.

For some credit unions, it may be that they are attached to a particular industry that is undergoing structural changes, and that credit union may need to consider expanding its charter, becoming a multiple common bond charter, so it can continue serving its existing members but also have a base to continue to grow in the future.

We also need to make sure that credit unions, for example, who have high concentrations perhaps in agricultural areas, where you may see changes in the environment that crops no longer can be grown there as well—they need to be thinking about what are they making loans toward, how are they making those loans, and how are they laying off potential risks, the risk-sharing agreements or participations with other credit unions on some of those loans.

As well as, you know, when you think about areas that are more prone to flood, they also, too, need to make sure that they are properly managing that risk. And that is part of our job as a regulator.

Senator SMITH. So, Mr. Harper, we would be wrong to assume that if you were a credit union in a small community or in a rural community that you would somehow not be—you would be somehow immune from climate risk. Right?

Mr. HARPER. I think it will affect every community and credit union slightly differently, but we should be cognizant and working to manage those risks.

Senator SMITH. You were also a member of the Financial Stability Oversight Council, FSOC.

Mr. HARPER. Yeah.

Senator SMITH. Could you please tell us how you plan to use your position on FSOC as it relates to climate risk?

Mr. HARPER. So currently, FSOC is working on a report that we anticipate releasing, I believe it is by the middle of November, on this issue. We are working through that right now at the staff level. I have not seen the final report, but there will be a review and discussion at the entire council level before it is voted out.

Senator SMITH. Thank you. And do you think your role as Chair of the NCUA and as a member of FSOC interact? Do these roles

interact when we are considering certain financial stability policies in either position? How do they connect, do you think?

Mr. HARPER. So, great question. One real way in which they connect is, you know, my job within the credit union world is to see where are there problems, where are there risks, where are there black holes, to make sure that that is informed at the council level. One thing that the council has repeatedly found since its inception is that the NCUA's lack of vendor authority does create risks for the broader financial system, and so there is an interconnection there.

Senator SMITH. Thank you.

Mr. HARPER. Thank you.

Senator SMITH. Thank you very much. I yield back, Mr. Chair.

Chairman BROWN. The Senator from Georgia is recognized for 5 minutes, Senator Warnock.

Senator WARNOCK. Thank you so much, Mr. Chair.

Congratulations to our witnesses for their nominations to the NCUA and EX-IM.

Credit unions and community banks are vitally important in the State of Georgia, especially when it comes to servicing smaller towns, rural areas. Some are even located in churches. They provide not only checking and savings accounts for their communities, but they help families to afford a mortgage or to afford an automobile for that matter, small business loans to entrepreneurs to get their companies off the ground. And MDIs and CDFIs also play a key role in this area, servicing communities that otherwise have trouble accessing credit.

When COVID-19 began to spread last year, it hit the communities served by these institutions particularly hard and brought into sharp focus the inequities that we see all the time.

Mr. Harper, what will you do as head of the NCUA to support these vital sources of basic financial services and capital in underserved areas, and what is your plan?

Mr. HARPER. I completely agree with you about the importance of CDFIs and MDIs. It is that church credit union that is only open for 4 hours on a Sunday. It is making some \$4,000 loans on a personal need to somebody to help them get through a hard time or help them to afford something that they need for their family. And we do not want those to go away.

First, we are working to increase awareness about MDIs. We actually today, this morning, had our third roundtable with regional MDIs out in the western region, where we are soliciting input from MDIs about how can we improve our MDI program. The board is dedicated to increasing staffing for our MDI program so that we can actually provide more support to minority depository institutions.

Interestingly enough, we have actually seen growth in the number of MDI credit unions during the last year. More have actually self-selected and identified themselves as MDIs. And one of the reasons why is we have been making them aware of the resources that we provide.

One last thing on MDIs and their support, we have been pushing for them to use the Emergency Capital Investment Program that Treasury has created. We have quite a few applications from credit

unions there, to use as secondary capital. And in addition to that, certainly increasing funding for the Community Development Revolving Loan Fund. We dedicate—at least 50 percent of the MDIs that apply will get grants through the Community Development Revolving Loan Fund. If we had more money, we could support MDI efforts better.

Senator WARNOCK. Great. I think this is often a missed opportunity, and so I am grateful for any efforts to lean in there. There is a lot of entrepreneurial interest in many of these communities, community development opportunities, but the issue is capital often.

Mr. HARPER. Yes. And I have said repeatedly in speeches, just the numbers of small businesses of people of color who went out of business at the start of the pandemic, it was 17 percent of businesses overall, but it was 41 percent of Black-owned small businesses.

I have said credit unions have a moral imperative to step up and help fill that hole, and I have certainly been talking to them about it. I am certainly working to make sure that they are aware of the programs that can be done to support it. And certainly, many of them did step up through the PPP program to provide those short-term, temporary loans that helped keep many businesses alive and afloat.

Senator WARNOCK. And speaking of small businesses, the latest unemployment data for Georgia—

Mr. HARPER. Yes.

Senator WARNOCK. —shows an unemployment rate of 3.5 percent, which is lower than it was in March 2020, before the pandemic. The number of unemployed Georgians is now what it was pre-pandemic. So that is good news, and it is indicative that the programs put in place, the CARES Act, actually worked. And this year the American Rescue Plan solidified those efforts.

Still, we are not out of this. There are folks who are still struggling, particularly in small businesses, and we know that businesses are critical to the American economy. And providing tools to help small business exports will only help in our recovery.

Ms. Pryor, between 2014 and 2020, 76 percent of exporters supported by EX-IM in Georgia were small businesses. Could you explain to me your commitment to small businesses and how you plan on potentially increasing EX-IM's support?

Ms. PRYOR. Senator, small businesses have always been a priority for the Bank. Last year, in 2020, 90 percent of the transactions were with small businesses. We have outreach efforts designed to help educate them about the services that are available to them, the tools, if you will, in the U.S. Government's tool box. And what is so important to keep in mind is that with 95 percent of consumers living outside of U.S. borders there is tremendous opportunity and our Nation's economy depends on many small businesses and entrepreneurship.

Companies that export tend to grow faster. Their employees tend to make a higher wage. They tend to be more profitable. And they also tend to weather financial crises, such as COVID-19, better.

So, Senator, I would look forward to working with you, if I am confirmed to the position of First Vice President at EX-IM, to see

how we can continue to keep that number high in Georgia and grow it even further.

Senator WARNOCK. I know I am a little over time, but, Mr. Herrnstadt, you seem to agree with Ms. Pryor. Can you say something about your own commitment in this regard?

Mr. HERRNSTADT. Yes. I believe that small business is a priority at the Bank, and if confirmed, I am looking forward to working with you and your staff and the EX-IM staff to make sure that it is expanded and that more U.S. jobs are supported by more U.S. exports. Thank you.

Senator WARNOCK. Thank you so very much.

Chairman BROWN. Thank you, Senator Warnock.

As we close, Senator Toomey has a statement.

Senator TOOMEY. Thank you, Mr. Chairman. I will be brief, but I want to inform you and our witnesses I have noticed a disturbing trend whereby nominees who have come before this Committee have responded to the written questions that we submit, that we call the QFRs or Questions for the Record—witnesses have provided identical answers and in other cases very nearly identical answers. So I would just like to remind witnesses that I certainly expect that their answers will be their own. Thank you.

Chairman BROWN. Thank you, Senator Toomey.

Thanks to the three nominees for joining us today. Useful discussion of the issues. I hope we can work together as a committee to move forward quickly on the nomination of these three very qualified nominees.

For Senators who wish to submit questions for the hearing record, these questions are due close of business Tuesday, October 5th. To the nominees, we would like to have your responses on Monday, October 11th.

Thank you again for your testimony today. With that, the hearing is adjourned.

[Whereupon, at 11:08 a.m., the hearing was adjourned.]

[Prepared statements, biographical sketches of nominees, responses to written questions, and additional material supplied for the record follow:]

PREPARED STATEMENT OF CHAIRMAN SHERROD BROWN

The Committee meets today to consider the nominations of: Todd Harper to be Chairman of the National Credit Union Administration; Judith Pryor to be First Vice President of the Export-Import Bank; and Owen Herrnstadt to be a Member of the Board of Directors of the Export-Import Bank.

We thank the nominees for appearing here today, and extend a warm welcome to their families and friends in attendance.

To the nominees, thank you for your willingness to serve in these important roles, and for Ms. Pryor and Mr. Harper—your willingness to continue to serve.

If confirmed, the nominee before us today would play pivotal roles in ensuring the safety and soundness of our credit union system and supporting U.S. workers and manufacturers as they compete in a global marketplace.

As Chairman of the National Credit Union Administration, or NCUA, Mr. Harper would lead an independent agency responsible for regulating and chartering Federal credit unions, insuring the deposits of more than 5,000 federally insured credit unions, and protecting the millions of credit union members.

As First Vice President and Member of the Board of Directors, respectively, Ms. Pryor and Mr. Herrnstadt would be two of five Directors of the Export-Import Bank, or EX-IM. EX-IM plays a critical role in helping level the playing field by stepping in to offer export financing when the private sector is unwilling or unable to provide it.

The nominees before us are well-qualified for these roles. They possess the background, training, and experience to take on many of the challenges we face today.

Mr. Harper is President Biden's nominee for Chairman of the NCUA Board. He was first confirmed by the Senate with bipartisan support to the three-member NCUA board in 2019, and designated as Chairman in 2021. Prior to serving on the NCUA board, Mr. Harper served as the Director of NCUA's Office of Public and Congressional Affairs and chief policy advisor to former chairs Debbie Matz and Rick Metsger.

As the first NCUA career staff member to serve on the NCUA board, he understands the role that credit unions play in local communities. He is also the first openly gay leader of any Federal financial regulatory agency.

Mr. Harper previously served as a staffer in the U.S. House of Representatives in various roles, including Staff Director for the Subcommittee on Capital Markets, Insurance, and Government-sponsored Enterprises.

Congratulations, Mr. Harper, on being renominated to the NCUA board and welcome back to the Committee.

In July, President Biden renominated Judith Pryor to the EX-IM Board of Directors. Ms. Pryor is proudly a native Ohioan—hailing from Richmond Heights. She has more than 25 years of international business, finance, and public policy experience. The Banking and Housing Committee supported her nomination as a board member of EX-IM in 2018 and 2019, and she worked with former Chairman Kimberly Reed and current board member Spencer Bachus to reopen EX-IM after a 4-year shutdown of all medium and large transactions, which abandoned American workers and stalled the creation of more manufacturing jobs.

Prior to joining the EX-IM board, Ms. Pryor served as Vice President for External Affairs at the Overseas Private-Investment Corporation, now the U.S. International Development Finance Corporation.

It's always good to see an Ohioan on the panel. Ms. Pryor knows how important EX-IM is to small and medium-sized companies from our home State and so many States that are represented by Democrats and Republicans on this Committee.

Congratulations on being renominated and welcome back, Ms. Pryor.

Our final nominee today is Owen Herrnstadt.

For more than 30 years, Mr. Herrnstadt has served in various roles at the International Association of Machinists and Aerospace Workers—an organization representing hundreds of thousands of workers from across the country, including my home State of Ohio.

He currently serves as Chief of Staff to the International President and Director of Trade and Globalization. In this capacity, Mr. Herrnstadt assists in running one of the largest manufacturing and transportation unions in the country—spanning several industries and working with many leading export companies. At IAM, he also develops policy on international trade, human rights, and international labor standards, and he has served on the EX-IM advisory committee.

Welcome, Mr. Herrnstadt, and thank you for your many years of work on behalf of working people.

A confirmed EX-IM board is important to continue the bipartisan work started under President Trump to rebuild the capability of the Bank. American workers and

businesses need a fully functioning EX-IM to ensure a level playing field for American exports.

The pandemic slowed all economic activity, but China continued its massive deployment of export financing to assist their State-backed companies. In 2020, EX-IM's medium- and long-term export credit financing was a tenth of the amount offered by the Chinese Government to their exporters.

I worked with former Chairman Crapo, Chairwoman Waters and Ranking Member McHenry on the 2019 reauthorization to ensure that EX-IM is focused on economic competitiveness with China and expanding small business support.

Our nominees today will be charged with continuing implementation of the bipartisan reauthorization.

We are grateful to the nominees for appearing here today and I look forward to your testimonies.

PREPARED STATEMENT OF SENATOR PATRICK J. TOOMEY

Mr. Chairman, thank you. Mr. Harper, Ms. Pryor, and Mr. Herrnstadt, welcome.

First, Mr. Harper has been nominated to serve another term as a member of the National Credit Union Administration. Mr. Harper has served on the NCUA's bipartisan board since being confirmed in 2019.

Before he was named NCUA's chair in January 2021, he appeared to have a reasonable approach to regulation and a good working relationship with his colleagues. However, since being named Chair, Mr. Harper's been too willing to put the Administration's global warming agenda ahead of the sensible regulation of our country's credit unions.

Just last month, in a meeting on August 19, 2021, with NCUA's newly formed Climate Financial Risks Working Group, Mr. Harper noted: "A credit union's field of membership is often tied to a specific worksite or an industry, like an oil refinery or agriculture." And "[t]o remain resilient, such credit unions will need to consider adjusting their fields of membership, altering their loan portfolios, or protecting the collateral that backs their homes."

I hope to understand exactly what he meant by these statements. Our Nation's credit unions and the 120 million members they serve deserve a regulator that's focused on the risks in front of them, not a regulator that's more interested in misusing its authority to pursue extreme policies for which it has no expertise.

Now turning to the Export-Import Bank. Ms. Pryor has been nominated to serve as First Vice President and Mr. Herrnstadt has been nominated to serve on the Board of Directors at EX-IM.

I continue to remain deeply skeptical of EX-IM and its role in the global economy. Since joining the Senate, I've advocated for sensible reforms to EX-IM, but proponents of EX-IM continue to block any reform efforts. In my view, it was ill-advised for Congress to reauthorize EX-IM in 2019 for a historic seven years without major reforms to protect Federal taxpayers. Taxpayers ultimately bear the consequences of undue risk taking at the Bank.

Let's be clear: EX-IM wins business by either systemically underpricing risk that private markets would otherwise absorb or taking on risk that private markets would not bear at any price. Since 2018, EX-IM's default rate has tripled to 1.5 percent, and may soon breach the 2 percent statutory cap on defaults.

Congress has laid out a clear corrective measure in the event the default rate cap is breached. EX-IM must temporarily freeze lending that exceeds its current book of business until the default rate drops back below the 2 percent statutory cap.

Unfortunately, the Biden administration wants to avoid such reasonable taxpayer protections. Instead, the Biden administration is asking that Congress double EX-IM's default rate cap to 4 percent. Instead of fixing the problem, the Biden administration wants to ignore the problem of rising defaults by changing the metrics and simply tolerating still more defaults. These defaults can lead to taxpayer bailouts of EX-IM as has happened in the past.

As part of the EX-IM's reauthorization in 2019, Congress created a new EX-IM China program to compete with the People's Republic of China and its massively subsidized export credits. Just as I feared then, the Administration is now proposing that we engage in a race to the bottom with the Chinese Government. Specifically, as the Chinese Government increases their giveaways to their exporters, the Administration is looking to match those giveaways at the expense of the U.S. taxpayer. That is not the way to win a competition with the Chinese Communist Party.

I'm concerned that propping up exports for this program will only lead to further Government subsidies. A U.S. export economy dependent upon Federal credit subsidies is not a recipe for long-term success. Rather, it will lead to crony capitalism

and an ossification of our economy. Of course, EX-IM already represents crony capitalism at its worst.

In the case of EX-IM, crony capitalism is providing taxpayer financed subsidies to some of the world's largest multinational companies who have access to deep and liquid capital markets. Take for example one transaction that Ms. Pryor voted to approve in 2021. It's a deal guaranteeing an \$85 million loan from JPMorgan to Qantas for the purpose of buying jet engines from General Electric.

JPM is the largest bank in America. Qantas is the largest airline in Australia. And GE is one of the largest industrial companies in the world. Why do these companies need the American taxpayers standing to subsidize any of behind their deal? The obvious answer is they don't. These are some of the biggest, most sophisticated companies in the world with full access to the capital markets.

I recognize that my views are not the consensus views of this Committee. I would prefer that we did not require Federal taxpayers to subsidize these transactions at all. Still, I would hope there is an agreement among our nominees that EX-IM should not be a lender of first resort.

As required per statute, EX-IM "should supplement and encourage, and not compete with, private capital." I look forward to hearing from Ms. Pryor and Mr. Herrnstadt on this aspect of EX-IM activity and their plans should they be confirmed.

PREPARED STATEMENT OF TODD M. HARPER

TO BE CHAIR OF THE NATIONAL CREDIT UNION ADMINISTRATION

SEPTEMBER 30, 2021

Chairman Brown, Ranking Member Toomey, and Members of the Committee: I am humbled to appear before you today and grateful to President Biden for nominating me to serve a full term on the NCUA's Board. I am also thankful for my long-time partner, Thomas Beers, for supporting my commitment to public service.

Since the late 1990s, I have worked as an advisor, manager, and executive on banking, insurance, and securities legislation and regulation. These jobs have given me broad knowledge of financial services policy and a deep understanding of the many issues facing our Nation's \$2 trillion credit union system. These experiences have also deepened my appreciation for the role that the system of cooperative credit plays in the lives of one in three Americans.

In speeches, I often talk about my parents—Dr. Ronald and Christine Small—and how they showed me the importance of forging consensus and bipartisan agreements. Today, I would like to share another story about them, one that led me to study business at Indiana University and become an NCUA Board Member.

In 1974, we moved to a new neighborhood, and I started earning two dollars each week for completing chores. Two blocks away from our house was a candy store, a terrible temptation for a 7-year-old. Soon, to pay for my purchases, I was spending my entire allowance and even dipping into my other assets—a collection of silver quarters, nickels, and dimes.

So, when the holidays arrived, I had no money for gifts. I was in a tough spot. Fortunately, I obtained an interest-free loan from a local cooperative—the "Bank of Mom and Dad"—and learned important lessons about budgeting and saving that changed my habits. Soon, I was teaching my older brother about compound interest and calling banks to determine which paid the highest interest on deposits.

Looking back, I recognize how lucky I was to learn about budgeting and saving at an early age. Many Americans do not learn these lessons in either the home or the classroom. While at the NCUA, I have worked to close that gap in financial education. The agency also works to expand access to safe, fair, and affordable financial services, especially for households of modest means. This commitment to serving the underserved inspires me.

Likewise, my experience in working through several financial crises has informed my regulatory philosophy. Independent regulators, like the NCUA, need to be fair and forward looking; innovative and inclusive; risk focused and ready to act when needed; and engaged appropriately with all stakeholders to develop effective regulation and efficient supervision.

This thinking has guided my response to the pandemic's economic fallout. Accordingly, my colleagues and I have worked to adopt temporary liquidity reforms and implement targeted capital standards to address a dramatic rise in insured shares. Alongside other regulators, we have also encouraged lenders, the pandemic's financial first responders, to work with borrowers experiencing difficulties. And, I have

advanced economic equity by emphasizing fair lending oversight and supporting grant initiatives to expand fair access to financial services.

If confirmed, I would continue focusing on credit union members, the system's resilience and strength, and the NCUA's readiness to address expected increases in credit defaults as pandemic-relief programs end. Consistent with the law, I would also continue prioritizing capital and liquidity, cybersecurity, consumer financial protection, and diversity, equity, and inclusion.

In closing, our Nation stands at a critical crossroad. We should pursue a path that will strengthen the system of cooperative credit, increase access to affordable credit in underserved communities, and create greater economic stability for families. My experience, knowledge, and dedication has well prepared me to navigate that road.

If I am fortunate enough to be confirmed for a full term on the NCUA Board, it would be an honor to continue working with the talented and dedicated staff at the agency to protect consumers and maintain the safety and soundness of credit unions. Thank you for considering my nomination. I look forward to your questions.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Harper Todd Mitchell
 (Last) (First) (Middle)

Position to which nominated: Board Member, National Credit Union Administration

Date of nomination: August 10, 2021

City of Residence: Arlington, Virginia

Education*:

Institution	Dates Attended	Degrees Received	Dates of Degrees
Harvard University Kennedy School of Government	September 1994 to June 1996	Master in Public Policy with focuses on business and government along with press, politics, and public policy	June 6, 1996
Indiana University – Bloomington Kelley School of Business	September 1986 to May 1990	Bachelor of Science in business analysis with minors in political science and Germanic studies	May 5, 1990

*Nominees should provide information for all institutions attended, whether or not the nominee was granted a degree by the institution

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

To the best of my knowledge and recollection, I have received the following honors and awards since my time at Indiana University.

Indiana University – Bloomington

- High Distinction Honors – I graduated with high distinction, the second highest honor for academic achievement that Indiana University awards to students.
- Mortar Board National College Senior Honors Society – The organization recognizes college seniors for their exemplary scholarship, leadership, and service. I was one of approximately 25 students in a class of more than 5,000 graduates selected for the recognition.
- Harry S. Truman Scholarship Foundation National Semi-Finalist – Created by Congress, the foundation awards scholarships to individuals demonstrating outstanding potential for and who plan to pursue a career in public service. I was one of two students selected to represent Indiana University at regional interviews.

- Beta Gamma Sigma – The organization is the premier international honor society recognizing excellence in the study of business.
- Delta Phi Alpha – The National German Honor Society recognizes excellence in the study of German and provides an incentive for higher scholarship.
- Thornton Stone Active of the Year – The Mu Chapter of Alpha Phi Omega, a national coeducational volunteer service organization, awarded me this honor for the 1988–1989 academic year.
- Alpha Phi Omega Distinguished Service Key – The Mu Chapter awarded me this honor in 1989 for making an outstanding contribution to the chapter in serving as the chapter's Vice President of Service to coordinate thousands of hours of volunteering and in exemplifying and furthering the principles of leadership, friendship, and service.
- Honors Division Scholarship – The division, now the Hutton Honors College, awarded me an academic scholarship for all four years of study at Indiana University.
- Dean's List – I was recognized for academic achievement during all four years while at Indiana University.
- Golden Key National Honor Society – The group recognizes by invitation only the top 15 percent of college and university sophomores, juniors, and seniors.
- Alpha Lambda Delta – The group recognizes academic excellence in the first year at a college or university.
- Alpha Lambda Delta Merit Scholarship – Indiana University awarded me this scholarship for my sophomore year of study.
- Phi Eta Sigma – The society honors first-year college and university students in all disciplines for academic excellence.
- Hoosier Scholar – The Indiana State Student Assistance Commission awarded me this scholarship for my freshman year.
- Tri Kappa Scholarship – I received this funding for my first year of college studies from a women's philanthropic organization in Indiana that supports projects for charity, culture, and education.
- *Sun-Times* Carrier Scholarship – The *Chicago Sun-Times* awarded this scholarship for my first semester of college.
- Leo H. Gehring Award – I received this college scholarship stipend from the Whiting-Robertsdale Kiwanis Club for exceptional service to my high school and hometown community.
- National Residence Hall Honorary – The society recognizes individuals who have contributed to the advancement of college and university housing.

Harvard University

- Kennedy School of Government Grant Scholarship – I received grant scholarship funding for both years of academic study.

U.S. Department of Labor – Occupational Safety and Health Administration

- Assistant Secretary's Impact Award – I received this award in April 1994 as part of the OSHA Reform Legislation Group.

Capitol Hill

- Hill 100 – In 2005, I was featured for my efforts to strengthen the regulation of Fannie Mae and Freddie Mac in *National Journal's* "Hill 100" issue highlighting congressional staff working on hot-button issues.

National Credit Union Administration

- Supervisor of the Year – In 2015, the NCUA recognized me as a supervisor of the year for my leadership and efforts to improve the operations of the Office of Public and Congressional Affairs and advance corporate social responsibility within the agency.
- Feds Feed Families Top Contributor – In 2014, I was one of three federal employees nationwide recognized for outstanding contributions to the federal government's Feds Feed Families food drive.

- Feds Feed Families Most Improved Award – In 2013, I chaired the government-wide food drive at the NCUA, and the agency received the most improved award.
- Equal Opportunity Programs Achievement Award – In 2013, the NCUA's Office of Equal Opportunity Programs recognized my commitment to supporting the agency's minority internship program.

City Blossoms

- Board Leadership Award – In 2015, I led the team presentation that resulted in City Blossoms winning the Board Leadership Award for small organizations from the Center for Nonprofit Advancement.

Arlington County Democratic Committee

- Campaigner of the Year Award – In 2019, I received this award for my work in supporting the Arlington Democrats online and other election outreach efforts during the 2018 election cycle.

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, social, charitable, and other organizations.

Organization	Office Held (if any)	Dates
Exchequer Club	General Member	2017 to Present
Indiana University Alumni Association	Annual Member – 1990 to 2015 Life Member – 2015 to Present Executive Council Member – 2017 to 2019	1990 to Present
Indiana University Libraries Dean's Advisory Board	Advisory Board Member	2017 to 2019
Indiana University Foundation Well House Society	General Member – 2012 to Present Advisory Board Member – 2014 to 2019 Grants Committee Member – 2016 to 2019 Grants Committee Chair – 2018	2012 to Present
Indiana University Foundation 1820 Society	General Member	2014 to Present
Alpha Phi Omega	Member and Chapter Officer – 1986 to 1990 Life Member – 1990 to Present Torchbearer Contributor – 2006 to Present	1986 to Present
Harvard Kennedy School of Government Alumni Association	Member – 1996 to Present DC Alumni Council Board – 1997 to 2000 (est) Class Reunion Host Committee – 2006 and 2016	1996 to Present
City Blossoms	Board Member – 2014 to 2019 Board Secretary – 2015 and 2016 Board Vice Chairperson – 2017 to 2019	2014 to 2019
Postpartum Support Virginia	Founding Board Member	2011 to 2012
Augustana Lutheran Church	Member	2010 to Present
Feds Feed Families	Food Drive Chairman at the NCUA	2013 to 2016
AARP	Member	2017 to Present
American Automobile Association	Member	2005 (est) to Present
Smithsonian Institution	Volunteer Information Specialist	1990 to 1994
U.S. Department of Labor Federal Credit Union	Member	1990 to 2001
Wright Patman Congressional Federal Credit Union	Member	1996 to Present

Worldwide Assurance for Employees of Public Agencies (WAEPA)	Member	1990 (est) to Present
National Association for the Advancement of Colored People	Member	2020 to Present

Employment record: List below all positions held since graduation from college including the title or description of job, name of employer, location of work, and inclusive dates of employment.

Job Title	Employer	Location	Dates
Legislative Intern	Office of Congressman Peter J. Visclosky U.S. House of Representatives	Washington, DC	Fall 1989
Program Analyst	Occupational Safety and Health Administration U.S. Department of Labor	Washington, DC	June 1990 to September 1994
Health Care Policy Associate	Progressive Policy Institute	Washington, DC	Summer 1995
Senior Legislative Assistant	Office of Congressman Paul E. Kanjorski U.S. House of Representatives	Washington, DC	September 1996 to January 1999
Legislative Director - and - Professional Staff	Office of Congressman Paul E. Kanjorski U.S. House of Representatives - and - Committee on Financial Services U.S. House of Representatives	Washington, DC	January 1999 to January 2007
Staff Director - and - Senior Policy Advisor	Subcommittee on Capital Markets, Insurance, and Government-Sponsored Enterprises U.S. House of Representatives - and - Office of Congressman Paul E. Kanjorski U.S. House of Representatives	Washington, DC	January 2007 to January 2011
Director of Public and Congressional Affairs - and - Chief Policy Advisor to the Chairman	National Credit Union Administration	Alexandria, VA	February 2011 to February 2017
Policy Advisor	Committee on Foreign Affairs U.S. House of Representatives	Washington, DC	June 2017 to July 2017
Federal Retiree	U.S. Office of Personnel Management	Arlington, VA	July 2017 to Present

Board Member - and - Chairman	National Credit Union Administration	Alexandria, VA	April 2019 to Present January 2021 to Present
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Government Experience: List any experience in or direct association with federal, state, or local governments including any advisory, consultative, honorary, or other (including part-time) service or positions.

The table below outlines my experience with governmental organizations since my last year of college.

Job Title	Employer	Location	Dates
Legislative Intern	Office of Congressman Peter J. Visclosky U.S. House of Representatives	Washington, DC	Fall 1989
Program Analyst	Occupational Safety and Health Administration U.S. Department of Labor	Washington, DC	June 1990 to September 1994
Senior Legislative Assistant	Office of Congressman Paul E. Kanjorski U.S. House of Representatives	Washington, DC	September 1996 to January 1999
Legislative Director - and - Professional Staff	Office of Congressman Paul E. Kanjorski U.S. House of Representatives Committee on Financial Services U.S. House of Representatives	Washington, DC	January 1999 to January 2007
Staff Director - and - Senior Policy Advisor	Subcommittee on Capital Markets, Insurance, and Government-Sponsored Enterprises U.S. House of Representatives Office of Congressman Paul E. Kanjorski U.S. House of Representatives	Washington, DC	January 2007 to January 2011
Director of Public and Congressional Affairs - and - Chief Policy Advisor to the Chairman	National Credit Union Administration	Alexandria, VA	February 2011 to February 2017
Policy Advisor	Committee on Foreign Affairs U.S. House of Representatives	Washington, DC	June 2017 to July 2017
Board Member - and - Chairman	National Credit Union Administration	Alexandria, VA	April 2019 to Present January 2021 to Present

In addition to the positions listed above, while in college I worked in my hometown, the eighth largest city in Indiana, for the City of Hammond Parks and Recreation Department between 1986 and 1990 in the roles of summer park counselor, manager of the summer park program, and Civic Center substitute attendant. I also served as a substitute teacher while on college breaks for the School City of Hammond between 1987 and 1990.

Finally, as noted in the membership question above, I served on the Indiana University Libraries Dean's Advisory Board for approximately two years, resigning my position before joining the NCUA Board. Although separate non-profit legal entities, I also served as a member of the Indiana University Alumni Association's Executive Council and as a member of the Indiana University Foundation's Well House Society Advisory Board. All are connected to Indiana University, which was established pursuant to the state's constitution.

Published writings: List the titles, publishers and dates of books, articles, reports, and other published materials you have written. The list should include any publicly accessible publications on the internet in the past ten years, including appropriate URLs for any posts on blogs you maintained or contributed to, and URLs for any other significant internet-based postings during that same period. If available, provide the Committee with **one digital copy** of each of the writings you list.

To the best of my knowledge and after searching my files, I wrote the following documents that were published since college and before beginning service on the NCUA Board in 2019:

- "No Sample Gates," Todd M. Harper, Letter to the Editor, *Indiana Alumni Magazine*, March/April 2011
- "International Aspects of OSHA," Todd M. Harper, *Job Safety & Health Quarterly*, Fall 1993
- "Good Corporate Citizenship: A Policy Analysis Exercise for Ford Motor Company," Virginia Garcia, Todd Harper, and Farron Levy, April 1996

Scanned electronic copies of these materials will be provided to the Committee.

While working at the U.S. Department of Labor's Occupational Safety and Health Administration, I also helped organize two workshops for the International Labor Organization under the auspices of funding provided by the Support for East European Democracy Act, a law enacted by Congress after the Cold War ended. The workshops focused on safety in the manufacture and use of chemicals. The first took place in Sec, then a city in the Czech and Slovak Federal Republic, from October 23 to 25, 1991. The second occurred in Wroclaw, Poland, on October 28 to 30, 1991. After the completion of the two workshops, I drafted the reports that summarized the activities at both proceedings. These reports are no longer available online, but scanned electronic copies will be provided to the Committee.

Additionally, since joining the NCUA Board, I have drafted and published three op-eds. Hyperlinks, along with the media outlet's name and month of publication, to these opinion pieces are found below:

- [NCUA a Day Late and a Dollar Short After Delaving Capital Rule](#), *Credit Union Journal*, December 2019
- [Mind the Gap: NCUA's Merger Rule Reveals Critical Hole in Supervision](#), *CU Today*, February 2020
- [Shame on Those Credit Unions Garnishing Members' Stimulus Checks](#), *Credit Union Journal*, July 2020

Speeches and presentations: List all of the formal speeches and presentations (e.g., PowerPoint) you have delivered during the past ten years which are on topics relevant to the position for which you have been nominated, including dates. If available, provide the Committee with **one digital copy** of each formal speech and presentation. If text is no longer available, list the date, place, and organization or group to whom you made the speech or presentation.

Testimony

During the last 10 years, I have testified before Congress on three occasions. Information about those hearings and hyperlinks to my statements at each hearing are provided immediately below.

- [Statement of Todd M. Harper, Nominee for the Board of the National Credit Union Administration](#), Nominations Hearing, U.S. Senate Committee on Banking, Housing, and Urban Affairs, February 14, 2019
- [Statement of NCUA Board Chairman Todd M. Harper](#), Virtual Hearing on Oversight of Prudential Regulators: Ensuring the Safety, Soundness, Diversity, and Accountability of Depository Institutions, U.S. House of Representatives Committee on Financial Services, May 19, 2021
- [Statement of NCUA Board Chairman Todd M. Harper](#), Hearing on the Oversight of Regulators: Does Our Financial System Work for Everyone, U.S. Senate Committee on Banking, Housing, and Urban Affairs, August 3, 2021

Interviews

Since joining the NCUA Board in 2019, I have participated in several public interviews, podcasts, and roundtables, each of which is summarized in the bullets below. The interviews identified, to date, are available below. Where possible, these interviews are hyperlinked.

- [NCUA Board Member Todd Harper Addresses CECL, Consumer Financial Protection, and Much More](#), Mike Lawson, *CU Broadcast*, October 2019
- [NCUA Consumer Protection Must Catch Up to Other Regulators: Harper](#), David Baumann, *Credit Union Times*, November 2019
- [NCUA Board Member Todd Harper at 2020 CUNA Governmental Affairs Conference](#), Mike Lawson, *CU Broadcast*, February 2020
- [Hammond Native Serving on the National Credit Union Administration Board Returns Home](#), Joseph Pete, *The Times of Northwest Indiana*, March 2020
- [NCUA Board Member Hopes Tipping Point Can Become Turning Point](#), Frank Diekmann, *CU Today*, June 2020
- [New NCUA Chief Faces Hard Sell on Consumer Protection](#), Aaron Passman, *American Banker*, January 2021
- [NCUA Board Member Harper Interview on Racial, Economic Divisions: We Can Do More](#), David Baumann, *Washington CU Daily*, February 2021
- [NCUA's Todd Harper Details Top Items to Achieve as New Chairman...](#), Mike Lawson, *CU Broadcast*, February 2020
- [Todd Harper F-I-R-E Philosophy \(Episode #106\)](#), *CU Insight Experience Podcast*, Randall Smith, March 2021
- [Pride in the Federal Workplace: A Fireside Chat with NCUA Board Chairman Todd Harper](#), Interagency Employee Resource Group Event, Kelly Gibbs, June 2021

External Speeches – Before Joining the NCUA Board

During the last decade and before joining the NCUA Board, I have identified two times when I spoke publicly. Both presentations, which were off the record, involved the history of Congressman Kanjorski's appraisal reforms. The first presentation was before the Association of Appraisal Regulatory Officials on October 24, 2016, and the second was the Collateral Risk Network on July 27, 2017. I have been unable to find any electronic or paper copies of these presentations.

External Speeches – Since Joining the NCUA Board

Since joining the NCUA Board, I have regularly spoken before stakeholders about topics related to credit union policy, consumer financial protection, and broader financial services issues. The tables below identify the available public remarks by year, date, and organization. Where possible, hyperlinks are provided to the speech. Where hyperlinks are not available, speeches will be provided in a digital format.

Speeches in 2019	
09/10/2019	Women in Housing and Finance
09/11/2019	National Association of Federal Credit Unions Congressional Caucus
10/16/2019	Northwest Credit Union Association's MAXX Conference
11/06/2019	NCUA OMWI Diversity, Equity, and Inclusion Summit

Speeches in 2020	
02/26/2020	Credit Union National Association Governmental Affairs Conference
02/23/2020	Defense Credit Union Council Defense Matters Forum
02/23/2020	CUNA Small Credit Union Council
02/23/2020	CUNA Examination and Supervision Committee
03/04/2020	NCUA Minority Depository Institutions Forum
04/23/2020	Mountain West Credit Union Association Annual Meeting – NCUA's Response to the Covid-19 Pandemic
05/21/2020	CUNA's Examination and Supervision Committee – NCUA's Response to the Covid-19 Pandemic
06/11/2020	Illinois Credit Union League Virtual Town Hall Meeting
07/14/2020	National Association of Federal Credit Unions Regulatory Committee
07/22/2020	Montana Credit Union Network – NCUA's Response to the Covid-19 Pandemic and Economic Equality and Justice
09/09/2020	Minnesota Credit Union Network CEO Forum
09/15/2020	NAFCU Virtual Congressional Caucus – NCUA's Response to the Covid-19 Pandemic and Economic Equality and Justice
09/15/2020	NCUA-NeighborWorks America Joint Webinar Introductory Remarks
09/18/2020	Credit Union Association of the Dakotas – NCUA's Response to the Covid-19 Pandemic and Economic Equality and Justice
09/23/2020	Wisconsin Credit Union League's Hike the Hill – NCUA's Response to the Covid-19 Pandemic and Economic Equality and Justice
10/09/2020	Indiana Credit Union League Convention – NCUA's Response to the COVID-19 Pandemic and Economic Equality and Justice
10/21/2020	American Association of Credit Union Leagues – Regulatory Advocacy Committee

10/29/2020	Credit Union Business Group's National Business Services Conference
11/02/2020	Carolinas Credit Union League's South Carolina Forum – NCUA's Response to the COVID-19 Pandemic and Economic Equality and Justice
11/13/2020	Cooperative Credit Union Association Dialogue – NCUA's Response to the COVID-19 Pandemic and Economic Equality and Justice
11/20/2020	Kentucky Credit Union League – NCUA's Response to the COVID-19 Pandemic and Economic Equality and Justice
12/02/2020	American Association of Credit Union Leagues
12/11/2020	CU*Answers Credit Union CEO Forum

Speeches in 2021	
02/04/2021	NASCUS State Supervisory Authorities Meeting Remarks
02/25/2021	Defense Credit Union Council – Defense Matters: A Webinar for Defense Credit Unions
02/25/2021	California and Nevada Credit Union League's Regulatory Group Meeting
03/02/2021	CUNA's 2021 Governmental Affairs Conference
03/04/2021	Michigan Credit Union League Meeting
03/04/2021	Ohio Credit Union League's Hike the Hill Meeting
03/09/2021	INCLUSIV Monthly Town Hall
03/18/2021	National Association of State Credit Union Supervisors Fireside Chat
03/21/2021	Remarks at the Maine Credit Union League Town Hall Meeting
03/31/2021	FSOC Climate Financial Risk Statement
04/06/2021	CUNA Small Credit Union Committee Meeting
04/08/2021	Cornerstone Credit Union League Meeting
05/05/2021	New York Credit Union Association Meeting
05/12/2021	NAFCU CEO and Senior Executive Conference
05/13/2021	CrossState Credit Union Association Meeting
05/26/2021	Financial Literacy and Education Commission Remarks
06/09/2021	IDB Global Federal Credit Union Annual Meeting, 60-Year Celebration
06/11/2021	FSOC LIBOR Transition Statement
06/11/2021	FSOC Money Market Funds Statement
06/15/2021	NAFCU State of the Industry Remarks and Fireside Chat
06/15/2021	CFPB Federal Panel Agency Discussion on Appraisal Bias
06/16/2021	Nebraska Credit Union League's 86 th Annual Meeting and Convention
06/25/2021	Second Annual Virtual Credit Union PRIDE
06/30/2021	2021 Minority Depository Institutions Preservation Program Eastern Regional Roundtable
08/02/2021	African American Credit Union Council Videotaped Message
08/12/2021	Defense Credit Union Council Annual Conference
08/17/2021	NASCUS State System Summit Remarks + Fireside Chat Q&A
09/12/2021	Grand Opening of Maun Federal Credit Union (NJ)
09/22/2021	Inclusiv 2021 Virtual Conference

Public statements: List all public statements you have made during the past ten years which are on topics relevant to the position for which you have been nominated, including dates. Whenever

possible, provide the Committee with finding aids (such as citations, internet URLs, etc.) for each statement.

Press Releases

In the tables below, I have identified the press releases issued by year since I joined the NCUA Board in which I have been quoted. All press releases are hyperlinked.

Press Releases in 2019	
04/08/2019	Harper Sworn in as NCUA Board Member
07/12/2019	Catherine Galicia Named Senior Policy Counsel to NCUA Board Member Harper
09/10/2019	Harper: Learn from the Past; Focus on the Future
10/30/2019	Harper Calls for Dedicated Consumer Compliance Exams of Large Credit Unions
11/06/2019	NCUA's Harper: "When Differences End, Understanding Begins"
Press Releases in 2020	
02/26/2020	NCUA's Harper Discusses Consumer Protection, Inclusion, and Being Prepared
04/27/2020	NCUA's Harper: Credit Unions Are Strong, But COVID-19 Presents Challenges
05/07/2020	Harper Hails Change to Support Troops
05/28/2020	NCUA's Harper: Joining the CLF Will Bolster the System's Access to Liquidity
06/18/2020	NCUA's Harper: Take Action to Advance Economic Equality and Justice
08/06/2020	Hood Appoints Harper to NeighborWorks America Board of Directors
Press Releases in 2021	
01/25/2021	Harper Named NCUA Board Chairman
01/26/2021	Hauptman, Hood Congratulate Harper on Being Named NCUA Board Chairman
01/28/2021	NCUA Hosting Feb. 3 Webinar on Treasury's Emergency Capital Investment Program
02/01/2021	Harper Names Catherine Galicia as Chief of Staff
02/02/2021	Register Now for NCUA Chairman's Webinar on Feb. 11
02/18/2021	Board Approves Joint-Ownership Share Accounts Final Rule
03/02/2021	Chairman Harper Appoints Hood to NeighborWorks America Board of Directors
03/09/2021	Chairman Harper: Focus on Diversity, Equity, Inclusion, and Social Justice
03/10/2021	March 24 NCUA Webinar will Cover Credit Risk Issues Related to COVID-19 Pandemic
03/18/2021	U.S. Central, Members United, Southwest Corporate Capital Holders to Receive Distribution
03/16/2021	NCUA Releases 2020 Annual Report
03/23/2021	Harper Discusses Economic Outlook, Urges Credit Unions Against Garnishing Stimulus Payments
04/01/2021	Todd M. Harper Named FFIEC Chairman
04/01/2021	NCUA Marks National Financial Capability Month
04/12/2021	Samuel Schumach Named Deputy Director for External Affairs and Communications
04/14/2021	NCUA Releases Office of Minority and Women Inclusion Annual Report to Congress

04/15/2021	2021 CDRLF Grant Round Opens May 3
04/16/2021	NCUA Board Renews Prompt Corrective Action Relief
04/22/2021	NCUA Board Briefed on Emerging Cybersecurity Threats, PCA Relief Measures
05/03/2021	Fite Elected as State Liaison Committee Chairman, Reappointed to FFIEC State Liaison Committee
05/05/2021	NCUA Charters Maun Federal Credit Union
05/11/2021	Federal Financial Regulators to Hold Webinar on Emergency Capital Investment Program
05/20/2021	NCUA Board Approves Derivatives Final Rule
06/01/2021	NCUA: CDRLF Funds Have Positive Impact on Communities, Credit Unions
06/04/2021	Rising Net Income, Elevated Insured Share Growth Reported in First Quarter of 2021
06/21/2021	NCUA to Host 2021 Diversity, Equity, and Inclusion Summit for Credit Union System Stakeholders
06/23/2021	Minority Depository Institution Credit Unions See Year of Growth
06/24/2021	Capitalization of Interest Rule to Assist Financially Distressed Borrowers
06/28/2021	NCUA to Distribute \$865.5 Million Under Corporate System Resolution Program
06/29/2021	NCUA Ranks in Top Ten of Midsize Agencies in Federal Best Places to Work
07/06/2021	NCUA Charters Community First Fund Federal Credit Union
07/22/2021	NCUA Board Proposes Complex Credit Union Leverage Ratio
08/03/2021	Polanco Named NCUA Director for the Office of Minority and Women Inclusion
08/19/2021	Register Now for NCUA's Modernized Examination Tools Webinar on Sept. 8
08/25/2021	Streamlined CDFI Application Qualifying Round Opens Sept. 12
09/01/2021	NCUA Awards Grants to Assist Low-Income Credit Unions
09/08/2021	Credit Unions' Net Income, Insured Shares and Deposits Rise in Second Quarter

Board Meeting Statements

Found below are my statements at open meetings of the NCUA Board broken down by year. For statements that have been posted online, the statement is hyperlinked. Statements that are not available online will be provided separately to the Committee in electronic format.

Open Board Meeting Statements in 2019	
04/18/2019	First Meeting Opening Statement
04/18/2019	Advanced Notice of Proposed Rulemaking, Part 701.21, Compensation in Connection with Loans to Members
05/23/2021	SIF Quarterly Update Comments and Questions
05/23/2021	Board Briefing, Update on the Office of Credit Union Resources and Expansion
05/23/2021	Proposed Rule, Part 701, Public Unit and Nonmember Shares
06/20/2019	Proposed Rule, Part 702, Risk-Based Capital
07/18/2019	2019 Mid-Session Budget
07/18/2019	Final Rule, Parts 704 and 713, Fidelity Bonds
07/18/2019	Proposed Interpretive Rule and Policy Statement, Guidance Regarding Prohibitions Imposed by Section 205(d)
07/18/2019	Final Rule – Real Estate Appraisals

09/19/2019	Share Insurance Fund Quarterly Report
09/19/2019	Final Rule, Part 715, Supervisory Committee Audits
09/19/2019	Final Rule, Part 701, Appendix A, Federal Credit Union Bylaws
09/19/2019	Payday Alternative Loans II Final Rule
10/24/2019	Public Unit and Nonmember Shares Final Rule
10/24/2019	Proposed Community Field of Membership Rule
10/24/2019	Statement during the Cybersecurity Board Briefing
11/20/2019	Budget Hearing Opening Remarks
11/21/2019	Second-Chance Interpretive Ruling and Policy Statement
11/21/2019	Proposed Residential Real Estate Appraisal Rule
12/12/2019	Statement on the 2020–2021 Budget
12/12/2019	Risk-Based Capital Rule Delay
12/12/2019	Share Insurance Fund Normal Operating Level Board Briefing

Open Board Meeting Statements in 2020	
01/23/2020	Credit Union Combination Transactions Proposed Rule
01/23/2020	Subordinated Debt Proposed Rule
02/20/2020	Final Interagency Policy Statement, Allowances for Credit Losses
02/20/2020	Board Briefing, Credit Union Mortgage Rates
04/16/2020	Interim Final Rule on Regulatory Relief in Response to COVID-19
04/16/2020	Residential Appraisal Threshold Final Rule
04/16/2020	Interim Final Rule and Request for Comment on Real Estate Appraisal Relief
04/16/2020	Central Liquidity Facility Interim Final Rule
04/16/2020	NCUA's COVID-19 Response
05/21/2020	Board Briefing, Share Insurance Fund Quarterly Report
05/21/2020	Proposed Rule on Joint-Ownership Share Accounts
05/21/2020	Interim Final Rule on Overdrafts
05/20/2020	Interim Final Rule on Capital Adequacy and Prompt Corrective Action
06/25/2020	Minority Depository Institution Briefing
06/25/2020	NCUA Guaranteed Notes Distributions
06/25/2020	Request for Information about Strategies for Future Examination and Supervision Utilizing Digital Technology
06/25/2020	Final Rule, Technical Amendments to NCUA's Rules
07/30/2020	Community Field of Membership Final Rule
07/30/2020	Proposed Rule on the Transition to the CECL Methodology
07/30/2020	Proposed Rule, Part 701.6, Fees Paid by Federal Credit Unions
07/30/2020	Request for Comment, Overhead Transfer Rate and Operating Fee Methodologies
07/30/2020	2020 Midsession Budget Briefing
09/17/2020	Share Insurance Fund Briefing
09/17/2020	Modern Examination and Risk Identification Tool (MERIT) Update Briefing
09/17/2020	Bank Secrecy Act, Customer Identification Program Exemption
09/17/2020	Final Rule, Part 722, Real Estate Appraisals
10/15/2020	Cybersecurity Board Briefing
10/15/2020	Derivatives Rule Update Notice of Proposed Rulemaking
10/15/2020	Final Rule, Part 704, Corporate Credit Unions
10/28/2020	Proposed Interagency Rule, Part 791, Role of Supervisory Guidance

11/19/2020	State of the Credit Union Industry's Diversity
11/19/2020	Share Insurance Fund's Third Quarter Performance Briefing
11/19/2020	2020 Budget Reprogramming Request
11/19/2020	Capitalization of Interest Notice of Proposed Rulemaking
12/02/2020	2021 Budget Hearing Remarks
12/02/2020	Remarks on J. Mark McWatters Service on the NCUA Board
12/17/2020	Shared Service Facilities/Field of Membership Proposed Rule
12/17/2020	Temporary Final Rule on Regulatory Relief in Response to COVID-19 Extension
12/17/2020	Notice of Proposed Rulemaking on Mortgage-Servicing Rights
12/17/2020	Notice of Proposed Rulemaking on Overdrafts
12/17/2020	Subordinated Debt Final Rule
12/17/2020	Share Insurance Fund's 2021 Normal Operating Level
12/17/2020	Board Member Kyle Hauptman Welcome
12/18/2020	Final Rule, Part 701, Annual Operating Fee Assessment
12/18/2020	2021–2022 NCUA Budget
12/18/2020	Board Briefing, NCUA Operating Fee Schedule and Overhead Transfer Rate (OTR)

Open Board Meeting Statements in 2021	
01/14/2021	Board Briefing about the ACCESS Initiative
01/14/2021	Credit Union Service Organizations Proposed Rule
01/14/2021	Board Briefing, Final Rule, Part 747, Statutory Inflation Adjustment of Civil Monetary Penalties
01/14/2021	Advance Notice of Proposed Rulemaking on Capital Requirements
01/14/2021	Board Briefing on the Consolidated Appropriations Act
01/14/2021	Proposed Rule on a CAMELS Rating System
01/14/2021	Corporate Credit Unions and Subordinated Debt
01/14/2021	2021 Annual Performance Plan
01/14/2021	Risk-Based Net Worth, Complex Threshold Proposed Rule
02/18/2021	Emergency Capital Investment Program Briefing
02/18/2021	Share Insurance Fund Briefing
02/18/2021	Final Rule on Joint Ownership Share Accounts
03/18/2021	Statement on the One-Year Anniversary of the Remote Work Posture
03/18/2021	NCUA Guaranteed Notes and Asset Management Estates Briefing
03/18/2021	Central Liquidity Facility Interim Final Rule
03/18/2021	Temporary Interim Final Rule on Asset Thresholds Pertaining to Large Credit Unions
04/22/2021	Renewal of Prompt Correction Action Relief Measures
04/22/2021	Cybersecurity Preparedness and Trends Briefing
05/20/2021	Request for Information on the Normal Operating Level
05/20/2021	Share Insurance Fund and Equity Ratio Projection Briefing
05/20/2021	Statement on the Final Derivatives Rule
06/24/2021	Capitalization of Interest Final Rule
06/24/2021	Final Rule on the Phase-in of the Day-One Capital Adjustments Under CECL
06/24/2021	Federal Credit Union Loan Interest Rate Ceiling
07/22/2021	Request for Information on Digital Assets
07/22/2021	Proposed Complex Credit Union Leverage Ratio and Amendments to the 2015 Risk-Based Capital Rule

Messages and Remarks to NCUA Staff

Itemized below are messages sent and remarks delivered to the NCUA staff since joining the NCUA Board. Electronic copies of these materials will be provided to the Committee in a separate document submission. Any omission of a statement in the tables below is unintentional.

Staff Messages and Remarks in 2019	
05/13/2019	NCUA Awards Ceremony Remarks
05/22/2019	Office of Minority and Women Inclusion (OMWI) Special Emphasis Program Asian Pacific American Heritage Month, Introduction of Sandy Dang
06/25/2019	OMWI Special Emphasis Program – PRIDE Month Introduction of Garrard Conley, Author of <i>Boy Erased</i>

Staff Messages and Remarks in 2020	
06/29/2020	PRIDE Month Message to NCUA Staff
08/06/2020	Management Development Program and NCUA Executive Training Graduation Remarks
09/16/2020	2020 NCUA Awards Ceremony Remarks
10/06/2020	Remarks for Office of Consumer Financial Protection Staff
10/14/2020	National Disability Employment Awareness Month Event – MPower Employee Resource Group Remarks
11/10/2020	OMWI Staff Meeting: Diversity, Equity, Inclusion, and Belonging Remarks
11/24/2020	Thanksgiving Staff Message
12/31/2020	Thanks and Happy New Year Staff Message

Staff Messages and Remarks in 2021	
01/25/2021	New Chairman's Staff Message: Call Me Todd and Setting Course
01/27/2021	Office Directors' Meeting Remarks
01/28/2021	Office of Human Resources "All Hands" Meeting Remarks
02/03/2021	2021 National Black History Month "The Black Family: Representation, Identity and Diversity" Message
02/12/2021	President's Day Message
02/17/2021	Weather Emergency Message
02/23/2021	OMWI Observance Event – Black History Month Remarks
02/24/2021	NCUA Staff Webinar "Navigating Loss" Remarks
02/24/2021	Farewell Celebration for OMWI Director Monica Davy Remarks
02/26/2021	OMWI Acting Director Millie Avalos Announcement Message
03/02/2021	OMWI Observance Event – Women's History Month Remarks
03/16/2021	One-Year Anniversary of the Remote Work Environment Message
03/18/2021	Message about Violence against Asian-American and Pacific Islanders
03/24/2021	Announcement of 2020 FEVS Results
04/01/2021	OMWI Talk Special Edition on Asian-American and Pacific Islander Violence
04/15/2021	Strategic Planning Executive Forum Remarks
04/18/2021	High School Scholars Internship Program Message
04/21/2021	Thanking Our Administrative Professionals Message
04/22/2021	Message about Verdict in Derek Chauvin Murder Trial
04/29/2021	OMWI VIBE Leadership Panel on Valuing Different Perspectives

04/30/2021	2020 Federal Employee Viewpoint Survey Results
04/30/2021	Mentorship Program Kickoff
05/03/2021	NCUA Culture, Diversity, and Inclusion Council
05/03/2021	NCUA Culture Assessment Project
05/03/2021	Public Service Recognition Week
05/04/2021	Asian American and Pacific Islander Heritage Month Event on Advancing Leaders through Purpose-Driven Service
05/06/2021	Oath of Office Message
05/12/2021	National Military Appreciation Month and Armed Forces Week Message
05/14/2021	Ethics at the NCUA Message
05/28/2021	Memorial Day Message
06/01/2021	Managerial Development Program Ceremony
06/07/2021	LGBTQ+ Pride Month Message
06/08/2021	OMWI Pride Month Special Emphasis Event
06/08/2021	Summer Intern Welcome Event
06/17/2021	Board Member Message on Juneteenth
06/23/2021	Balancing Work and Personal Life Webinar
06/23/2021	Annuitant Re-employment Onboarding
06/28/2021	High School Scholar Intern Program Remarks
07/01/2021	Mentorship Program Launch Meeting
07/01/2021	Independence Day Message
07/08/2021	Board Member Message on the Community First Fund Charter
07/13/2021	Chairman's All-Staff Webinar
07/14/2021	Modern Examination and Risk Identification Tool (MERIT) Rollout
07/26/2021	Americans with Disabilities Act Anniversary Message
07/30/2021	Annual Diversity, Equity, Inclusion and Belonging Statement
08/02/2021	New OMWI Director Announcement Message
08/19/2021	NCUA Climate Financial Risks Working Group Remarks
09/03/2021	Labor Day Message
09/10/2021	Patriot Day: 20 th Anniversary of 9/11
09/13/2021	National Hispanic Heritage Month Message

Social media usernames: Please provide a list of all your currently active social media usernames (e.g., Facebook, Instagram, Twitter, etc.), and any usernames for any inactive accounts you have used within the previous ten years.

Over the years, I have personally operated and maintained several social media accounts. To the best of my knowledge and recollection, they include:

- LinkedIn – I have maintained an active account in my name on LinkedIn since April 2005, according to the website. The hyperlink is <https://www.linkedin.com/in/toddmharper>.
- Facebook – I have maintained an active account in my name on Facebook since approximately February 2010. The listed hyperlink is <https://www.facebook.com/todd.harper.90>.
- Instagram – Facebook indicates that I have access to Instagram, which Facebook owns, but I have no recollection of using the photo-sharing app to post material. As such, this account is inactive.

- *Revu* – For several years, I had an account on Revu, a social media platform that allowed individuals to create interactive résumés with infographics and links to their professional work and portfolios. Because the platform has since shut down, the account is now inactive. While I had an account, the listed hyperlink was <http://re.vu.toddmharper>.
- *Washington Post* – Additionally, I have previously used one alias on the *Washington Post* website. That handle was HillStaffer. I recall posting a comment on a story about the long wait lines for the 2009 presidential inauguration. I do not recall posting any other comments since then.

Additionally, when I worked at the National Credit Union Administration as the Director of Public and Congressional Affairs between 2011 and 2017, I oversaw the agency's social media program. Although I occasionally edited material and regularly supervised the individuals developing content for and posting to the agency's social media platforms, I did not directly post content.

During my tenure as NCUA's Director of Public and Congressional Affairs, the agency was active on YouTube, Facebook, Twitter, LinkedIn, and Flickr. Except for the Flickr account and one of the Twitter accounts, these accounts are still active and under control of the agency. Details about these accounts follow.

- *YouTube* – Agency-developed videos relating to regulatory and consumer financial protection matters are found at <https://www.youtube.com/user/NCUAchannel>.
- *Facebook* – The agency posts material, primarily related to consumer financial protection and education, at <https://www.facebook.com/NCUAGov>.
- *Twitter* – The agency maintained two Twitter accounts, one for credit unions (<https://twitter.com/TheNCUA>) and one for consumers (<https://twitter.com/MYCUGOV>). The consumer Twitter channel has since been closed.
- *LinkedIn* – The agency maintained a presence on LinkedIn aimed at not only educating credit union managers, professionals, and board volunteers, but also recruiting talent to NCUA. The hyperlink is <https://www.linkedin.com/company/ncua/>.
- *Flickr* – Starting in March 2016, the agency maintained an account on Flickr to distribute photos, charts, infographics, and other imagery. The agency took down its account after I left the agency, but the hyperlink at the time was <https://www.flickr.com/photos/ncua/albums>.

Additionally, I served as one of several editors and administrators on the Arlington County Democratic Committee's Facebook page between October 2017 and March 2019. The group is the official local Democratic organization for the Democratic Party of Virginia. The page can be found at <https://www.facebook.com/arlingtondems/>.

Political affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last ten years.

List all public offices, if any, for which you have been a candidate in the past ten years.

I have never run for political office at the federal, state, or local level. With respect to political activity, I was a regular volunteer for Pennsylvanians for Kanjorski. As a long-time staffer to former Congressman Kanjorski, I often volunteered to assist in his campaigns. My volunteer work usually involved canvassing, literature distribution, event organization, and phone banking. I also contributed to debate preparations. Additionally, schedule permitting, I voluntarily attended as a guest at fundraising events with Congressman Kanjorski.

Since moving in 1996 to Arlington, Virginia, I have also volunteered with the Arlington County Democratic Committee. My work typically has involved literature drops, poll greeting, communications support, phone banking, and caucus voter check-in. I have never served in an elected capacity within the organization. In 2018, I co-chaired the group's social media efforts to provide announcements about events, notices of volunteer opportunities, news and information about Democratic candidates and lawmakers, links to news stories of interest, volunteer achievements, and election results.

For the 2016 general election, I volunteered for the last six days of the cycle in southern Florida. While there, I distributed literature on behalf of Democratic candidates in Clewiston and Immokalee. I also volunteered for voter protection at a polling place in Cape Coral on election day.

Political contributions: Itemize all political contributions which exceed \$200 or which aggregate to over \$200 in a calendar year to any individual, campaign organization, political party, political action committee, or similar entity during the last ten years and identify specific amounts, dates, and names of recipients.

Arlington County Democratic Committee Joint Federal Campaign

Date	Recipient	Amount
March 19, 2018	Arlington County Democratic Committee Joint Federal Campaign	\$300.00
April 21, 2018	Arlington County Democratic Committee Joint Federal Campaign	\$180.00
August 20, 2018	Arlington County Democratic Committee Joint Federal Campaign	\$80.00
September 10, 2018	Arlington County Democratic Committee Joint Federal Campaign	\$25.00
October 17, 2018	Arlington County Democratic Committee Joint Federal Campaign	\$20.00
October 20, 2018	Arlington County Democratic Committee Joint Federal Campaign	\$125.00
March 18, 2019	Arlington County Democratic Committee Joint Federal Campaign	\$500.00
May 28, 2019	Arlington County Democratic Committee Joint Federal Campaign	\$400.00
October 6, 2020	Arlington County Democratic Committee Joint Federal Campaign	\$300.00
May 15, 2021	Arlington County Democratic Committee Joint Federal Campaign	\$300.00
	Total	\$2,230.00

Biden for President

Date	Recipient	Amount
April 29, 2020	Biden for President	\$250.00
September 14, 2020	Biden for President	\$500.00
October 30, 2020	Biden for President	\$250.00
	Total	\$1,000.00

Bob Casey for Senate

Date	Recipient	Amount
October 21, 2012	Bob Casey for Senate	\$250.00
	Total	\$250.00

Cordray/Sutton Committee

Date	Recipient	Amount
March 16, 2018	Cordray/Sutton Committee	\$500.00
	Total	\$500.00

Democratic Congressional Campaign Committee

Date	Recipient	Amount
October 21, 2012	Democratic Congressional Campaign Committee	\$250.00
	Total	\$250.00

Democratic Senatorial Campaign Committee

Date	Recipient	Amount
October 21, 2012	Democratic Senatorial Campaign Committee	\$250.00
October 6, 2020	Democratic Senatorial Campaign Committee	\$250.00
	Total	\$500.00

Democratic Party of Virginia

Date	Recipient	Amount
October 21, 2012	Democratic Party of Virginia	\$250.00
	Total	\$250.00

Donnelly for Indiana

Date	Recipient	Amount
October 21, 2012	Donnelly for Indiana	\$250.00
	Total	\$250.00

Ehrlich for Congress

Date	Recipient	Amount
June 30, 2013	Ehrlich for Congress	\$250.00
	Total	\$250.00

Friends of Dan Maffei

Date	Recipient	Amount
February 25, 2012	Friends of Dan Maffei	\$1,000.00
June 27, 2012	Friends of Dan Maffei	\$250.00
October 27, 2012	Friends of Dan Maffei	\$200.00
September 22, 2013	Friends of Dan Maffei	\$500.00
June 24, 2014	Friends of Dan Maffei	\$500.00
	Total	\$2,450.00

Hillary for America

Date	Recipient	Amount
May 19, 2015	Hillary for America	\$1,000.00
March 17, 2016	Hillary for America	\$1,000.00
July 10, 2016	Hillary for America	\$500.00
	Total	\$2,500.00

Hillary Victory Fund

Date	Recipient	Amount
June 15, 2016	Hillary Victory Fund	\$700.00
September 30, 2016	Hillary Victory Fund	\$200.00
October 3, 2016	Hillary Victory Fund	\$1,000.00
October 23, 2016	Hillary Victory Fund	\$1,000.00
October 24, 2016	Hillary Victory Fund	\$26.72
	Total	\$2,926.72

Kaine for Virginia

Date	Recipient	Amount
September 30, 2012	Kaine for Virginia	\$250.00
	Total	\$250.00

Montanans for Tester

Date	Recipient	Amount
October 21, 2012	Montanans for Tester	\$250.00
	Total	\$250.00

Obama for America

Date	Recipient	Amount
September 30, 2012	Obama for America	\$1,000.00
November 3, 2012	Obama for America	\$50.00
	Total	\$1,050.00

Royce Campaign Committee

Date	Recipient	Amount
October 21, 2012	Royce Campaign Committee	\$250.00
	Total	\$250.00

Van Hollen for Senate

Date	Recipient	Amount
June 24, 2015	Van Hollen for Senate	\$500.00
	Total	\$500.00

Qualifications: State fully your qualifications to serve in the position to which you have been named.

With professional experiences spanning three decades, I have gained broad awareness of the many policy issues facing today's consumers and financial services providers. And, while working over 22 years for the U.S. House of Representatives as a senior policy advisor and at the National Credit Union Administration as an executive and Board Member, I have gained a firm understanding of the complex \$2 trillion credit union industry. Throughout my career, I have also regularly solved complex problems, reached bipartisan consensus where possible, bridged differences between business and government, and produced results.

As a congressional staffer for more than 14 years, I served as a financial services policy advisor to former Congressman Kanjorski of Pennsylvania and as staff director of the House Financial Services Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises. In these roles, I worked on every major financial services law from the enactment of the Gramm-Leach-Bliley Financial Services Modernization Act in 1999 through the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010.

My work on the Gramm-Leach-Bliley Act focused on modernizing the Federal Home Loan Bank system. And, my efforts related to the Dodd-Frank Act addressed investor protection, mortgage servicing, and too-big-to-fail issues, among other matters. Many of the provisions that I worked on had bipartisan support, such as proposals to create a Federal Insurance Office, require the registration of private fund advisors, update federal appraisal oversight, and alter the regulation and responsibilities of credit rating agencies.

Previously, I played a role in the adoption of the Terrorism Risk Insurance Act after the 9/11 terrorist attacks—as well as the first two extensions of the law—and the Sarbanes-Oxley Act to protect investors and restore accountability in the auditing industry after the Enron and WorldCom bankruptcies. I was also involved in the drafting of laws to end predatory mortgage-lending practices, extend the Fair Credit Reporting Act, and improve the regulation and oversight of Fannie Mae and Freddie Mac.

However, what stands out the most in my career is my work on credit union policy issues, which began when Congress considered and passed the Credit Union Membership Access Act of 1998. Introduced by Congressman Ney of Ohio along with Congressman Kanjorski, the bipartisan law came in response to a U.S. Supreme Court ruling that threatened the long-term viability of thousands of credit unions.

Subsequently, I was instrumental in the drafting several versions of the Credit Union Regulatory Improvements Act. This bipartisan legislation, introduced in three sessions of Congress by Congressman Kanjorski and Congressman Royce of California, would have strengthened capital standards, advanced economic opportunity, and provided targeted regulatory relief. Elements of these bills later became law separately.

After the 2008 financial crisis, I worked to convene the first congressional hearing in 2009 to explore the creation of a Temporary Corporate Credit Union Stabilization Fund in the wake of the collapse of five corporate credit unions. And, in 2010, I led staff efforts in the House to secure enactment of a law to lower the costs of managing both the Corporate Stabilization Fund and the National Credit Union Share Insurance Fund.

Subsequently, I served for six years as NCUA's senior executive for public and congressional affairs, as well as the chief policy advisor to two NCUA Chairmen on matters related to financial stability, appraisals, and bank examination standards, among others. In these roles, I coordinated external communications on issues like the risk-based capital rulemaking and congressional report, stress testing, and a revised member business-lending rule. In 2015, the agency recognized my leadership skills when selecting me as a supervisor of the year.

Ultimately, the time I spent as an NCUA executive strengthened my familiarity with the credit union system, informed my regulatory philosophy, and prepared me to become an NCUA Board Member—and now Chairman. In my view, successful safety-and-soundness regulators need to be:

- Fair and forward looking;
- Innovative, inclusive, and independent;
- Risk-focused and ready to act expeditiously, when necessary; and
- Engaged appropriately with all stakeholders to develop effective regulation and efficient supervision.

Since joining the NCUA Board in 2019 to fill the remaining two years of a term, this philosophy has guided my actions and shaped my four priorities: maintaining strong capital and liquidity within the credit union system, strengthening consumer financial protection for members of federally insured credit unions, bolstering cybersecurity resilience, and advancing diversity, equity, and inclusion within the financial system.

Some of my accomplishments on the NCUA Board include crafting, in coordination with my fellow Board members, the agency's response to the COVID-19 pandemic's economic fallout. For example, I advocated for legislative reforms to expand liquidity access for small credit unions and shore up the system against potential liquidity events. These statutory changes ultimately increased the capacity of the Central Liquidity Facility—the NCUA's version of the Federal Reserve's Discount Window—by fourfold to \$36 billion. Along with my fellow Board members, I also implemented targeted capital reforms to account for the dramatic increase in insured shares within the credit union system.

Additionally, I have worked to increase credit union access to subordinated debt to better protect the Share Insurance Fund—and U.S. taxpayers—from losses. I have also raised the profile of consumer financial protection issues within the agency and industry by emphasizing fair lending compliance in the 2021 exam cycle to advance economic equity, initiating post-examination quality control reviews to identify weaknesses in industry compliance with consumer financial protection laws, and calling for dedicated compliance exams at large, complex credit unions to raise uniformity in supervision.

Moreover, I have expanded awareness of diversity, equity, and inclusion within the system, contributing to a doubling, over two years, in the number of voluntary diversity self-assessment surveys completed by federally insured credit unions. And, as NCUA Chairman, I have prioritized providing grants through the Community Development Revolving Loan Fund to improve the cybersecurity stance of small, low-income credit unions, expand access to financial services in underserved communities, and support efforts to close the wealth gap.

If confirmed to serve a full term on the NCUA Board, I would continue my focus on maintaining the credit union system's resilience in responding to the current pandemic's economic fallout, including likely increases in credit defaults in the months ahead as pandemic-relief programs end. I would also continue my emphasis on capital and liquidity, cybersecurity, consumer financial protection, and diversity and financial inclusion. In the near term, I would also focus on addressing the transition away from LIBOR and tackling issues related to appraisal fairness and governance. In the longer term, I would continue to work to increase access to financial services for the underserved, including people and communities of color.

In sum, it would be an honor to continue my service on the NCUA Board. My broad financial services policy experience, deep credit union industry knowledge, prior service as a senior congressional advisor and regulatory staffer, and strategic leadership and communications skills combine to make me well qualified to serve a full term on the NCUA Board, if confirmed.

Future Employment 1. Indicate whether you will sever all connections with your present employer, business relationships: firm, association, or organization if you are confirmed by the Senate.

I am already an NCUA Board Member (appointed to fill a partial term), and I have now been nominated to serve a full term. So, I would continue to serve with my present employer, if confirmed.

Before joining the NCUA Board, I was a retired federal worker and had severed all connections with any employer, business firms, associations, and employing organizations. Pursuant to my 2019 ethics agreement, I also resigned my volunteer leadership positions at City Blossoms and Indiana University before becoming an NCUA Board Member. And, in accordance with my signed ethics agreement developed in relation to this nomination, I commit to continuing to avoid any conflicts of interest related to any employer, business firm, association or organization, if confirmed by the Senate.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association, or organization

If confirmed by the U.S. Senate to a full term, I do not have any plans to resume employment, affiliation, or practice with my previous employers, business firms, associations, or organizations, except for the fact that I would be continuing my service on the Board of the National Credit Union Administration.

3. Has anyone made a commitment to employ you after you leave government service?

No. No one has made me a commitment to a job after I leave government.

4. Do you expect to serve the full term for which you have been appointed?

Yes. My plan is to serve a full term, if confirmed by the Senate.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated.

I have no financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients, or customers who would be affected by the policies which I would influence, if confirmed for a full term. Moreover, if confirmed, I will continue to maintain the highest level of ethical standards.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

I have no unresolved conflicts of interests. The Office of Government Ethics and the NCUA's Chief Ethics Counsel have reviewed my public financial disclosure statement and my ethics agreement, which have been provided to the Committee. Based on guidance from both entities, my ethics agreement has been updated to reflect any changes since my last confirmation hearing in 2019.

Additionally, as listed on my public financial disclosure report, I have a standard credit union account and market-rate mortgage with Wright-Patman Congressional Federal Credit Union. In an abundance of caution, since my initial appointment confirmation, I have chosen to recuse myself from specific party matters with this credit union and to keep the cash in my account below the Share Insurance Fund insurance cap.

Going forward, I will work with the NCUA's Chief Ethics Counsel and the Office of Government Ethics, as needed, to make determinations about any potential conflicts of interest related to my investments, obligations, liabilities, or other relationships, including those related to my work as a voting member of the Financial Stability Oversight Council.

3. Describe any business relationship, dealing, or financial transaction (other than tax paying) which you have had during the last ten years with the federal government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

I do not have any business relations, dealing, or financial transaction (other than tax paying) during the last ten years with the federal government, whether for myself, on behalf of a client, or acting as an agent, that in anyway constitute or result in a possible conflict of interest with the position to which I have been nominated. The Office of Government Ethics and the NCUA's Chief Ethics Counsel have reviewed my public financial disclosure and my ethics agreement, which have been provided to the Committee. Based on guidance from both entities, my ethics agreement has been updated to reflect any changes since my last confirmation hearing in 2019.

Additionally, I have been a long-time federal employee in both the executive and legislative branches. During my career, my service has included work on the U.S. House of Representatives committee with jurisdiction over the National Credit Union Administration, as well as work at the NCUA, including as an NCUA Board Member for the last two years. If confirmed for a full six-year term, this prior professional experience will inform my decisions, but does not present a conflict of interest.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

I have never registered nor acted as a lobbyist or other legislative agent to influence the passage, defeat, or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

If confirmed to serve a full six-year term as an NCUA Board Member, I would continue to maintain the highest level of ethical standards. As such, I would continue to follow all ethics requirements, including the ethics agreement I signed that was developed in coordination with the NCUA Chief Ethics Counsel and the Office of Government Ethics to avoid conflicts of interest not only in the responses listed above, but also in any unanticipated conflict, if one arises, while serving.

Tax compliance and bankruptcy: 1. In the past ten years, have you and your spouse (if applicable) filed and paid all taxes (federal, state, and local) as of the date of your nomination? Indicate if you filed as 'married filing separately.'

Yes. I have filed and paid all federal, state, and local taxes during the last decade.

2. In the past ten years, have you been required to make any back tax payments? If so, indicate if you have made any back tax payments and provide full details.

No. I have not been required to make any back tax payments during the last ten years.

3. Has a tax lien or other collection procedure(s) been instituted against you or your spouse (if applicable) by federal, state, or local authorities? If so, provide full details.

I personally have never had a tax lien or other collection procedure instituted against me by any federal, state, or local authority. I am current on all tax payments, have never personally been late in making such a payment, and have never made any payments for back taxes. I have also paid off each of my federally insured student loans, and I did so ahead of schedule and without any late payments.

At a prior residence owned with my long-time partner, our mortgage lender at the time once paid penalties and interest out of its corporate funds for property taxes filed late because of a problem with administering our escrow account. Specifically, during the last quarter of 2003, I became aware that the escrow agent had not paid Arlington County the required property taxes for the second half of 2003 even though we had sufficient funds in our escrow account.

After repeated efforts to get the lender's escrow agent to correct the oversight, I sought assistance from the lender and the county in resolving the situation. On December 30, 2003, the lender sent by overnight mail one check to cover the outstanding property taxes using funds in our escrow account and another check to cover the penalty and interest using the lender's corporate funds. As a result, the matter was satisfactorily resolved.

4. In the past ten years, have you or your spouse (if applicable) ever been the subject of any audit, investigation, or inquiry for federal, state, or local taxes? If so, provide full details.

I am aware of only one such matter. Specifically, on July 29, 2013, the IRS sent me an inquiry letter about my 2011 Form 1040. The notice erroneously indicated that I owed \$903 in back taxes because I had falsely claimed a mortgage interest deduction of \$3,102 on my 2011 taxes.

On August 14, 2013, I wrote to the IRS and explained that I co-owned my primary residence with Tom Beers, my unmarried partner. Because he was listed first on the mortgage, his Social Security number appeared on the IRS Form 1098 provided by the lender and mine did not. I further explained that we followed the advice of H&R Block, our tax preparer, and split the 2011 total mortgage interest of \$6,204.04 equally between us. I also provided additional documentation about the mortgage account and our Social Security numbers.

My explanation was satisfactory. On September 10, 2013, the IRS sent correspondence saying that my response had resolved the matter. They closed the inquiry and found that I owed no additional taxes.

5. Were all your federal, state, local, and other tax returns and tax liabilities of any kind current (filed and paid when due) as of the date of your nomination? If not, provide details.

Yes. All tax returns and tax liabilities of any kind were current as of the date of my nomination.

6. Have you ever filed for bankruptcy? If so, provide details.

No. I have never filed for bankruptcy.

Civil, criminal and investigatory actions:

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency (e.g., an Inspector General's office), professional association, disciplinary committee, or other ethics enforcement entity at any time? If so, provide details, regardless of outcome.

No. I have never been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct.

2. Have you ever been investigated, arrested, charged, or held by any federal, state, or other law enforcement authority for a violation of any federal, state, county, or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

After graduating high school and before starting college, I was charged with public intoxication at the age of 19. After subsequently completing approximately 20 hours of public service, the city court in Hammond, Indiana, issued an order to expunge the charge from my record. As a result, I was not sentenced in this matter, and there is no public record of this offense.

3. Have you ever been involved as a party in interest in any administrative agency proceeding, or civil litigation other than a divorce proceeding? If so, provide details.

No. I have not been involved as a party in interest in any administrative agency proceeding or other civil litigation.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

As noted above, in the summer of 1986, I was charged with public intoxication. After completing the required public service, the court expunged the charge.

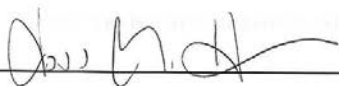
Other information: Please advise the Committee of any additional information, favorable or unfavorable, which you believe should be considered in connection with your nomination.

I have no additional information to provide.

Public records search: Do you consent to allow Committee staff to conduct a public records search on you using appropriate search tools? (including Westlaw, Lexis, etc.)

Yes. I consent to allowing Committee staff to conduct such searches of public records.

The undersigned certifies that the information contained in the public statement to the Committee is true and correct.

Signed:  Date: 9/14/2021

PREPARED STATEMENT OF JUDITH DELZOPPO PRYOR

TO BE FIRST VICE PRESIDENT OF THE EXPORT-IMPORT BANK OF THE UNITED STATES

SEPTEMBER 30, 2021

Mr. Chairman, Ranking Member Toomey, and distinguished Members of the Committee, I am honored to appear before you today as the nominee for First Vice President of the Export-Import Bank of the United States (EX-IM). I am deeply grateful to President Biden for nominating me and welcome the opportunity to continue to serve my country.

I would like to acknowledge my husband, David Pryor, Jr., and the virtual presence of friends and family around the country. I would not be here without their steadfast support and encouragement. My son Hampton cannot be here today, but I feel his presence and acknowledge his perseverance, which inspires me daily.

If confirmed, I pledge to carry out EX-IM's mission with honor and integrity and to be a responsible steward of taxpayer resources. I thank you, Chairman Brown, and the Members and staff who have supported me, encouraged me, and placed their trust in me. I've met many of you since I was first nominated in 2017 and have learned of your priorities related to EX-IM and how we can work together to help American exports succeed globally. Should I be confirmed, I look forward to continuing to work with each of you to support American jobs through exports.

I spent 25 years in leadership roles in the business community, including 17 years in the satellite communications industry. This was followed by six years at the Overseas Private Investment Corporation and two years on EX-IM's board. I would bring a unique combination of leadership experience to the role of First Vice President. My international business experience provides helpful context for the challenges U.S. exporters face when navigating new overseas markets.

There are more than 110 export credit agencies globally. Today's American exports compete on quality, service, and in many cases, against Government-backed financing. A fully functional EX-IM with Senate-confirmed leadership can better support U.S. jobs by facilitating exports as EX-IM fills gaps in private sector financing. Whether the transaction is too small for a private sector institution to take on, or the company wants to sell to a riskier market, or they have liquidity issues due to financial events like the ongoing global pandemic, EX-IM can help. Many of my meetings as a Board Member introduced me to workers and entrepreneurs who have sold their products overseas with EX-IM's support—from makers of specialized bottling equipment and custom weaving looms to satellite launch service providers.

Ninety-five percent of consumers live outside of the United States, presenting tremendous opportunity for American workers. Foreign buyers have a choice. Let's make sure American goods and services are top of mind. The U.S. makes and creates high-quality, exceptional products, and American industry is more likely to adhere to high environmental and social standards—which becomes a certainty with EX-IM. As a tool in the U.S. Government toolbox, EX-IM helps these export-ready companies reduce risk, access capital, and sell with globally competitive payment terms.

I am grateful to this body for confirming me in 2019, to serve on EX-IM's Board. I am exceptionally proud of the work we did to reinvigorate EX-IM and to support thousands of American jobs, after a nearly 4-year absence. And I am proud our efforts to modernize policies and provide tools to support U.S. jobs when the COVID-19 pandemic shut down the global economy. Should I be confirmed I would look forward to building on those accomplishments and returning to work with a team of highly qualified, passionate professionals, including Congressman Bachus, who remains on the Board. I would also hope to continue my outreach efforts, with a focus on clean energy and exports to Sub-Saharan Africa. These areas provide enormous opportunity for overseas growth. And EX-IM can play an important role in leveling the playing field.

Distinguished Members of the Committee, thank you again for the opportunity to appear before you today as I respectfully ask for your support to serve as First Vice President of EX-IM. I believe my experience and background demonstrate my commitment to EX-IM's mission, and to modernizing the agency so it can be effective for years to come. If confirmed, I look forward to working with you, the business community in your States, insurance brokers, and lenders across the country to accomplish EX-IM's mission of supporting and sustaining American jobs through exports.

Thank you and I am happy to answer any questions.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES
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Name: **Pryor** **Judith** **DelZoppo**
 (Last) (First) (Other)

Position to which nominated: First Vice President, Export-Import Bank of the United States

Date of nomination: July 26, 2021

City of Residence: Washington, DC

Education*:	Institution	Dates Attended	Degrees Received	Dates of Degree
	Bowling Green State University	9/1981 - 05/1985	B.A.	May 1985

*Nominees should provide information for all institutions attended, whether or not the nominee was granted a degree by the institution.

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, social, charitable and other organizations.

Organization	Office Held (if any)	Dates of Membership
Bowling Green State University Foundation	Director	2016-2019
Ladies Professional Golf Assn (LPGA) - Amateurs	Member	2009-present

Employment record: List below all positions held since graduation from college including the title or description of job, name of employer, location of work, and inclusive dates of employment.

EXPORT-IMPORT BANK OF THE UNITED STATES • Washington, DC • May 2019 – July 2021
Director, Board of Directors (Top Secret Clearance, SCI)

Nominated by President Trump in September 2017 and confirmed by the Senate May 2019. Term expired Jan. 20, 2021. At the request of the Biden-Harris Administration, and in accordance with EXIM statute, term was extended for an additional six months.

OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC) ■ Washington, DC ■ 8/2010 – 1/2017
Vice President, Office of External Affairs (Top Secret Clearance)

Appointed to head the department that oversees congressional and intergovernmental affairs, public affairs, communications, small business development, and early-stage credit risk/due diligence for all potential clients, for OPIC, the U.S. Government's development finance institution.

Member, Agency's Executive Leadership Team and Investment Committee which reviews and approves financing and political risk insurance for all projects over \$20MM. Served as chief legislative, public affairs and communications strategist. Managed staff of 17.

WORLDSPACE, INC. ■ Washington, DC ■ 2005 – 2009
Vice President, Corporate Affairs

Recruited by Chairman & CEO to rejoin this international satellite radio company in 2005, to spearhead global corporate affairs initiatives and prepare the organization for its Investor Road Show and IPO. Scope of responsibilities throughout eight years with the company: corporate affairs including all internal and external activity such as brand and reputation management, media relations, crisis communications, government affairs, investor relations, marketing, and employee engagement.

Managed \$15MM budget, 20 staff in seven international markets, plus numerous agencies and consultants to support initiatives amongst a variety of audiences and on a global scale. Served as corporate spokesperson and communications counsel, overseeing all aspects of the company's engagement with the public. Executive Committee member, reported to Chairman/CEO.

MARKETING & COMMUNICATIONS CONSULTANT ■ Washington, DC ■ 2001 – 2005

Provided marketing expertise to senior executives, developing and enhancing their corporate brands through integrated marketing and communications programs. Select client engagements: **Fallano, Faulkner & Associates** (new business development); **James Lee Witt Associates** (disaster relief/crisis management), **OutTask** (travel and entertainment industry software); **Arianespace** (French satellite launch vehicle company).

WORLDSPACE, INC. ■ Washington, DC ■ 1997 – 2001
Senior/Vice President, Corporate Affairs, Director of North America Media Relations (please see WorldSpace above)

ORION NETWORK SYSTEMS ■ Gaithersburg, MD ■ 1996 – 1997
Director, Marketing Communications

Newly created position to redefine current brand at this international tech company and develop and implement a 2-year marketing & communications plan including roll out of new corporate and product brand identities. Managed \$1.7MM budget, 2 internal staff, marketing agency and 3 full-time contractors. Reported to President and CEO. Facilitated Asia Pacific team's close on an \$89MM satellite investment deal. Pivotal in positioning company for its subsequent, successful sale.

COMSAT CORPORATION ▪ Bethesda, MD ▪ International Satellite Communications ▪ 1989– 1996

- Manager, Media and Public Affairs
- Sales Manager, Passenger Ships
- Head, Public Relations – INMARSAT, London (10-month secondment)
- Manager, Public Relations

HENRY J. KAUFMAN & ASSOCIATES (Marketing/Advertising/PR) ▪ Washington, DC ▪ 1987 - 1989

Account Executive representing two associations: The National Pasta Association and The Better Sleep Council

HILL & KNOWLTON/GRAY & COMPANY (Lobbying & Public Affairs) ▪ Washington, DC ▪ 1985-1987

Public Affairs Account Executive representing various clients. Gray & Co. was acquired by H&K in 1986.

Government Experience: List any experience in or direct association with Federal, State, or local governments including any advisory, consultative, honorary or other (including part-time) service or positions.

Name of Government Entity	Position	Dates of Service
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- | | | |
|----------------------------------|----------------------|---------------------------|
| ▪ Export-Import Bank of the U.S. | Board Director | May 8, 2019-July 20, 2021 |
| ▪ OPIC (Now USDFC) | VP, External Affairs | Aug 2010-Jan 2017 |

Published writings: List the titles, publishers and dates of books, articles, reports and other published materials you have written. The list should include any publicly accessible publications on the internet in the past ten years, including appropriate URLs for any posts on blogs you maintained or contributed to, and URLs for any other significant internet-based postings during that same period. If available, provide the Committee with **one digital copy** of each of the writings you list.

- Please see Attachment A, which is identical to the list submitted in 2017.
- The U.S. International Development Finance Corporation is no longer hosting the blog posts I wrote during my time at OPIC.

Speeches and presentations: List all of the formal speeches and presentations (e.g., PowerPoint) you have delivered during the past ten years which are on topics relevant to the position for which you have been nominated, including dates. If available, provide the Committee with **one digital copy** of each formal speech and presentation. If text is no longer available, list the date, place, and organization or group to whom you made the speech or presentation.

- Please see Attachment B – this attachment includes speeches, presentations and any public statements.

Public statements: List all public statements you have made during the past ten years which are on topics relevant to the position for which you have been nominated, including dates. Whenever

possible, provide the Committee with finding aids (such as citations, internet URLs, etc.) for each statement.

• Please see Attachment B

Social media usernames: Please provide a list of all of your currently active social media usernames (e.g., Facebook, Instagram, Twitter, etc.), and any usernames for any inactive accounts you have used within the previous ten years.

LinkedIn: [\(10\) Judith DelZoppo Pryor | LinkedIn](#)
Facebook: [\(5\) Judith DelZoppo Pryor | Facebook](#)
Instagram: [Judith DelZoppo Pryor \(@jdzpryor\) • Instagram photos and videos](#)
Twitter: [@JDZP](#)

Political affiliations activities: List memberships and offices held in and services rendered to all political parties or election committees during the last ten years.

List all public offices, if any, for which you have been a candidate in the past ten years.

Name of Office	Elected/Appointed Candidate Only	Year(s) Election Held or Appointment Made	Terms of Service (if applicable)
Volunteer	Mark Pryor for U.S. Senate	2014	

Political contributions: Itemize all political contributions which exceed \$200 or which aggregate to over \$200 in a calendar year to any individual, campaign organization, political party, political action committee or similar entity during the last ten years and identify specific amounts, dates, and names of recipients.

Campaign contributions during the past 10 years:

ActBlue

11/02/2020	\$ 100.00
09/28/2020	\$ 100.00
09/08/2020	\$ 100.00
08/26/2020	\$ 100.00
08/20/2020	\$ 100.00
12/24/2015	\$ 100.00
03/31/2014	\$ 25.00

Biden for President/Victory Fund

11/07/2020	\$ 140.91
11/02/2020	\$ 100.00
10/09/2020	\$ 250.00
10/09/2020	\$ 250.00
09/28/2020	\$ 100.00
09/08/2020	\$ 100.00

08/26/2020	\$ 100.00
08/20/2020	\$ 100.00
07/26/2020	\$ 100.00
07/26/2020	\$ 100.00
06/16/2020	\$ 1,000.00
06/16/2020	\$ 1,000.00
04/27/2020	\$ 500.00

David Cicilline for U.S. Congress

10/18/2020	\$ 500.00
07/10/2019	\$ 250.00
03/09/2018	\$ 250.00
07/31/2017	\$ 250.00
Dec 2015	\$ 500.00

Chris Coons for U.S. Senate

09/28/2020	\$ 500.00
06/16/2020	\$ 500.00

Democratic National Committee (DNC)

09/16/2020	\$ 1,000.00
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Mondaire Jones for Congress

06/16/2021	\$ 500.00
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Joe Kennedy for U.S. Senate

06/16/2020	\$ 500.00
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Chris Pappas for Congress

10/18/2020	\$ 500.00
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Mark Pryor for U.S. Senate

April 2014	\$ 250.00
March 2014	\$ 250.00
Oct 2013	\$ 500.00

Joel Rubin for U.S. Congress

March 2016	\$ 250.00
February 2016	\$ 100.00
Dec 2015	\$ 100.00
Nov 2015	\$ 250.00

Jeanne Shaheen for U.S. Senate

July 2014	\$ 500.00
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Kyrsten Sinema for U.S. Congress

March 2016	\$ 500.00
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Patrick Murphy for U.S. Senate

Apr 2016	\$ 250.00
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Michelle Nunn for U.S. Senate
Feb 2014 \$ 300.00

Qualifications: State fully your qualifications to serve in the position to which you have been named.
(attach sheet)

- Please see Attachment C

Future Employment relationships: 1. Indicate whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate.

- I am not currently employed.
2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association, or organization
- I have no plans to resume employment, affiliation, or practice with my previous employer, after my appointment at EXIM.
3. Has anyone made a commitment to employ you after you leave government service?
- No.
4. Do you expect to serve the full term for which you have been appointed?
- Yes.

Potential conflicts of interest: 1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

- In connection with the nomination process, I have consulted with the Office of Government Ethics and EXIM's Designated Agency Ethics Official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of my ethics agreement.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

- In connection with the nomination process, I have consulted with the Office of Government Ethics and EXIM's Designated Agency Ethics Official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of my ethics agreement.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last ten years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

- None.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

- None.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

- In connection with the nomination process, I have consulted with the Office of Government Ethics and EXIM's Designated Agency Ethics Official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of my ethics agreement.

**Tax compliance
and bankruptcy:**

1. In the past ten years, have you and your spouse (if applicable) filed and paid all taxes (federal, state, and local) as of the date of your nomination? Indicate if you filed as 'married filing separately.'

- Yes.

2. In the past ten years, have you been required to make any back tax payments? If so, indicate if you have made any back tax payments and provide full details.

- No.

3. Has a tax lien or other collection procedure(s) been instituted against you or your spouse (if applicable) by federal, state, or local authorities? If so, provide full details.

- No.

4. In the past ten years, have you or your spouse (if applicable) ever been the subject of any audit, investigation, or inquiry for federal, state, or local taxes? If so, provide full details.

- No.

5. Were all your Federal, State, local, and other tax returns and tax liabilities of any kind current (filed and paid when due) as of the date of your nomination? If not, provide details.

- Yes.

6. Have you ever filed for bankruptcy? If so, provide details.

- No.

Civil, criminal and investigatory actions:

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency (e.g. an Inspector General's office), professional association, disciplinary committee, or other ethics enforcement entity at any time? If so, provide details, regardless of outcome.

- No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

- No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding, or civil litigation other than a divorce proceeding? If so, provide details.

- No.

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If so, provide details.

- No.

Other information: Please advise the Committee of any additional information, favorable or unfavorable, which you believe should be considered in connection with your nomination.

I maintained Top Secret Clearance during my time at both OPIC and EXIM, and received my SCI March 2021. EXIM has suspended my clearance as of the end of my term as a board member (July 20, 2021), and while my nomination is considered by the U.S. Senate for First Vice President.

Public records search:

Do you consent to allow Committee staff to conduct a public records search on you using appropriate search tools? (including Westlaw, Lexis, etc.)

- Yes, I agree.

The undersigned certifies that the information contained in the public statement to the Committee is true and correct.

Signed: _____

Janeth Payne

Date: _____

August 29, 2021

Attachment CQualifications:

It is with great interest that I share my qualifications for appointment to serve as First Vice President of the Export-Import Bank of the United States (EXIM). As an accomplished professional with more than 25 years working in international business, I bring a unique set of work and life experiences to this position.

With EXIM's recent seven-year reauthorization, there are a number of mandates that the agency has begun to address. This includes defining and implementing EXIM's China and Transformational Exports Program, which is to combat the unfair practices of China's export credit agencies and advance America's comparative leadership in 10 key transformational areas.

I would very much welcome the opportunity to continue to support EXIM's mission of facilitating U.S. job growth through exports and to contribute to our national economic recovery.

From May 2019 to July 2021, I served as a member of the Board of Directors at EXIM. During these two years, I executed the duties of my office with integrity, thoughtfulness, and enthusiasm. Those duties include approving loans, guarantees, and insurance in support of U.S. exports; adopting policies, procedures, and bylaws for the effective management of EXIM; approving appointments to key committees and positions at EXIM; and participating in stakeholder engagement activities to facilitate greater understanding of the services available to U.S. exporters, particularly U.S. small businesses, and foreign buyers of U.S. products.

From August 2010 through January 20, 2017, I was an appointee at the Overseas Private Investment Corporation (OPIC), the U.S. Government's development finance institution (now the U.S. International Development Finance Corporation). As Vice President of External Affairs, I headed the department responsible for Congressional and Intergovernmental Affairs, public affairs and communications, U.S. small business development, and all early-stage credit risk/due diligence background checks conducted on each potential transaction. I was a member of OPIC's senior leadership team with a seat on the Investment Committee, responsible for approving all projects over \$20MM and up to \$250MM.

My expertise in the corporate arena ranges from taking a company public and establishing functions and offices in overseas markets, to managing crises, developing the corporate brand, and serving as spokesperson and market liaison. I have been a trusted tone setter and caretaker of an organization's public reputation, determining the correct course of action in a variety of challenging and high-profile situations. During my tenure at OPIC, I tracked EXIM's issues closely and worked to ensure OPIC's distinct mission was articulated clearly.

With this experience, I believe more emphasis should be placed on small business outreach efforts so that businesses know how its government can help them grow. While at OPIC, I doubled the number of annual workshops designed to educate U.S. small and medium enterprises (SMEs) on the government services available to assist them in developing economies. Sister organizations including EXIM, the U.S. Trade & Development Agency as well as the Department of Commerce, participated in OPIC's small business workshops that educated over 4,000 SMEs throughout the U.S.

My resume highlights some notable achievements during my career working with international start-ups and Fortune 100 companies. It is because of my earlier, private sector overseas work in developing countries such as India, Indonesia, Kenya, and South Africa, that I pursued a position with OPIC. Like OPIC, when the private sector is unwilling or unable to provide financing, it is important for EXIM to help level the playing field for

American exporters and manufacturers, affording them the opportunity to compete fairly in the global marketplace.

Faced with significant international competition and tremendous market opportunity, EXIM plays a critical role in helping U.S. businesses of all sizes take advantage of international growth markets, supporting thousands of jobs here at home. EXIM must continue its work to level the playing field for all U.S. exports. The opportunity is there: 95% of consumers live outside U.S. borders and the benefits of exporting are clear—businesses that export are more likely to weather a market downturn, or a catastrophic event such as COVID-19, and workers at exporting companies tend to earn a higher wage. The key is that EXIM must continue to provide U.S. exporters an opportunity to compete in the global arena on a fair footing with foreign competitors and showcase their entrepreneurial spirit and manufacturing ingenuity.

I am excited about the opportunity to continue serving my country and I am honored to be considered for this position at the Export-Import Bank.

Thank you for your kind consideration.

PREPARED STATEMENT OF OWEN EDWARD HERRNSTADT
 TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF
 THE UNITED STATES
 SEPTEMBER 30, 2021

Chairman Brown, Ranking Member Toomey, and distinguished Members of the Committee, I am honored to appear before you today as a nominee to serve on the Export-Import Bank of the United States (EX-IM) Board of Directors. I want to begin by thanking President Biden for his confidence in nominating me to this important position. I would also like to thank the Committee for scheduling this hearing and considering my nomination.

Before I share more about my experience for the position, I would also like to recognize and thank my family who have joined me today, my wife, Stacey Grundman, my son, Eli, and my daughter Dana, who is watching from home.

I am truly honored to be nominated for the Board of Directors of the Export-Import Bank of the United States. If confirmed, I believe that I could provide a critical voice in fulfilling EX-IM's mission of creating and supporting U.S. jobs by providing support to exporters of all sizes across our Nation's industrial and service sectors.

I currently serve as the Chief of Staff for the International Association of Machinists (IAM), starting out in the IAM's legal department in 1987. I also have served on the Advisory Committee to EX-IM, the U.S. State Department's Advisory Committee on International Economics, and was a member of the Board of Directors of the Baltimore Branch of the Federal Reserve Bank of Richmond. I am a member of the Council on Foreign Relations and served as cochair of the American Bar Association's International Employment and Labor Law Committee. I also have taught as an adjunct professor of law at American University and Georgetown University, teaching employment law and international labor law.

All these experiences have contributed to my understanding of the critical role that EX-IM serves in assisting the United States and its exporting industries to meet the challenges of growing global competition, especially from countries like China. I am also well aware of EX-IM's critical role in supporting the creation of jobs here at home, as well as bringing vital manufacturing supply chains back to the United States. I understand the critical importance of a diversified EX-IM portfolio that expands support for businesses and industrial sectors of all sizes, including businesses that may not be familiar with its programs. I am deeply committed to assisting EX-IM become more transparent, strengthening its efforts to minimize risk to American taxpayers, and working with Members of this Committee to better fulfill its mission.

Over the years, I have had the opportunity to learn about and be involved in strategic analysis and policymaking matters related to different aspects of the global economy that have emerged during my professional career. I have witnessed the importance of the global economy to the lives of workers, their families, and communities throughout our country. I have seen them prosper when global competition is fair and seen lives and communities ruined when global competition is unfair.

EX-IM provides key tools that can be used to level the global playing field for U.S. businesses and workers as they meet the challenges of international competition.

In my many roles, I have voiced various issues relevant to American workers in many contexts. I have always sought to do so in a professional and pragmatic manner that allows consensus building and progress on key matters. I have repeatedly shown that I am committed to the task at hand and can get the job done by listening, learning, and working with everyone.

I believe I have the expertise, keen perspective, and insights to support and contribute to the critical mission of EX-IM as a member of its Board of Directors.

Thank you again for the opportunity and honor to appear before you today. I look forward to your questions.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name:	Herrnstadt, (Last)	Owen, (First)	Edward (Other)
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Position to which nominated: Member of the Board of Directors, Export Import Bank of the United States

Date of nomination: August 10, 2021

City of Residence: Bethesda, MD

Education*:	Institution	Dates Attended	Degrees Received	Dates of Degree
	University of Wisconsin-Madison	1982-1985	J.D.	5/1985
	University of Wisconsin-Madison	1980-1982	M.S.	5/1982
	University of Wisconsin-Madison	1976-1980	B.S.	5/1980

*Nominees should provide information for all institutions attended, whether or not the nominee was granted a degree by the institution

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

College of Labor and Employment Law
Fellow, Labor and Employment Relations Association
University of Wisconsin Vilas Fellowship
Omicron Delta Epsilon Honorary Fraternity
Georgetown University Vicennial Award

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, social, charitable and other organizations.

Organization	Office Held (if any)	Dates of Membership
ABA		1985-present
Labor and Employment Relations Association		1987-present
International Association of Machinists		1987-present
Council on Foreign Relations		1990's—present
ABA Inter'l Employment and Labor Section	Co-Chair	2016-2019
Global Labor Justice	Board	Present [will resign if confirmed]
Industrial (Global Union Federation)	Executive Committee	Present [will resign if confirmed]
Worker's Rights Consortium	Member advisory council	Present [will resign if confirmed]
International Transport Workers Federation (Global Union Federation)	North American Chair, Civil Aviation Section	Present [will resign if confirmed]

Employment record: List below all positions held since graduation from college including the title or description of job, name of employer, location of work, and inclusive dates of employment

- Director, Trade and Globalization, International Association of Machinists, Upper, Marlboro, MD; 1996-present
- Chief of Staff, International Association of Machinists, Upper Marlboro, MD; 2013-present
- Adjunct Professor, Georgetown U. Law School, Wash., D.C.; 1998-2021
- Adjunct Professor, Washington College of Law, Wash., D.C.; 1994-2016
- Counsel for Legislative Affairs, International Association of Machinists, Upper Marlboro, MD; 1993-1996
- Associate General Counsel, International Association of Machinists, Upper Marlboro MD; 1987-1993
- Associate Attorney, Popham, Haik, Minneapolis, MN; 08/1985-04/1987

Government Experience: List any experience in or direct association with Federal, State, or local governments including any advisory, consultative, honorary or other (including part-time) service or positions.

Name of Government Entity	Position	Dates of Service
National Labor Relations Board	Student Assist. Field Examiner Reg. 17	06/1981-08/1981
National Labor Relations Board	Law Clerk, Member Zimmerman	06/1983-08/1983
U.S. Export-Import Bank	Advisory Committee, Member	1997-2021
Federal Reserve Bank	Balt. Branch (Richmond), Board Member and Chair	2000-2004

State Dept. International Economics, Federal Adv. Comm.	Member	2000 approx.-2021
State Dept. Stakeholders Advisory Board for OECD Guidelines implementation.	Member, former co-chair	2012-present [will resign if confirmed]
ITAC 1, Federal Adv. Comm.	Member	2012 approx.-present [will resign if confirmed]

Published writings: List the titles, publishers and dates of books, articles, reports and other published materials you have written. The list should include any publicly accessible publications on the internet in the past ten years, including appropriate URLs for any posts on blogs you maintained or contributed to, and URLs for any other significant internet-based postings during that same period. If available, provide the Committee with **one digital copy** of each of the writings you list.

- No, Companies are Not Coming Back to the U.S. After Years of Offshoring, August 2020. <https://www.goiam.org/news/departments/hq/trade-and-globalization/no-companies-are-not-coming-back-to-the-u-s-after-years-of-offshoring/>
- Economic Policy Institute, "Ending offshoring and bringing jobs back home will take more than tweets," May 2020. <https://www.epi.org/blog/ending-offshoring-and-bringing-jobs-back-home-will-take-more-than-tweets-press-releases-and-op-eds/>
- Economic Policy Institute, "A comprehensive U.S. manufacturing policy is needed now more than ever," April 2020. <https://www.epi.org/blog/a-comprehensive-u-s-manufacturing-policy-is-needed-now-more-than-ever/>
- BNA Treatise, International Labor and Employment Law "International Framework Agreements," Lead Author for Chapter, 2016 and updates 2018 and 2019.
- Economic Policy Institute, "Why NAFTA's 2.0 Current labor provisions fall short," March 2019. <https://www.epi.org/blog/why-naftas-2-0-current-labor-provisions-fall-short/>
- Economic Policy Institute, "When will 'Buy American' really mean buy American?," March 2019. <https://www.epi.org/blog/when-will-buy-american-really-mean-buy-american/>
- Economic Policy Institute, "Eliminating the forced transfer of technology and production to China is critical", April 2018. <https://www.epi.org/blog/for-tariffs-to-be-effective-eliminating-the-forced-transfer-of-technology-and-production-to-china-is-critical/>
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- Dickinson International Journal, Revista Derecho Social y Empresa (Spain), "TTIP: Time for a new approach to labor standards," December 2015 (listed in Cornell Law repository.).

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- Economic Policy Institute, “Statistics that Spin,” June 2014. <https://www.epi.org/blog/statistics-spin-foreign-goods-considered/>
- Report of the U.S. State Department Stakeholders Advisory Board on Implementation of the OECD Guidelines for Multinational Enterprises, February 2014. <https://2009-2017.state.gov/e/eb/adcom/aciep/rls/225959.htm>
- Economic Policy Institute, “Labor Rights, Manufacturing, and the Transatlantic Trade and Investment Partnership,” September 2013. <https://www.epi.org/publication/labor-rights-manufacturing-transatlantic/>
- International Journal of Labour Research, ILO, “Strengthening the Collective Bargaining Rights of Precarious Workers,” June 2013. https://labordoc.ilo.org/discovery/fulldisplay/alma995074492402676/41ILO_INST:41ILO_V2
- The American University Employment Law Forum, “Corporate Social Responsibility, International Framework Agreements and Changing Corporate Behavior in the Global Workplace,” 2013. <https://digitalcommons.wcl.american.edu/lelb/vol3/iss2/3/>
- Economic Policy Institute, “U.S. Export-Import Bank: No Rewards for Shipping Jobs Overseas.” March 2013. <https://www.epi.org/publication/rewards-shipping-jobs-overseas/>
- Economic Policy Institute, “Institutions that support U.S. jobs should be strengthened, not gutted,” March 2012. <https://www.epi.org/publication/export-import-bank-jobs-goods-services/>

Speeches and presentations:

List all of the formal speeches and presentations (e.g., PowerPoint) you have delivered during the past ten years which are on topics relevant to the position for which you have been nominated, including dates. If available, provide the Committee with **one digital copy** of each formal speech and presentation. If text is no longer available, list the date, place, and organization or group to whom you made the speech or presentation.

- Progressive Caucus, Paycheck Protection, (Virtual), April 2020. <https://www.facebook.com/USProgressives/videos/2587573978229508/>
- Testimony before the House Ways and Means Committee, “U.S.-China Trade and Competition,” February 26, 2020. <https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/Hermstadt%20Testimony.pdf>
- Testimony before the U.S. House Committee on Financial Services, “Promoting American Jobs: Reauthorization of the U.S. Export Import Bank,” June 4, 2019. <https://www.congress.gov/116/meeting/house/109596/witnesses/HHRG-116-BA00-Wstate-HermstadtO-20190604.pdf>

- Testimony before the House Ways and Means Enforcement in the New NAFTA, May 22, 2019.
<https://www.congress.gov/116/meeting/house/109520/witnesses/HHRG-116-WM04-Wstate-HermstadtO-20190522.pdf>.
- Section 301 Tariffs Public hearing, USTR, 301 Committee, May 15, 2018,
<https://ustr.gov/sites/default/files/enforcement/301Investigations/Hearing%20Transcript%20Proposed%20Tariffs%2C%20Day%201.pdf>.
- Docket No. USTR-2017-0006, Testimony on behalf of the International Association of Machinists and Aerospace Workers regarding NAFTA negotiations, June 2017.
<https://www.goiam.org/wp-content/uploads/2017/06/Comments-of-Owen-E.-Hermstadt-6-28-2017.pdf>.
- Testimony before the U.S. Senate Committee on Appropriations, Subcommittee on Defense, "Sequestration and the Defense Industrial Base", November 13, 2013.
https://www.appropriations.senate.gov/imo/media/doc/hearings/Hermstadt%20Testimony_0.pdf
- ABA Annual Meeting, Works Councils, Virtual, 2021
- Transatlantic Conference of the U.K based Employment Lawyers Association, The Impact of Technology on the Workplace, London, 2019.
- Labor Provisions in Trade Agreements, ABA Annual Meeting, San Francisco, 2019.
- Trade Matters, Federal Circuit Bar, 2018.
- Manufacturing in North America, Washington International Trade Association, Washington, D.C. 2017.
- Trade and Global Economic Matter, ABA Annual Employment and Labor Law meeting, 2017.
- Enforcing Responsible Business Conduct, Moderator and Presenter, Mid-year ABA meeting, Dublin, Ireland, 2017.
- OECD Guidelines for Multinational Enterprises, Panelist, Washington, D.C. 2016.
- Corporate Framework Agreements on Social Responsibility, Hong Kong, Mid-year ABA meeting, 2016.
- Panelist on International Labor Law matters, Mid-year meeting, ABA Annual International Labor and Employment Law Section, Barcelona, 2015.
- Panelist on International Labor Law matters, Mid-year meeting, ABA Annual International Labor and Employment Law Section, Tel Aviv, 2014.

- Panelist on International Labor Law matters, Mid-year meeting, ABA Annual International Labor and Employment Law Section, Rome, 2013.
- “Managing a Multinational Workforce in a Global Market,” Panel, Annual Labor and Employment Law Conference, Atlanta, 2012.
- OECD, Annual Meeting of the National Contact Points for the OECD Guidelines for Multinational Enterprises, “Role of multi-stakeholders advisory/oversight bodies”, Paris 2013.
- ILO Symposium, Precarious Workers, North American Employment Law and International Labor Standards, Geneva, October 2011.
- American University Washington College of Law, Workers’ Rights and Human Rights, Washington, D.C. 2011.
- Labor and Employment Relations Association, Workers’ Rights and ILO Core Conventions, Denver, 2011.

Public statements: List all public statements you have made during the past ten years which are on topics relevant to the position for which you have been nominated, including dates. Whenever possible, provide the Committee with finding aids (such as citations, internet URLs, etc.) for each statement.

- Export Import Bank, Transcript of Advisory Committee meeting, March 30, 2021. [Advisory Committee Meeting March 30, 2021 \(exim.gov\)](https://www.exim.gov/sites/default/files/advisory-committee/export20210330.pdf)
<https://www.exim.gov/sites/default/files/advisory-committee/export20210330.pdf>
- Export-Import Bank, Transcript of Advisory Committee meeting, December 2, 2020. <https://www.exim.gov/sites/default/files/advisory-committee/1202exim.pdf>
- Testimony before the U.S. House Committee on Financial Services, “Promoting American Jobs: Reauthorization of the U.S. EXPORT IMPORT BANK” JUNE 4, 2019. <https://www.congress.gov/116/meeting/house/109596/witnesses/HHRG-116-BA00-Wstate-HermstadtO-20190604.pdf>
- “Ex-Im Bank Reauthorization is Long-Awaited Victory for U.S. Workers, International Association of Machinists and Aerospace Workers,” December 8, 2015. <https://www.goiam.org/news/ex-im-bank-reauthorization-is-long-awaited-victory-for-us-workers/>.
- “Ex-Im Bank Dispute Threatens G.E. Factory That Obama Praised,” New York Times, October 25, 2015. <https://www.nytimes.com/2015/10/26/business/ex-im-bank-dispute-threatens-ge-factory-that-obama-praised.html>.
- Panel Discussion—Reauthorization of the U.S. Export-Import Bank, Livestreamed on April 8, 2014. <https://www.youtube.com/watch?v=LzNYJluBywE>.
- “U.S. Export-Import Bank, No Rewards for Shipping Jobs Overseas,” Economic Policy Institute, March 21, 2013. <https://www.epi.org/publication/rewards-shipping-jobs-overseas/>.
- Comments of Owen Hermstadt, Director of Trade and Globalization, on behalf of The International Association of Machinists and Aerospace Workers regarding the Export-Import Bank of the United

States Medium-and Long-Term Domestic Content Review 2013 https://www.goiam.org/wp-content/uploads/2013/03/publications_pdfs_03-26-2013_Hernstadt.pdf

- "Institutions that support U.S. jobs should be strengthened, not gutted," Economic Policy Institute, March 28, 2012. <https://www.epi.org/publication/export-import-bank-jobs-goods-services/>.

Social media usernames: Please provide a list of all of your currently active social media usernames (e.g., Facebook, Instagram, Twitter, etc.), and any usernames for any inactive accounts you have used within the previous ten years.

None

Political affiliations activities: List memberships and offices held in and services rendered to all political parties or election committees during the last ten years.

List all public offices, if any, for which you have been a candidate in the past ten years.

Name of Office	Elected/Appointed Candidate Only	Year(s) Election Held or Appointment Made	Terms of Service (if applicable)
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None

Political contributions: Itemize all political contributions which exceed \$200 or which aggregate to over \$200 in a calendar year to any individual, campaign organization, political party, political action committee or similar entity during the last ten years and identify specific amounts, dates, and names of recipients.

\$50	DNC	12/24/2020
\$100	Jon Ossoff for Sen.	12/24/2020
\$2050	Machinists Non-Partisan Political League ("MNPL")	10/22/2020
\$50	DNC	10/22/2020
\$500	Biden for President	4/27/2020
\$1500	Amy for America	2/12/2020
\$1990	MNPL	12/31/2019
\$500	Amy for America	11/11/2019
\$500	Amy for America	3/22/2019
\$1950	MNPL	11/27/2018
\$1000	Klobuchar for Minn.	5/27/2018
\$1810	MNPL	11/27/2017
\$1810	MNPL	9/27/2016
\$1710	MNPL	11/17/2015
\$1740	MNPL	10/16/2014
\$1350	MNPL	10/22/2013
\$1250	MNPL	11/1/2012
\$250	Obama for America	9/21/2012
\$1195	MNPL	11/17/2011

Qualifications: State fully your qualifications to serve in the position to which you have been named.
(attach sheet)

See attached

Future Employment 1. Indicate whether you will sever all connections with your present employer, business relationships: firm, association or organization if you are confirmed by the Senate.

If confirmed, I will maintain my membership in the Machinists union, if appropriate.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization

No

3. Has anyone made a commitment to employ you after you leave government service?

No

4. Do you expect to serve the full term for which you have been appointed?

Yes

Potential conflicts 1. Describe any financial arrangements or deferred compensation agreements or other of interest: continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and EXIM's Designated Agency Ethics Official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of my ethics agreement.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last ten years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

I have never been a registered lobbyist.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

In connection with the nomination process, I have consulted with the Office of Government Ethics and EXIM's Designated Agency Ethics Official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of my ethics agreement.

Tax compliance and bankruptcy: 1. In the past ten years, have you and your spouse (if applicable) filed and paid all taxes (federal, state, and local) as of the date of your nomination? Indicate if you filed as 'married filing separately.'

Yes

2. In the past ten years, have you been required to make any back tax payments? If so, indicate if you have made any back tax payments and provide full details.

No

3. Has a tax lien or other collection procedure(s) been instituted against you or your spouse (if applicable) by federal, state, or local authorities? If so, provide full details.

No

4. In the past ten years, have you or your spouse (if applicable) ever been the subject of any audit, investigation, or inquiry for federal, state, or local taxes? If so, provide full details.

No

5. Were all your Federal, State, local, and other tax returns and tax liabilities of any kind current (filed and paid when due) as of the date of your nomination? If not, provide details.

Yes

6. Have you ever filed for bankruptcy? If so, provide details.

No

Civil, criminal and investigatory actions: 1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency (e.g. an Inspector General's office), professional association, disciplinary committee, or other ethics enforcement entity at any time? If so, provide details, regardless of outcome.

No

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No

3. Have you ever been involved as a party in interest in any administrative agency proceeding, or civil litigation other than a divorce proceeding? If so, provide details.

No

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If so, provide details.

No

Other information: Please advise the Committee of any additional information, favorable or unfavorable, which you believe should be considered in connection with your nomination.

Public records search: Do you consent to allow Committee staff to conduct a public records search on you using appropriate search tools? (including Westlaw, Lexis, etc.)

Yes

The undersigned certifies that the information contained in the public statement to the Committee is true and correct.

Signed: Shawn E. Heuser Date: 9/8/2021

OWEN HERRNSTADT

QUALIFICATIONS FOR U.S. EXPORT-IMPORT BANK BOARD OF DIRECTORS

I have many qualifications to be an effective member of the Board of Directors of the United States Export Import Bank. I have served on the Federal Advisory Committee to the United States Export-Import Bank ("EXIM") for more than twenty years and was Chair of the Advisory Committee in 2000. This experience allowed me to gain a deep understanding of the Bank's mission and its financing tools and policies that enable it to fulfill its mission. I also have unique insights and commitment to EXIM's role in supporting American jobs and workers by facilitating the export of U.S. goods and services stemming from my experience with the International Association of Machinists and Aerospace Workers (IAM).

The IAM represents thousands of workers in the manufacturing and transportation industries. Currently, I serve as the Chief of Staff to the International President and Director of Trade and Globalization. I also serve as the IAM's liaison to the U.S. Trade and Labor Advisory Committee and have been a member of the U.S. State Department's Advisory Committee on International Economics for several years. In addition, I served on the Board of Directors of the Baltimore Branch of the Federal Reserve Bank of Richmond and was the Board Chair for the last part of my term. Other leadership positions include serving as Co-Chair of the U.S. State Department's Stakeholders Advisory Board on the implementation of the OECD's Guidelines on Multinationals and as the first labor representative on the Industrial Trade Advisory Committee on Aerospace (ITAC 1).

In each of these roles, I have had the opportunity to learn about and be involved in strategic analysis and policy-making matters related to different aspects of the global economy that have emerged during my professional career. Each position has contributed to my understanding of the critical role of EXIM in assisting the United States and its exporting industries to meet the challenges of global competition, especially from countries like China.

I have voiced the issues most relevant to American workers in each of these positions. While there is not always agreement on some of these issues, I raise them in a professional and pragmatic manner that allows consensus building and progress on key matters. I have repeatedly shown that I am committed to the task at hand and can get the job done by listening, learning and working with everyone.

At the IAM, I have represented workers for over 34 years. During this time, I have witnessed the importance of the global economy to the lives of working families throughout our country. I have seen them prosper when global competition is fair and seen lives ruined when global competition is unfair. The Bank is a key tool that can be used to level the global playing field for U.S. businesses and workers. I have the expertise as well as keen perspective and insights to support and contribute to the critical mission of the Bank as a member of its Board of Directors.

**RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN BROWN
FROM TODD M. HARPER**

Q.1. Where have you excelled in past positions in attracting, hiring, and promoting people of color in positions in your organization/s? Where might there be room for improvement?

A.1. During my time as a Board Member and Chairman of the NCUA, I have prioritized supporting the agency's diversity programs and initiatives, which include—but are not limited to—attracting, hiring, and promoting people of color.

Since I joined the NCUA Board in 2019, the percentage of people of color in five out of six employee grade-level categories (CU-04 through executives) has increased. This change resulted from placing a greater focus and intentionality on diverse recruitment efforts and broader outreach to diverse talent. In 2020, two out of every five new NCUA hires were people of color.

Throughout my tenure as an NCUA Board member and Chairman, I have set the tone for diverse selections by hiring and promoting the most highly qualified applicants into the executive ranks. For example, my first hiring selection was a female of color who serves as the agency's Chief of Staff. Most recently, I selected a person of color to serve as the director of the NCUA's Office of Minority and Women Inclusion.

At a broader level, the NCUA continues to increase awareness of potential employment opportunities among pools of diverse talent through recruitment and outreach. These efforts focus on groups with less-than-expected participation in the workforce (per Section 342 of the Dodd–Frank Wall Street Reform and Consumer Protection Act) and individuals with disabilities (per Executive Order 13548).

Each year, the NCUA's Office of Minority and Women Inclusion and Office of Human Resources participates in recruitment and outreach events that include Historically Black Colleges and other minority serving institutions, organizations that serve individuals with disabilities, and veterans' events. Virtual recruitment outreach events the NCUA attended in 2020 include:

- Howard University, Bowie State University, and George Washington University's fall virtual career fairs for women and students of color;
- the Accounting and Financial Women's Alliance Women Who Count National Conference;
- Prospanica Conference and Career Expo; and
- the National Black MBA Association Career Expo.

The NCUA uses multiple outreach and job networking tools to reach top talent in diverse populations. For example, our most frequently advertised position is our entry-level credit union examiner position. Our qualification requirements for this position provide a broad set of opportunities to bring in diverse talent because of the many ways that individuals can qualify. We also conduct extensive outreach to recent graduates by posting our positions to hundreds of universities and colleges across the country. Lastly, we partnered with Montel Williams to develop a video to increase outreach and attract veterans and military spouses to apply to NCUA

positions. This video highlights a diverse group of our veterans at the NCUA who explain how they transitioned from the military to the NCUA. All of our vacancy announcements include this video.

I firmly believe that advancing diversity, equity, inclusion, and belonging is a journey rather than a destination. This work does not end when certain milestones are achieved, but continuously evolves and progresses. While the NCUA will continue to expand outreach to bring more people of color into its talent pool, we must also move forward with our work to increase retention and create an inclusive culture where all employees feel a sense of belonging.

Special emphasis programs and events are a first step toward achieving this goal. Initiatives that take this work further—such as employee resource groups, mentoring, and leadership development programs—also have my full support. I regularly participate in such programs and encourage all employees, from those just entering the workforce to our senior executives, to participate in these special emphasis opportunities.

If confirmed for a full term on the NCUA Board, I would continue improving each of these initiatives. I would also enhance existing mentoring and leadership development and expand the reach and the effectiveness of the agency's recruitment program.

Q.2. What specific measures will you use to evaluate the success of National Credit Union Administration in understanding and addressing the needs of Black, Indigenous, and people of color (BIPOC)? And, will you keep Congress apprised, as appropriate, on the progress being made on these measures?

A.2. To ensure the agency remains focused on understanding and addressing the needs of Black, Indigenous, and people of color, I meet regularly with the heads of both the Office of Human Resources and the Office of Minority Women and Inclusion to review our progress and efforts to make even more progress. If confirmed for a full term on the NCUA Board, I am committed to keeping Congress apprised on the NCUA's progress in these areas on a regular basis, as appropriate or as requested.

The NCUA takes a multifaceted approach to understanding and addressing the needs of our BIPOC employees, and metrics are the cornerstone for quantitatively measuring progress towards the agency's goals and objectives. As such, the NCUA has invested in standing up advanced analytical capabilities for disseminating key workforce metrics tracking diversity and inclusion data to key stakeholders across the agency. Dashboards allowing leaders to view the latest demographic composition of their office are available at the click of a link. Two slices of data closely monitored at the agency are the percentage of employees who identify as a minority and the percentage of employees by race and national origin category. In addition, OMWI publishes a dashboard on a quarterly basis with demographic information for all employees to access. The agency also incorporates demographic information in the agency's OMWI Annual Report to Congress.¹

To supplement the quantitative perspective, the agency's employee resource groups provide valuable qualitative feedback from BIPOC employees. Senior leadership sponsorship of these groups

¹ See <https://www.ncua.gov/about/diversity-inclusion/reports-congress>.

provides direct access for this community to communicate their needs to agency decision makers. Presidents of each employee resource group also serve as representatives on the NCUA's Culture, Diversity and Inclusion Council, tasked with assessing the organizational culture and providing recommendations to enhance diversity, equity, inclusion, and belonging for all employees.

Most recently, the NCUA completed a culture climate study to assess the agency's culture and make improvements to drive diversity, equity, inclusion, and belonging. The agency also continues embarking on further studies to promote these principles.

Q.3. What is your plan for creating an inclusive working environment for employees within your office?

A.3. My plan for creating an inclusive work environment goes back to one of my early mentors, Pat Neale. Pat once had a poster in her cubicle that read: "When Differences End, Understanding Begins". When Pat died, I got that poster, which hangs in my office to remind me of acting on this goal every day.

Later, during my time on Capitol Hill, I also learned about the importance of using public policy to advance diversity, equity, and inclusion from lawmakers like Congresswoman Maxine Waters and Congressman Barney Frank. They showed me how to advance diversity and inclusion to a broader scale, which is what I strive to achieve as a Board Member at the NCUA. By shining a light on diversity and inclusion, we can create better workplaces, a more responsive Government, and a credit union system that works for everyone.

If confirmed for a full term on the NCUA Board, one of my priorities will be to foster an inclusive working environment for employees throughout the agency. The NCUA's efforts to create an inclusive workplace is well-established, as outlined in both the NCUA's 2018–2022 Strategic Plan and in the NCUA's 2018–2022 Diversity and Inclusion Strategic Plan. I would work to update these plans with the goal of continuing to cultivate an inclusive workplace where employees' unique talents, skills, and perspectives are valued and leveraged. Progress toward this goal will result in stronger organizational performance.

Since establishing these goals, the NCUA has developed several initiatives to support inclusion within the workplace, including:

- Employee Resource Groups, which continuously contribute in meaningful ways to foster a more inclusive work environment for all employees. These groups help connect employees by providing resources, coordinating special presentations and events, and creating a support system to help address barriers and obstacles that group members might face. There are 269 members in the NCUA's seven employee resource groups, representing 23.4 percent of NCUA employees in 2020. This figure is more than double the industry benchmark of 10 percent employee participation in ERGs within an organization.

Open to all employees, the NCUA's employee resource groups are:

- APIC: Asian Pacific Islander Connection (Asian and Pacific Islander employees and allies);

- CULTURA: Creating Unity, Learning to Understand, Recognizing All (Hispanic and Latinx employees and allies);
 - MPower: Mobility, power, and empowerment (Employees with disabilities and allies);
 - NCUA PRIDE: People Recognizing Individual Differences Equally (LGBTQ+ employees and allies);
 - SWAN: Supporting Women At NCUA (Female employees and allies);
 - Umoja: Unity (Black and African American employees and allies); and
 - VANS: Veterans At NCUA Serving (Veterans, military family members and allies).
- VIBE, which is an ongoing campaign to create a stronger sense of belonging by encouraging all employees to make a conscious and deliberate effort to adopt inclusive behaviors and habits. VIBE launched in early 2018 and includes a speaker series, leadership panel discussions, special events, newsletters, and more. The VIBE initiative focuses on four specific behaviors that cultivate an inclusive culture among the agency's employees:
 - Value differences,
 - Intentionally include,
 - Break biases, and
 - Embrace change.
 - OMWI Talks, which are facilitated discussions for NCUA employees to discuss sensitive diversity and inclusion-related topics. OMWI Talks create a safe space for employees to have conversations about differences, broaden awareness and understanding of others, learn how to leverage diversity to achieve better outcomes, and foster greater inclusion and belonging. These discussions give employees opportunities to analyze and discuss complex topics and learn how to manage challenges that may affect them and their colleagues in the workplace environment.
 - NCUA's Culture, Diversity, and Inclusion Council, which includes employee representatives at all levels (executives, supervisors, and non-supervisors from multiple grade levels) and a diverse spectrum of functional areas (such as the agency's examination program, legal, human resources, and technology). In addition, members are comprised of a cross-section of the agency's staff representing different types of diversity (including race, ethnicity, gender, age, sexual orientation, disability, veteran status, and experience). A National Treasury Employees Union representative is also a member. Additionally, the council includes up to eight presidents of the agency's employee resource groups.
- In 2020, the agency embarked on a significant effort to assess the culture of the agency with the deployment of a culture climate survey covering all staff within the agency. The NCUA designed the survey with guidance from the council's representatives. The majority of the NCUA's staff (59 percent) re-

sponded to the survey. These survey results were combined with results from subsequent focus groups to provide an assessment of employee perceptions of the NCUA's culture. In the near future, the council will present a set of recommendations to the agency's senior leadership to guide the agency in addressing issues within the agency's culture.

- Special Emphasis Program events, which are a significant component of the NCUA's efforts to build inclusion and understanding within the agency's workplaces. The agency's Office of Minority and Women Inclusion hosts events featuring a guest speaker who provides a range of experiences and insights into how to be more intentionally inclusive in the workplace. These recurring events include observances of:
 - National Black History Month (February);
 - National Women's History Month (March);
 - Asian and Pacific Islander Heritage Month (May);
 - LGBTQ+ Pride Month (June);
 - Hispanic Heritage Month (September 15–October 15);
 - National Disability Employment Awareness Month (October);
 - Veterans Day (November 11); and
 - Native American Heritage Month (November).

If confirmed for a full term on the NCUA Board, I would continue to grow the agency's employee resource groups, advance the agency's VIBE initiative, participate in and conduct OMWI Talks and special emphasis program events, and work with my fellow Board members to implement the recommendations made by the Culture, Diversity, and Inclusion Council.

Q.4. In the bipartisan appropriations package last December, we authorized an Emergency Capital Investment Program to help low- and moderate-income community financial institutions—like minority depository institution (MDI) and community development financial institution (CDFI) credit unions—to serve their members. If confirmed, will you commit to making sure that these credit unions can take full advantage of the program?

A.4. Yes, I commit to ensuring that eligible credit unions take full advantage of the program.

The NCUA's outreach on the Emergency Capital Investment Program is part of the agency's broader mission to support expanded access to insured, affordable financial services in low- and moderate-income communities. It is also consistent with the mission of the Federal Credit Union Act in meeting the credit and savings needs of consumer members, including those of modest means.

The NCUA has strongly encouraged eligible credit unions to, "step in and step up" to participate in this program. During 2021, the agency conducted outreach to the credit union industry through briefings, written communications, and webinars to discuss the Emergency Capital Investment Program and highlight the key features and benefits of the program. The outreach generated significant interest in the program with approximately 90 credit unions applying for funding (representing 44 percent of all Emergency

Capital Investment Program applicants) totaling \$3.1 billion (representing 34 percent of the total appropriation).

On September 24, 2021, I spearheaded the NCUA Board's approval of a proposed rule to amend the definition of "grandfathered secondary capital" in the NCUA's approved subordinated debt rules to include any secondary capital issued to the U.S. Government or one of its subdivisions, irrespective of when it is issued. This proposed change would benefit eligible low-income credit unions by allowing them to accept secondary capital investments beyond January 1, 2022, under the Emergency Capital Investment Program, without the need to reapply to the NCUA for regulatory capital treatment.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR TOOMEY
FROM TODD M. HARPER**

Q.1. *Congressional Oversight*—Please provide your philosophy on how NCUA will approach and respond to Congressional information requests (both for documentary information and oral testimony), if you are confirmed.

A.1. If confirmed for a full term on the NCUA Board, I would continue to quickly and transparently respond to information requests from Congress. The agency will confirm receipt within one business day and work with requestors to identify the best way to address their particular request.

Q.2. If confirmed, do you intend to respond to information requests differently depending on who is making the Congressional information request (whether it's the chair of the Congressional committee, the Ranking Member, or another member of Congress)? Please answer "yes" or "no." If your answer is "yes," please explain.

A.2. No.

Q.3. Will you commit that, if confirmed, you will respond in a timely manner and fully comply with all information requests from me? Please answer "yes" or "no." If your answer is "no," please explain.

A.3. Yes.

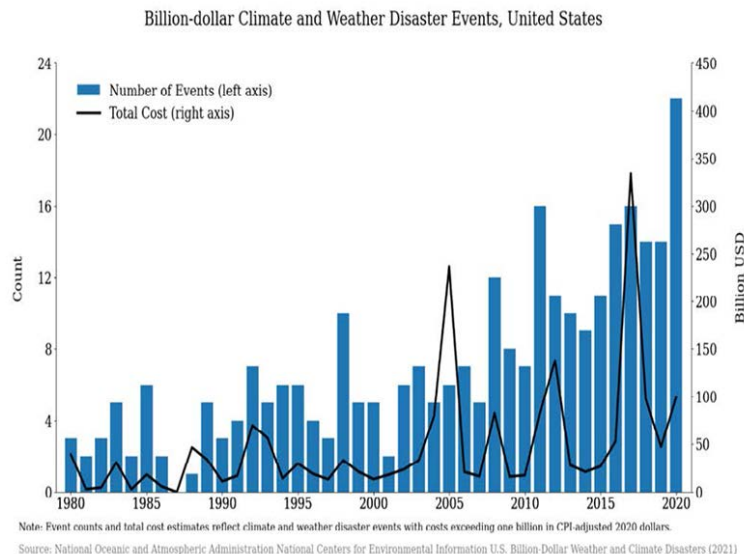
Q.4. Will you commit that, if confirmed, you will make yourself and any other NCUA employee expeditiously available to provide oral testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chairman or Ranking Member? Please answer "yes" or "no." If your answer is "no," please explain why.

A.4. Under the Federal Credit Union Act, the NCUA Chairman is the spokesman for the Board and represents the Board and the agency. As such, if confirmed for a full term on the NCUA Board, I commit to making myself available, consistent with scheduling availability and other duties. I will also work with the Committee regarding the availability of other senior leadership at the agency.

Q.5. Climate Change—In September 27, 2021, answers to questions for the record,¹ you noted that “[s]pecific supervisory policies and examination strategies addressing climate vulnerability will be considered as we continue to study the effects of climate change on credit unions and the credit union system.” However, in August 2021, you told an NCUA group tasked with studying financial climate risk that “the data about rising sea levels and extreme weather events, as well as climate financial risks, are clear.”

What specific “data about . . . climate financial risks” were you referencing?

A.5. Climate change is an emerging threat to the financial stability of the United States. Globally and within the United States, climate-related impacts in the form of warming temperatures, rising sea levels, droughts, wildfires, intensifying storms, and other climate-related events are already imposing significant costs upon the public and the economy. In 2020, the U.S. experienced 22 extreme events causing \$96 billion in property damage.² The last year was not unique. In fact, the increase in extreme weather events last year is part of a long-running trend. As illustrated in the chart below, the frequency and cost of weather-related catastrophic events have been rising over the past 20 years.



¹NCUA, Responses to the Questions for the Record: United States Senate Committee on Banking, Housing, and Urban Affairs “Oversight of Regulators: Does Our Financial System Work for Everyone?” Hearing, August 3, 2021, prepared on Sep. 27, 2021.

²NOAA National Centers for Environmental Information (Billion-Dollar Disasters: Calculating the Costs).

Q.6. How does the “data about . . . climate financial risks” compare quantitatively to other risks facing credit unions, such as ordinary business cycles and existing weather-related risks?

A.6. Through its examinations and supervision, the NCUA aims to consider all material risks to the credit unions it insures and regulates. Climate-related financial risk is one of many risks and that risk may differ from credit union to credit union depending on its location, composition of its loan portfolio, and other factors.

The quantified economic impacts of transition and physical risks must be linked to changes in the values of financial sector assets and liabilities—to measure credit, liquidity, and other risks to financial institutions or sectors. Many of these linkages may be familiar—with links between losses in income and credit losses, for example, potentially following patterns similar to typical relationships used in financial modeling.

However, the dynamic patterns of the economic impacts of climate risks may differ sizably from those of typical business cycle shocks. These differences may require research including the development of multiple modeling approaches. Other risks, such as certain operational and legal risks, may be more difficult to quantify, necessitating a qualitative evaluation.

The NCUA’s internal working group is focused on developing in-house expertise on climate-related financial risks and their implications for credit unions, credit union members, and the Share Insurance Fund. How best to measure and model those risks is a component of that effort.

Q.7. What specific climate-related supervisory policies and examination strategies is the NCUA considering or planning to consider?

A.7. The NCUA’s Climate Financial Risks Working Group is assessing the NCUA’s current regulatory framework and whether it is sufficient for addressing climate risk to credit unions. To this end, the group is currently reviewing the seven risk indicators—credit risk, interest rate risk, liquidity risk, transaction risk, compliance risk, strategic risk, and reputation risk—and examiner review procedures for compliance with the Flood Disaster Protection Act and disaster preparedness planning. Once complete, the group may present recommendations for revisions to examination scoping, risk assessments, review procedures, and corrective actions.

Q.8. How is the NCUA’s Climate Financial Risks Working Group (Working Group) structured? Please describe how many members there are; how they are chosen; how meetings are organized and how often they occur; decisions are reached, and what deliverables and work products are underway as well as associated timelines.

A.8. The working group is composed of 11 staff members from across the agency. Members were drawn from all credit union supervisory-related areas of the NCUA that have a perspective on climate financial risk, including the agency’s three regional offices, the Office of Examination and Insurance, the Office of the Chief Economist, the Office of National Examinations Supervision, the Office of Consumer Financial Protection, the Office of Credit Union Resources and Expansion, the Office of General Counsel, and the Office of External Affairs and Communications. The group’s composition was developed in consultation with the Office of the Execu-

tive Director. The NCUA's Climate Financial Risks Working Group held its first meeting on August 19, 2021. Meetings occur as frequently as needed.

The group is still in its initial study phase. Preliminary efforts are aimed at developing internal expertise on the financial risks associated with climate change and their implications for credit unions, credit union members, and the National Credit Union Share Insurance Fund. The working group is also taking stock of the agency's existing regulatory tools, policies, and examination procedures and assessing whether the current risk-monitoring framework is sufficient for capturing and addressing climate-related financial risks. A separate workstream will consider how to model and estimate risks to the National Credit Union Share Insurance Fund. The goal of this broad approach is to establish the infrastructure necessary to ensure that the credit union system and Share Insurance Fund remain resilient to climate-related financial risks.

Currently planned deliverables and work products include a request for information from credit unions and other stakeholders to determine whether and how climate change factors into credit unions' risk-monitoring framework, business strategy, and product offerings. The group is also considering recommendations for revisions to examination scoping, risk assessments, review procedures, and corrective actions if deficiencies are identified relating to the seven risk indicators, the Flood Disaster Protection Act, and disaster preparedness planning. The working group aims to complete both projects within the next several months.

Q.9. Does the NCUA have specific policies and procedures governing the Working Group to ensure their analysis remains free from political interference? If so, please submit copies of all of these materials.

A.9. The NCUA is an independent agency, and it approaches issues through fact finding.

The working group is comprised of seasoned Federal employees who have each taken the constitutional oath all Federal employees take upon entering Federal service. Each of the working group's members is committed to the core mission of the NCUA and regularly demonstrates the hallmarks of public service: stewardship of public trust and commitment to the public good.

Q.10. How long will the Working Group operate?

A.10. No timeline has been determined.

Q.11. In order to provide greater transparency, will you commit to making the Working Group's findings public?

A.11. Yes, to the extent possible, the agency will make such findings public at an appropriate time. Material involving supervisory information about a specific institution or privileged and confidential information will be excluded.

Q.12. As the NCUA and other bank regulators analyze this issue, do you commit to follow the data, as it relates to credit unions, no matter where it leads?

A.12. Yes.

Q.13. Climate models are ill-suited to predicting financial risk due to their uncertainties and complexities, and the fact that climate models have a time horizon of decades or longer. In fact, one recent paper by a group of climate researchers found that current climate models cannot provide financially meaningful information.³ In addition, the international Financial Stability Board issued a report in July 2021 acknowledging that the difficulty in modeling climate risks and lack of reliable historical data create greater uncertainty in assessing financial institutions' exposures to climate risks than other risks.⁴ However, in a March meeting of the Financial Stability Oversight Council (FSOC), you stated that FSOC "should focus on the financial risks related to climate change" and NCUA "needs to manage that risk within our regulatory and supervisory frameworks." Given the uncertainty of both climate models and actual risks to financial institutions, on what basis do you believe FSOC involvement is warranted or regulatory action is supportable?

A.13. While the Nature Climate Change article you cite does indicate concerns about existing models and tools, it also describes climate change as a very significant threat and recognizes that the problem is systemic. Moreover, it does not suggest that the problematic nature of existing models warrants inaction. For example, for business, it asserts that: "... there are opportunities for effective integration of existing climate information that are aligned with the motivations already discussed; first, to genuinely assess risk for the purpose of minimizing vulnerability (including to an investment); second, to utilize such assessments in the building of resilience; third, to meet the requirements of regulators who require such risks to be assessed; and fourth, given the emergence of CSPs [Climate Service Providers], to assess the vulnerability of an entity to analysis undertaken by others."⁵

According to the National Oceanic and Atmospheric Administration, there were a record-breaking 22 separate billion-dollar weather and climate disasters in the United States in 2020.⁶ These hurricanes, severe storms, drought, and wildfires caused a combined \$95 billion in damages. Going forward, extreme weather events like these will have implications for regulated and insured financial institutions. The risks they pose to financial institutions are real and well documented.

In addition to the physical risks due to damages from the frequency and intensity of storms, drought, and wildfires, there are also transition risks that arise as economies shift to a less carbon-reliant economy. The physical and transition risks associated with climate change will manifest themselves in traditional risk categories such as credit risk, market risk, operational risk, liquidity risk, and to a lesser extent legal and reputational risks. Based on

³Nature Climate Change, "Business Risk and the Emergence of Climate Analytics", <https://www.nature.com/articles/s41558-020-00984-6.epdf>, Feb. 2021.

⁴Financial Stability Board, "Availability of Data With Which To Monitor and Assess Climate-Related Risks to Financial Stability", <https://www.fsb.org/wp-content/uploads/P070721-3.pdf>, Jul. 2021.

⁵Nature Climate Change, "Business Risk and the Emergence of Climate Analytics", <https://www.nature.com/articles/s41558-020-00984-6.epdf>, Feb. 2021.

⁶Data is from the NOAA National Centers for Environmental Information ("Billion-Dollar Disasters: Calculating the Costs").

the foregoing, FSOC involvement is warranted and regulatory action is supportable.

Q.14. In the March 2021 FSOC meeting you went on to state that: “Most credit unions focus on mortgage, auto, and small business lending. Over time, climate change will affect the value of collateral like homes and commercial properties, especially in areas affected by extreme weather, and vehicles, as we transition to electric and hybrids.” The risk associated with consumers moving from one source of energy to another is not much different than the risks financial institutions face when consumer purchasing habits change from new inventions, cause some businesses to be created and others to be destroyed. Placing restrictions or costly regulatory burdens on credit unions’ ability to offer auto lending, mortgage lending, and small business lending to deal with one category of risk may significantly harm individuals seeking to purchase low-cost vehicles, families looking to buy a home, and small businesses owners and entrepreneurs trying to remain competitive. This is particularly true for low-income consumers, who are impacted the most by greater restrictions and increased costs of credit.

Do you intend to target auto lending, mortgage lending, and small business lending for climate-related supervisory or regulatory tools?

A.14. No. If confirmed for a full term on the NCUA Board, my goal is to ensure that our regulated institutions remain resilient against all material risks, including the risks to collateral held for security for a loan that is subject to risks posed by climate change and the increase in climate-related natural disasters. In our oversight, the NCUA should evaluate whether credit unions are addressing those risks through insurance or other risk-mitigation techniques.

Q.15. What auto lending, mortgage lending, and small business lending climate-related supervisory policies and examination strategies is the NCUA considering?

A.15. No specific policies are currently under consideration. As the prudential regulator and insurer for credit unions, the agency must assess ways in which climate change poses financial risk to federally insured credit unions and the Share Insurance Fund.

Q.16. Has the NCUA studied the potentially harmful effects of climate-related lending restrictions on credit unions, low-income consumers, families, and small businesses?

A.16. The NCUA does not have any intention of implementing climate-related lending restrictions. Hence, we have not studied their potential effects. The agency is aware that the adverse effects of climate change may be felt more acutely by financially vulnerable communities and that these communities will have a difficult time recovering from a climate disaster or adapting to climate change.

Q.17. In 2019, the FSOC unanimously approved guidance to implement an activities-based approach for identifying potential risks to financial stability. Under this approach, FSOC works with entities to mitigate systemic risk via “off-ramps,” and designates individual entities as systemically important only as a last resort. The Chairman of the NCUA has a statutory seat on the FSOC. If confirmed,

would you seek to preserve the FSOC's current approach to designation?

A.17. The FSOC is not actively considering a change to the existing Guidance on Nonbank Designations, which was published in December 2019. To the extent the FSOC decides to make changes to the "activities-based approach" or other elements of the Guidance, if confirmed for a full term on the NCUA Board, I will carefully consider changes in accordance with the Council's statutory responsibilities.

Q.18. FSOC's 2019 guidance also established that, before the FSOC uses its authority under Section 120 of the Dodd-Frank Act to issue nonbinding recommendations to a primary financial regulatory agency, it will ascertain whether the agency expects to perform a cost-benefit analysis. In cases where the agency would not, the FSOC will conduct its own cost-benefit analysis. This commitment is critical given the importance of engaging in analytical rigor when developing regulatory standards. Do you commit to retain the cost-benefit analysis requirement if confirmed?

A.18. Under Section 120, the Dodd-Frank Wall Street Reform and Consumer Protection Act mandates that a recommended activity or practice "shall take cost to long-term economic growth into account." Such a requirement is prudent and, if confirmed for a full term on the NCUA Board, I would commit to ensuring that the requirement is retained.

Q.19. *Consumer Compliance Rating*—At the September 30, 2021, Senate Banking Committee hearing, you indicated in response to questions that the NCUA does not conduct and assign a separate consumer compliance rating for credit unions.

At the hearing you also mentioned NCUA has been increasing its fair lending program and is conducting targeted risk-focused reviews. What are the criteria for selecting credit unions for these risk-focused consumer compliance reviews?

A.19. The NCUA does not assign a separate consumer compliance numerical rating during risk-focused examinations of Federal credit unions. Instead, our examiners determine the level of overall compliance risk—along with six other areas of risk—a credit union presents.⁷ In determining a credit union's level (low/medium/high) and directionality (increasing/decreasing/unchanged) of compliance risk, the NCUA's examiners follow the same principle-based framework as the other Federal banking agencies defined by the Federal Financial Institutions Examination Council's (FFIEC) Uniform Interagency Consumer Compliance Rating System.

The compliance risk rating assigned by examiners encompasses all laws as well as compliance with exam reports, prudent ethical standards, contractual obligations, and exposure to litigation. Compliance risk can blend into operational risk, transaction risk, and even legal risk, increasing the difficulty of identifying this risk. So, while we do determine a credit union's overall level of compliance risk, it covers a broad universe of compliance risk.

⁷The other areas of risk include credit risk, interest rate risk, liquidity risk, transaction risk, strategic risk, and reputation risk.

The NCUA's fair lending program has evolved over the last decade. Most notably, prior to the creation of the Office of Consumer Financial Protection—originally established as the Office of Consumer Protection—the agency's fair lending program was implemented by each regional office, with potentially conflicting policies and procedures. When the NCUA created the Office of Consumer Financial Protection, the fair lending program was centralized into one office for consistency and a more efficient use of agency resources. Under this centralized framework, the NCUA utilizes the FFIEC's Interagency Fair Lending Examination Procedures.

During the last decade, the NCUA has assumed a more proactive role in fair lending oversight and referred its first ever cases of potential fair lending discrimination to the U.S. Department of Justice. In 2020, the NCUA increased the number of onsite fair lending examinations from 25 to 30. The NCUA continues to perform at least 40 offsite supervision contacts.

The agency selects credit unions for fair lending examinations and supervision contacts based on a variety of factors. They include results of reviews of HMDA data, observations during regular safety and soundness examinations, information from consumer complaints, and credit union size. In addition to those examinations and contacts, the agency generally reviews some aspect of fair lending in all regular safety and soundness examinations. For example, throughout 2021 NCUA examiners have reviewed specific aspects of each credit union's fair lending policies and procedures during each risk-focused examination to help establish a fair lending baseline or health check. Together with other consumer lending information, the agency will be better equipped to scope fair lending examinations, conduct necessary training, and provide outreach to the industry going forward.

Q.20. Based on NCUA's 2021 Annual Performance Plan, NCUA has conducted less than the targeted 30 fair lending examinations per year since 2018.⁸ This suggests that NCUA has found extremely low consumer compliance risks, considering less than 0.56 percent (30 credit unions out of 5,300) were targeted for these reviews. How does this justify rolling out an entirely new consumer compliance rating system?

A.20. Prior to 2020, the agency met its annual performance plan goal of 25 onsite fair lending examinations and at least 40 offsite fair lending supervision contacts. Starting in 2020, the NCUA increased the number of fair lending examinations from 25 to 30. The number of fair lending examinations performed is not related to findings. Since 2017, the NCUA has referred nine credit unions to the U.S. Department of Justice for suspected fair lending violations, as required by the Equal Credit Opportunity Act. The agency continuously monitors credit unions, reviewing available data and other information, to inform our fair lending review areas and selection of credit unions for onsite and offsite examination.

The NCUA's fair lending examination program is a separate subset of consumer compliance oversight. The agency continues to utilize the same rating system parameters for general consumer com-

⁸ NCUA, 2021 Annual Performance Plan, <https://www.ncua.gov/files/agenda-items/AG20210114Item7b.pdf>, Jan. 2021.

pliance, but indicators from our current limited consumer compliance reviews suggest the NCUA should be conducting more in-depth consumer compliance examinations to ensure credit unions provide members with required protections. The enhanced consumer compliance exam program the agency is developing is intended to start with those large credit unions soon to transition to the Consumer Financial Protection Bureau for oversight of consumer financial protection laws and regulations. This enhanced examination program will educate those credit unions on what their obligations will be when supervised by the Consumer Financial Protection Bureau.

Q.21. Please describe how you plan on implementing this ratings system, including estimated time, cost, and organizational changes needed to implement the ratings system?

A.21. For clarity, what the agency is studying is the efficacy of an enhanced consumer compliance examination program, which would review in more detail a credit union's ability to effectively adhere to required consumer financial protection laws and regulations. The NCUA currently anticipates completing that study—including any costs and resources needed to implement such a program—and receiving recommendations in 2022. Any material changes to the agency's program, including implementing a separate compliance rating and necessary resources would require Board approval.

Q.22. *NCUA's Enterprise Risk Management System*—In a March 19, 2021, letter to my office in response to a March 1, 2021, letter requesting information on the NCUA's enterprise risk management system (i.e., MERIT) and other items, you mentioned your current plan was to fully deploy the system in 2021. Can you provide an update as to those plans?

A.22. For clarification, MERIT is not the NCUA's enterprise risk management system. Instead, MERIT is the NCUA's new examination tool, configured using a governance, risk, and compliance platform. Examiners will use the tool to document a credit union's examination scope, findings, and final report.

As noted in March, the NCUA will fully deploy MERIT to all NCUA examiners and State regulators in 2021. Training began in August and will conclude in November. Examiners will start using the tool to conduct examinations immediately after training. Credit unions may also use the tool to provide examination documents, respond to findings, and view examination reports.

The agency and I have worked to inform credit unions about this change and what to expect through website updates, a letter to credit unions on the Implementation of Modernized Systems, and a webinar on September 8, 2021, on the NCUA's Modernized Examination Tools. On-demand training is also available for credit unions.

Q.23. *NCUA Board Member Appointments*—According to the Federal Credit Union Act (FCUA), Board members shall not be appointed to succeed themselves except that “members appointed to fill unexpired terms may be reappointed for a full 6-year term.” Ms. Deborah Matz, your predecessor on the NCUA Board, was appointed to fill a 6-year term. That term ended in April 2015, and

Ms. Matz remained a board member in a holdover status. She voluntarily left the NCUA Board in 2016. You were nominated for this open seat in February 2019, and confirmed in April 2019 to fill the 6-year term that began when Ms. Matz's term expired. Please explain:

How is your appointment permissible given the FCUA's prohibition on board members being appointed to succeed themselves?

A.23. My appoint is permissible pursuant to Section 102(c) of the Federal Credit Union Act (12 U.S.C. §1751) which states, "future members appointed to fill unexpired terms may be reappointed for a full 6-year term."

Q.24. How was the term you were appointed to, which was vacant because Ms. Matz's 6-year term had expired, an "unexpired term"?

A.24. I was appointed to fill the remaining time on a term, which ran through April 10, 2021, so my original appointment in 2019 was to that unexpired term.

Q.25. Has NCUA legal counsel offered any opinions on the definition of "unexpired term" in the FCUA? If so, please share with the Committee.

A.25. Not that I am aware of.

Q.26. In the context of the FCUA, how does NCUA define "unexpired term"?

A.26. This has been a question for the White House.

Q.27. In the context of the FCUA, how does NCUA define "expired term"?

A.27. This has been a question for the White House.

Q.28. Are there any other examples of NCUA Board members being reappointed after completing their terms when they replaced a holdover board member and not a member who left their 6-year term early?

A.28. Not that I am aware of.

Q.29. *Answering Questions for the Record*—Please describe with particularity the process by which you answered these questions for the record, including identifying who assisted you in answering these questions along with a brief description of their assistance.

A.29. Initially, I reviewed each of these questions and developed an outline for the answers reflecting my knowledge and views. Appropriate policy and program offices within the agency then reviewed those initial answers, supplemented the material as requested, and ensured accuracy in the responses. The material was subsequently compiled into one document for final review by the Office of the General Counsel and the Office of External Affairs and Communications, my staff, and me.

RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN BROWN FROM JUDITH DELZOPPO PRYOR

Q.1. Where have you excelled in past positions in attracting, hiring, and promoting people of color in positions in your organization/s? Where might there be room for improvement?

A.1. Throughout my career, I am proud of the work that I have done in supporting people of color in the workplace. For example, during my time at WorldSpace, which was a minority-owned and operated company, I placed a priority on having a very diverse staff representing many voices—Hispanic, Black, Middle Eastern, Indigenous American, and White. In my experience, the more diverse voices there are at the table, the better the outcome or decision.

During my 2 years serving on EX-IM's Board of Directors, I expressed concern about the lack of diversity on the agency's advisory committees and secured a commitment from the Chairman to prioritize the recruitment of women and people of color going forward.

Q.2. What specific measures will you use to evaluate the success of the Export-Import Bank in understanding and addressing the needs of Black, Indigenous, and people of color (BIPOC)?

And, will you keep Congress apprised, as appropriate, on the progress being made on these measures?

A.2. If confirmed, I will work with EX-IM's President and staff to better understand how the agency is working to address the needs of its workforce, particularly as it relates to historically disadvantaged groups, including Black, Indigenous, and people of color. I believe that recruitment, retention, and professional advancement are among the key metrics to evaluating the success of these efforts. I will work with EX-IM's President and staff to ensure the agency is transparent with Congress on these efforts.

Q.3. What is your plan for creating an inclusive working environment for employees within your office?

A.3. I believe there needs to be constant engagement with and outreach to employees. As an EX-IM Board Member during the height of COVID-19, I put a high priority on reaching out to employees from across the agency to remind staff that they are appreciated.

The agency should make use of surveys, multi-level conversations, all-employee meetings, suggestion boxes, and other methods to gather inputs to improve the work environment. I genuinely care about the employees of EX-IM—I want them to recognize their value, the importance of their work, that they are being heard and that together we can create a sound, productive environment for everyone.

While I do not know how many employees I will directly oversee if I am confirmed to this role, I will place a high priority on fostering an inclusive work environment in my office.

Q.4. In 2016, EX-IM created the Environmental and Social Project Information and Concerns web portal. That portal allows for communities to submit grievances about project impacts. Financial and development institutions often review their accountability mechanisms every 4 or 5 years and solicit public input to improve their processes. The COVID-19 pandemic has limited the ability of EX-IM and its contractors to undertake project assessments and monitoring.

If confirmed, do you believe that it is important for the EX-IM Board of Directors to ensure project monitoring and accountability

processes are robust, and do you believe that public consultation to improve EX-IM practices is important?

A.4. Public comment and input are essential to EX-IM and to me personally. Greater inputs—voices from all corners of an issue or concern—can only serve to better inform a decision and ensure EX-IM has truly considered the inputs of a wide variety of interested parties.

If I am confirmed, I will request an update on our accountability mechanisms, discuss with EX-IM experts and determine what actions, if any, should be taken to modernize or update these policies to ensure projects on the ground adhere to high environmental and social standards. I believe that stakeholder and public engagement should be a critical part of that process.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR TOOMEY
FROM JUDITH DELZOPPO PRYOR**

Q.1. *Congressional Oversight*—Please provide your philosophy on how the Export-Import Bank of the United States (EX-IM) will approach and respond to Congressional information requests (both for documentary information and oral testimony), if you are confirmed.

A.1. If confirmed, I will support EX-IM's efforts to respond in a timely fashion to inquiries from Congress, in accordance with regulation and statute.

Q.2. If confirmed, do you intend to respond to information requests differently depending on who is making the Congressional information request (whether it's the chair of the Congressional committee, the Ranking Member, or another member of Congress)? Please answer "yes" or "no." If your answer is "yes," please explain.

A.2. If confirmed, to the extent practicable, I will seek to respond to congressional inquiries in a timely, consistent fashion regardless of requestor, in accordance with regulation and statute.

Q.3. Will you commit that, if confirmed, you will respond in a timely manner and fully comply with all information requests from me? Please answer "yes" or "no." If your answer is "no," please explain.

A.3. If confirmed, I will respond in a timely fashion to information requests in accordance with regulation and statute.

Q.4. Will you commit that, if confirmed, you will make yourself and any other EX-IM employee expeditiously available to provide oral testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chairman or Ranking Member? Please answer "yes" or "no." If your answer is "no," please explain why.

A.4. If confirmed, I will make myself or my staff available to provide oral testimony in accordance with regulation and statute.

Q.5. *COVID-19 Temporary Measures*—During your tenure as an EX-IM Board member, four "temporary" measures were adopted in March 2020 that put U.S. taxpayers at greater risk, such as increasing the guaranteed coverage option to 95 percent. These measures were extended for an additional year to April 2022. If con-

firmed, will you commit to ending the temporary measures that EX-IM adopted during the pandemic?

A.5. Should I be confirmed, I would review each measure—temporary or permanent—brought before the Board with an eye to understanding the demonstrated need for the program, the gap it is filling in private sector finance, how it would support U.S. jobs, if it is needed to address U.S. export competitiveness, and what the risk would be to U.S. taxpayers.

COVID-19 has had a profound impact on the global economy. EX-IM, like other lenders around the world, took swift action to provide temporary liquidity relief to its borrowers. These measures were renewed in 2021 as the pandemic continued its disruption of the global economy.

Should I be confirmed, I would ask for an update on the continued need for these temporary measures. It is important to me that EX-IM is taking action to support U.S. exports and workers when needed to counter the effects of COVID-19-related disruptions in the global economy.

Q.6. Do you commit to ensuring these “temporary measures” do not become permanent policies of EX-IM?

A.6. EX-IM’s Board adopted temporary measures and I believe that when the effects of COVID-19 have substantially subsided, those temporary measures should not automatically be made permanent.

However, EX-IM’s product offerings need to be regularly reviewed to ensure they meet the needs of today’s exporters and fulfill EX-IM’s statutory requirements, including reasonable assurance of repayment, which ultimately reduces taxpayer risk.

Should I be confirmed, I would review any proposals for new financing tools or modifications to EX-IM’s existing financing tools to understand the demonstrated need for the tool, the gap it is filling in private sector finance, how it would support U.S. jobs, if it was needed to address U.S. export competitiveness, and what the risk would be to U.S. taxpayers.

Q.7. *China Program*—In December 2020, the EX-IM Board of Directors unanimously approved lowering the domestic content policy for its Program on China and Transformational Exports (CTEP) to 51 percent, with the potential to be even lower.

What is the lowest domestic content percentage that you would personally support?

A.7. Congress directed EX-IM to establish the Program on China and Transformational Exports with rates, terms and other conditions that are fully competitive with those offered by the People’s Republic of China. In recognition of this Congressional mandate, EX-IM’s Board of Directors approved a policy lowering the minimum domestic content required to receive full EX-IM financing for the ten statutorily defined transformational export areas. The Board established various criteria for transformational exports that would have to be considered for full EX-IM financing if the U.S. supply contract had less than 51 percent domestic content. I supported this proposal and, if confirmed, would look to review any transaction with less than 51 percent domestic content against these Board-approved criteria. If confirmed, I will review each

transaction individually with an eye to understanding how it fulfills EX-IM's mission of supporting jobs through exports.

Q.8. The EX-IM Advisory Committee recommended a U.S. content minimum of 20–30 percent to purportedly better level the playing field with our foreign competitors. Would you support a 20 percent domestic content for a loan guarantee? If so, can you explain how this fits within the mission statement of supporting U.S. jobs when 80 percent of the product will be made elsewhere?

A.8. As a Board Member I supported EX-IM's content policy revision for transformational exports. The Board did not consider the recommendation from the Advisory Committee and based on my understanding of their proposal, I did not agree with their recommendation.

Q.9. *Reviews by the Board of Directors*—Please explain the review process that occurs for the EX-IM Board of Directors when considering an application for a loan, loan guarantee, or insurance.

A.9. As a Board Member, I was informed by EX-IM staff that the Chair of the Board intended to bring a transaction to the Board for consideration and received a memorandum from staff outlining the details of the transaction. This included: a review of the proposed financing structure and terms; the agency's experience with the transaction participants; a description of how EX-IM is supplementing but not supplanting private capital; a description of the jobs supported; a summary of the credit analysis; legal analysis; interagency comments; character and reputational transaction integrity review; economic impact analysis; environmental and social impact analysis; and country risk, among other items.

I then reviewed these Board memoranda in detail and met with staff to discuss the transactions in depth to address any concerns I had about the transactions.

For transactions that require a Congressional or Federal Register notification, I would then review any comments submitted through that process and prior to the vote on authorization.

Q.10. In your view, what are the most important metrics to examine when considering an application?

A.10. Should I be confirmed, I will review each transaction that comes before Board to understand how it meets the requirements laid out in EX-IM's Charter as established by Congress. This includes support for U.S. jobs, the need to fill gaps in private sector financing or level the playing field against foreign Government-backed export financing, reasonable assurance of repayment, and the potential adverse environmental and economic impacts of a transaction.

Q.11. Please thoroughly describe the environmental review process that occurs at EX-IM and how you personally used the results of that process when considering applications.

A.11. EX-IM's Board-approved Environmental and Social Due Diligence Procedures and Guidelines govern the environmental and social review each transaction undergoes and, depending on the type of EX-IM financing being offered and in accordance with the Organisation for Economic Cooperation and Development's Common Approaches. Board-level transactions are categorized accord-

ing to their potential for environmental risks and impacts and are reviewed accordingly. Applications for financing projects that are categorized as Category A are required to include an Environmental and Social Impact Assessment, which is made available to the public for at least 30 days prior to EX-IM consideration for final approval.

EX-IM's Engineering and Environment Division is responsible for reviewing transactions in accordance with the Environmental and Social Due Diligence Procedures and Guidelines and provides a thorough written and oral briefing on each transaction's potential environmental risks and mitigants or the transaction's environmental benefits. In accordance with EX-IM's Charter and congressional direction I took into account the environmental effects for the proposed transaction. During my previous tenure at EX-IM, I weighed the information provided very carefully. Should I be confirmed, I will continue to review transactions closely for their environmental impacts and will consider those risks, mitigants, and benefits in the context of the broader transaction and how the transaction as a whole meets EX-IM's Charter requirements.

Q.12. *EX-IM Reforms*—Your 26 months of service on the EX-IM Board of Directors provided you with exposure to how EX-IM operates. Based on that experience, what reforms would you seek to implement as EX-IM's First Vice President that will lower the risk of EX-IM's operations for Federal taxpayers?

A.12. Should I be confirmed and return to EX-IM, I would look forward to an update on implementation of the reforms undertaken during President and Chairman Kimberly Reed's tenure, including the new additionality checklist to ensure EX-IM is not supplanting private capital, and updated economic impact procedures.

As First Vice President, I would support modernizing EX-IM programs as appropriate to balance efforts to fulfill EX-IM's mission of supporting jobs through exports without putting taxpayer resources at undue risk. I would also hope to undertake aggressive business development efforts that would expand EX-IM's portfolio, thereby reducing potential concentration risk.

Q.13. *Answering Questions for the Record*—Please describe with particularity the process by which you answered these questions for the record, including identifying who assisted you in answering these questions along with a brief description of their assistance.

A.13. I worked with EX-IM's Office of Congressional and Intergovernmental Affairs to review my answers for accuracy and completeness.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR MENENDEZ FROM JUDITH DELZOPPO PRYOR

Q.1. I am increasingly concerned that the United States is not well positioned to engage in economic statecraft for the 21st century, including promoting U.S. jobs, business and economic interests, engaging in development financing for infrastructure and other needs, including climate change-related resiliency, and setting standards for emergent technologies and the digital economy.

Can you expand upon how you view your role at the Ex-Im Bank, if you are confirmed, in helping to renew and replenish U.S. economic statecraft?

A.1. If confirmed to serve as EX-IM's First Vice President, I believe I could play an important role in contributing to significant economic dialogue with foreign Governments and business leaders to advance EX-IM's mission of supporting U.S. jobs by facilitating U.S. exports. I believe that working with U.S. Government partners including the Departments of Commerce, State, and Energy, and the Development Finance Corporation and U.S. Trade and Development Administration, EX-IM can encourage foreign Governments and business leaders to see the value in purchasing high quality American goods and services. While EX-IM's mission is to support U.S. jobs, I am keenly aware of how important its financing can be in building economic ties that strengthen American leadership and foster constructive relationships that support U.S. interests.

Q.2. Where do you see the biggest challenges? Biggest opportunities?

A.2. EX-IM operates at the intersection of demand for U.S. exports, lack of private capital or the need to level the playing field, and a reasonable assurance of repayment. One of EX-IM's greatest challenges is in ensuring that it is effectively serving U.S. exporters and foreign buyers from all sectors that meet these statutory requirements but may not have historically participated in EX-IM financing.

One of EX-IM's biggest opportunities is represented by the China and Transformational Exports Program, which has ten key sectors that the agency is mandated to lean into in order to advance the comparative leadership of the United States. The key sectors, including renewable energy, semiconductors, and 5G, may have significant opportunities where EX-IM can facilitate the export of U.S. goods and services and support U.S. jobs.

Q.3. In past recessions, EX-IM has typically expanded its support as private commercial banks scale back their trade financing. For example in fiscal year 2009, during the Great Recession, EX-IM's credit assistance grew 46 percent over the prior year, and much of that new assistance was in support of American small businesses.

If confirmed, what steps will you take to ensure EX-IM is prepared to respond to the needs of small exporters during the COVID recovery?

A.3. Small business exporters are always top-of-mind for me. Early in the pandemic EX-IM staff conducted outreach to learn what exporters, especially small businesses, needed from EX-IM. In March 2020, the Board approved a variety of flexibilities that sought to quickly reduce burdens on U.S. exporters facing extreme challenges brought about by COVID-19. EX-IM also reinvigorated the Supply Chain Financing Guarantee Program to provide liquidity relief to businesses that contribute to exports through supply chains.

Should I be confirmed, I would continue to keep small businesses top of mind and would look forward to an update on what if any programmatic changes need to be made to meet the changing needs of exporters during the COVID recovery era.

Q.4. As the United States increases its focus on clean energy and creating good-paying green tech jobs here at home, there has been some public criticism that EX-IM has inadequately done its part to reach out to the clean energy industry, educate them about the opportunities EX-IM provides, develop a clean tech project pipeline, and in turn create competitive American made climate tech industries and jobs.

How can EX-IM better engage the clean energy sector in order to fulfill its mission both at home and abroad?

A.4. During my time at EX-IM, I worked with our business development team to reach out to a number of renewable energy sector companies. I focused on outreach to renewable energy, energy storage, and energy efficiency companies.

All EX-IM transactions are required by law to have a reasonable assurance of repayment and must demonstrate an inability to access private sector financing or a need to compete on a level playing field with foreign Government-backed export financing.

By educating U.S. exporters and foreign buyers, including sovereigns, about the tools EX-IM can provide, we can support the export of clean energy goods and services. I conducted extensive outreach through one-on-one meetings, keynote speeches at conferences, and panel participation to reach buyers, exporters, and lenders.

EX-IM must build out and engage a robust pipeline of potential projects, which can be done through business development and education. U.S. Government resources, tools, and support beyond EX-IM may also be helpful in getting companies export-ready so that EX-IM can step in and provide financing at the appropriate time. If confirmed, I hope to bolster EX-IM's outreach in these clean energy sectors and others, and ensure as many U.S. companies as possible understand how we can be helpful to them.

Q.5. Section 2(b)(1)(C) of the EX-IM Charter requires the Board to appoint an officer to work with industry and other Government agencies to promote more clean energy applications and more sustainable projects for EX-IM to support.

Has this officer been appointed?

A.5. Yes.

Q.6. If so, who is this officer and how have they advanced this mission?

A.6. Craig O'Connor is EX-IM's Renewable Energy and Environmental Exports Officer. He engages the sector, speaks at conferences, and has a network of contacts across the spectrum of U.S. clean energy companies. When I was at EX-IM, Craig and I worked together to expand outreach efforts in the renewable energy sector.

Q.7. If not, what progress has been made towards appointing this officer?

A.7. N/A.

Q.8. Section 11 of the EX-IM Charter allows the Board of EX-IM to engage in increased scrutiny of projects that could have significant adverse environmental impacts, including impacts to the "global commons".

How do you view EX-IM's Section 11 authorities as it pertains to climate change?

A.8. My understanding is that Section 11 gives EX-IM's Board the authority to establish environmental procedures and guidelines that consider, among other things, the potential effect that project emissions can have on the global commons, such as causing or contributing to climate change.

Q.9. Section 3(I) of the EX-IM Charter states that the duty of EX-IM's Chief Risk Officer is to be "responsible for all matters related to managing and mitigating all risk . . ."

Does the Chief Risk Officer account for the risk of climate impacts on EX-IM projects?

A.9. While the Chief Risk Officer has an obligation to set the framework for and establishes policy related to risk mitigation for transactions, EX-IM's Board of Directors is specifically mandated by law to establish procedures for evaluating the potential adverse environmental effects of transactions under Section 11 of its Charter. The Board last revised its Environmental and Social Due Diligence Procedures and Guidelines in 2013.

Should I be confirmed, I would welcome the opportunity to discuss with EX-IM staff how climate impacts are currently accounted for in the Environmental and Social Due Diligence Procedures and Guidelines, and to work with your office to get your input on how the Board can ensure its procedures and guidelines are effectively addressing these concerns.

Q.10. Does the Chief Risk Officer account for policy risks of carbon intensive projects becoming stranded assets?

A.10. When underwriting financing for a project, EX-IM evaluates the potential environmental and operational risks associated with the project. Should I be confirmed, I would welcome the opportunity to discuss with EX-IM staff to better understand how the risk of stranded assets is accounted for and I would be pleased to work with your office to get your input on how the agency can effectively address these concerns.

Q.11. Do you think the Chief Risk Officer should account for such climate impacts and climate policy risks?

A.11. Climate change is an urgent threat and I believe EX-IM should account for climate risk in accordance with U.S. statutory requirements and industry and global best practices. Should I be confirmed, I would welcome the opportunity to discuss with EX-IM staff how risks are currently accounted for, and to work with your office to get your input on how the agency can effectively address these concerns.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR TILLIS FROM JUDITH DELZOPPO PRYOR

Q.1. In the past month we have seen agreements signed by Poland and Ukraine with U.S. companies to build U.S. nuclear reactor designs abroad. In addition, the International Atomic Energy Agency (IAEA) estimates that about 30 countries are currently considering or newly embarking on nuclear power. This presents an incredible

market opportunity for the dozens of U.S. companies developing the next generation of nuclear power.

What will you do to ensure that American nuclear companies are able to secure deals with these ready markets?

A.1. If confirmed, I would work to ensure EX-IM staff is effectively conducting its outreach efforts. I understand that nuclear energy-related projects are highly complex and typically involve significant interagency coordination and I look forward to learning more about how we can partner with the Departments of State, Energy, and Commerce; the Nuclear Regulatory Commission; and others to ensure EX-IM is fulfilling its mission of supporting U.S. exports.

Q.2 How will you ensure the EX-IM bank is proactively engaging with private companies looking to build abroad to ensure they can procure commitments from international partners?

A.2. If confirmed, I would work to ensure EX-IM staff is effectively conducting its outreach efforts. I understand that nuclear energy-related projects are highly complex and typically involve significant interagency coordination and I look forward to learning more about how we can partner with the Departments of State, Energy, and Commerce; the Nuclear Regulatory Commission; and others to ensure EX-IM is fulfilling its mission of supporting U.S. exports.

Q.3. The International Atomic Energy Agency (IAEA) recently issued the 41st edition of “Energy, Electricity and Nuclear Power Estimates for the Period up to 2050”. This report presents projections for nuclear energy generation. In the high-case scenario, nuclear capacity increases by about 20 percent by 2030, and more than doubles by 2050 relative to 2020 capacity. In order to reach these goals, the U.S. will have to play a significant role in the export of new nuclear reactor technologies. If we do not, then we lose that market opportunity.

What do you see as the biggest challenge for the EX-IM Bank to support new nuclear projects abroad?

A.3. During my time at EX-IM, no nuclear transactions came before the Board. It is my understanding that nuclear transactions are highly complex, with significant legal and operational matters that need to be resolved prior to Board consideration. It is my understanding that most of these complexities are due to factors that are external to EX-IM.

I am not aware of any significant challenges specific to EX-IM that would limit its ability to finance new nuclear projects. I would welcome the opportunity to learn more from your office and stakeholders about what concerns, if any, there may be regarding EX-IM’s ability to support new nuclear projects.

Q.4. What will you do to ensure that nuclear energy is a key technology for the EX-IM Bank to support?

A.4. EX-IM is a demand-driven institution and does not discriminate on the basis of industry or sector. If confirmed, I would work to ensure EX-IM staff is effectively conducting its outreach efforts. I understand that nuclear energy-related projects are highly complex and typically involve significant interagency coordination and I look forward to learning more about how we can partner with the Departments of State, Energy, and Commerce; the Nuclear Regu-

latory Commission; and others to ensure EX-IM is fulfilling its mission of supporting U.S. exports.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR KENNEDY
FROM JUDITH DELZOPPO PRYOR**

Q.1. The United States has become one of the global leaders in exporting liquified natural gas (LNG), supporting hundreds of thousands of jobs at home while building upon important relationships overseas. America has exported LNG to 40 different countries, many of which remain dependent on significantly more carbon intensive forms of energy sourced from China and natural gas supplied from Russia. Other recipients of LNG are currently facing severe shortfalls of renewable generation due to drought or low wind power production, demonstrating that LNG is a critical tool for keeping power grids reliable as the world moves to higher levels of renewable energy.

LNG also serves as the foundation to decarbonize hard to electrify sectors and for the deployment of the next generation of energy technologies such as clean hydrogen. U.S. LNG exports provide America with an unparalleled asset to reduce global GHG emissions, provide good paying jobs here at home, and advance our Nation's geopolitical and national security interests, particularly with respect to China and Russia—necessitating continued support by the Administration.

What role do you see for the Export-Import Bank in helping ensure the United States continues to be a leader in the export of LNG to emerging economies around the world?

A.1. EX-IM operates at the intersection of demand for U.S. exports, lack of private capital or the need to level the playing field, and a reasonable assurance of repayment. EX-IM is a demand-driven institution and is mandated not to discriminate on the basis of industry or sector. Should I be confirmed, I will review each transaction in accordance with all applicable legal requirements, always being mindful of the agency's mission to support U.S. jobs through exports.

Q.2. If confirmed, will you support eligible projects overseas that rely on U.S. LNG exports—particularly those aimed at curbing China's influence through coal-powered energy projects in the far east and Russia's influence through natural gas supply to Europe?

A.2. EX-IM is a demand-driven institution and is mandated not to discriminate on the basis of industry or sector. Should I be confirmed, I will review each transaction in accordance with all applicable legal requirements, always being mindful of the agency's mission to support U.S. jobs through exports.

Congress directed EX-IM to establish the Program on China and Transformational Exports with rates, terms and other conditions that are fully competitive with those offered by the People's Republic of China. Should I be confirmed, I will take that responsibility seriously.

Q.3. If confirmed, will you commit to exploring ways the Export-Import Bank can more directly support domestically produced U.S. LNG exports to emerging economies overseas?

A.3. EX-IM is a demand-driven institution and is mandated not to discriminate on the basis of industry or sector. If confirmed, I would work to ensure EX-IM staff is effectively conducting its outreach efforts to support U.S. exports and utilizing financing tools at the agency's disposal to support the competitiveness of U.S.-made goods and services.

Q.4. President Biden's Executive Order 14008, Tackling the Climate Crisis At Home and Abroad, directs the Secretaries of State, Treasury, and Energy to work with the Export-Import Bank "to identify steps through which the United States can promote ending international financing of carbon-intensive fossil fuel-based energy while simultaneously advancing sustainable development and a green recovery."

A.4. In response to the Executive Order, the Treasury Department announced guidance in August of this year restricting support for financing of natural gas projects overseas. Treasury's guidance further confounds the uncertainty surrounding President Biden's support for U.S. LNG exports and thousands of high-paying jobs here in the United States. Furthermore, the Treasury guidance creates uncertainty for U.S.-led LNG projects that are already underway overseas as foreign partners and private investors worry that broader financing restrictions by other Federal agencies may be coming. This will lead to U.S. engineering and manufacturing companies competing, without the support of the U.S. Government, with other companies supported by their Government—case in point, the Chinese Belt and Road Initiative and Russian efforts to capture markets for their coal and natural gas resources.

In your view, can financing of U.S.-led LNG projects overseas help to advance or facilitate sustainable energy development in emerging countries that are otherwise wholly dependent on carbon-intensive coal from China or natural gas from Russia?

EX-IM is a demand-driven institution and is mandated not to discriminate on the basis of industry or sector. As a general matter, I believe that U.S.-led power projects can help a country advance, grow their economy, and support the demand for future sustainable economic development, ideally using technology and exports developed by and manufactured in the United States. To the extent EX-IM provides financing that makes U.S. exports competitive, those transactions are then subject to EX-IM's high environmental and social standards.

Q.5. If confirmed, will you commit to look for ways to support U.S.-led LNG projects overseas that provide a cleaner energy alternative for emerging countries to meet their energy demands today, while also helping to pave the way for renewable energy development in the future?

A.5. EX-IM is a demand-driven institution and is mandated not to discriminate on the basis of industry or sector. If confirmed, I would work to ensure EX-IM staff is effectively conducting its outreach efforts to support U.S. exports and utilizing financing tools at the agency's disposal to support the competitiveness of U.S.-made goods and services.

Q.6. If confirmed, will you commit to reassuring foreign and commercial partners that the Export-Import Bank will continue to support eligible U.S.-led LNG projects overseas?

A.6. If confirmed, I commit to following EX-IM's Charter, bylaws, and policies in support of U.S. jobs. I look forward to engaging in business development to encourage foreign buyers to choose American-made goods and services and educate American exporters about EX-IM's tools and resources. Should I be confirmed I will review transactions for their adherence to all applicable statutory requirements and agency policies.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAMER
FROM JUDITH DELZOPPO PRYOR**

Q.1. The U.S. Department of Commerce estimates that the international nuclear reactor export market is valued at \$500-740 billion, and another independent report estimates nuclear market revenues could range between \$1.3 trillion and \$1.9 trillion through 2050. The EX-IM Bank can play a key role in enabling U.S. companies to access these markets.

What will you do to ensure that the EX-IM Bank is enabling access to this potentially \$1.9 trillion dollar market?

A.1. EX-IM's mission is to support U.S. jobs through exports, without regard to sector. EX-IM is an important tool in the U.S. Government toolbox to facilitate American exports, in accordance with all export rules, regulations, and statutory requirements.

During my time at EX-IM, no nuclear transactions came before the Board. Should I be confirmed, it will be important to continue the agency's business development efforts, ensuring both buyers and exporters are aware of how EX-IM can support these exports that will play an important role in supporting American leadership. I understand that nuclear energy-related projects are highly complex and typically involve significant interagency coordination and I look forward to learning more about how we can partner with the Departments of State, Energy, and Commerce; the Nuclear Regulatory Commission; and others to ensure EX-IM is fulfilling its mission of supporting U.S. exports.

Q.2. The EX-IM charter states that an organizational objective is to "seek to minimize competition in Government-supported export financing." Today, China and Russia are clearly dominating the international export market for nuclear energy. For example, between 2009 and 2018, Russia accounted for about half of the 53 units under construction around the world today. These countries, due to their State-owned enterprises, can offer extremely competitive financing packages. Organizations like the EX-IM Bank and International Development Finance Corporation can help U.S. companies compete with these incredible packages.

How will you ensure that the EX-IM Bank works to make U.S. companies more competitive on the international market, especially for technologies like nuclear energy which are used as geopolitical tools by adversarial countries?

A.2. EX-IM has been directed to level the playing field for U.S. exports so that goods and services compete on quality, not financing

terms. If confirmed, I would work to ensure EX-IM staff is effectively conducting its outreach efforts. I understand that nuclear energy-related projects are highly complex and typically involve significant interagency coordination and I look forward to learning more about how we can partner with the Departments of State, Energy, and Commerce; the Nuclear Regulatory Commission; and others to ensure EX-IM is fulfilling its mission of supporting U.S. exports.

Q.3. There is a significant market for nuclear energy abroad. However, if we lack a cost-competitive reactor design to sell, we will continue to cede our global leadership on nuclear energy to countries like China and Russia. To export these designs, we will also need better financing opportunities through the Export-Import Bank and International Development Finance Corporation.

How can we better work with our allies to combat the financing China and Russia offer to developing countries that are allowing them to dominate the nuclear export market?

A.3. EX-IM is an important tool in the U.S. Government toolbox to provide competitive financing to export-ready American-made goods and services. Should I be confirmed, I would hope to work with my colleagues across the executive branch in a whole-of-Government approach to supporting American exports. Working with the Departments of State and the Treasury, I believe EX-IM can improve coordination among allies to support U.S. leadership in this sector.

Q.4. How can we modernize our export process, which not only has clean energy benefits but supports U.S. interests and national security?

A.4. I do not know the specifics related to the full range of processes associated with nuclear energy exports; it is my understanding these processes generally fall under the jurisdiction of other Federal departments and agencies. EX-IM requires that all exports obtain the necessary permits and licenses to qualify for agency financing. If confirmed, I would be willing to consider what steps, if any, EX-IM can take to modernize its processes to support the effectiveness and efficiency of the agency in meeting the needs of U.S. exporters.

Q.5. We need to work with our allies to supersede the competitive financing packages of international competitors. The EX-IM Bank has previously helped finance four nuclear reactors in the UAE, where, even though the UAE selected South Korea to build their reactor designs, the EX-IM Bank provided \$2 billion in financing to U.S. companies participating in the construction project. This deal supported 5,000 U.S. jobs in 17 States.

How will you ensure that the EX-IM Bank better supports the U.S. nuclear energy industry by providing financing to U.S. companies interested in executing these deals internationally?

A.5. EX-IM has been directed to level the playing field for U.S. exports so that goods and services compete on quality, not financing terms. If confirmed, I would work to ensure EX-IM staff is effectively conducting its outreach efforts. I understand that nuclear energy-related projects are highly complex and typically involve significant interagency coordination and I look forward to learning

more about how we can partner with the Departments of State, Energy, and Commerce; the Nuclear Regulatory Commission; and others to ensure EX-IM is fulfilling its mission of supporting U.S. exports.

Q.6. How will you make sure that the EX-IM Bank is proactive in engaging with U.S. companies and countries that are looking to build new projects?

A.6. EX-IM has been directed to level the playing field for U.S. exports so that goods and services compete on quality, not financing terms. If confirmed, I would work to ensure EX-IM staff is effectively conducting its outreach efforts. I understand that nuclear energy-related projects are highly complex and typically involve significant interagency coordination and I look forward to learning more about how we can partner with the Departments of State, Energy, and Commerce; the Nuclear Regulatory Commission; and others to ensure EX-IM is fulfilling its mission of supporting U.S. exports.

Q.7. In recognition of China's growing international investment, the International Development Finance Corporation (DFC) was authorized in 2018 to counter State-directed investments by authoritarian Governments. Last administration, the DFC removed its restriction on funding nuclear energy. EX-IM does not have a restriction on financing nuclear export projects, and historically has provided financing to nuclear projects.

How important is supporting nuclear energy projects to the EX-IM Bank?

A.7. EX-IM is a demand-driven institution and does not discriminate on the basis of industry or sector. I understand that EX-IM financing for nuclear energy projects is important because exporters in this sector have identified gaps in private sector financing and competition with foreign Government-backed export financing as putting U.S. exports and workers at a competitive disadvantage.

Q.8. What steps will you take to ensure that the EX-IM Bank is coordinating with other Government agencies to level the playing field with authoritarian Governments to support private industry?

A.8. If confirmed, I would work to ensure EX-IM staff is effectively conducting its outreach efforts. I understand that nuclear energy-related projects are highly complex and typically involve significant interagency coordination and I look forward to learning more about how we can partner with the Departments of State, Energy, and Commerce; the Nuclear Regulatory Commission; and others to ensure EX-IM is fulfilling its mission of supporting U.S. exports.

Q.9. In the past month we have seen agreements signed between Poland and Ukraine with U.S. companies to build U.S. nuclear reactor designs abroad. In addition, the International Atomic Energy Agency (IAEA) estimates that about 30 countries are currently considering or newly embarking on nuclear power. This presents an incredible market opportunity for the dozens of U.S. companies developing the next generation of nuclear power.

What will you do to ensure that American nuclear companies are able to secure deals with these ready markets?

A.9. If confirmed, I would work to ensure EX-IM staff is effectively conducting its outreach efforts. I understand that nuclear energy-related projects are highly complex and typically involve significant interagency coordination and I look forward to learning more about how we can partner with the Departments of State, Energy, and Commerce; the Nuclear Regulatory Commission; and others to ensure EX-IM is fulfilling its mission of supporting U.S. exports.

Q.10. How will you ensure the EX-IM bank is proactively engaging with private companies looking to build abroad to ensure they can procure commitments from international partners?

A.10. If confirmed, I would work to ensure EX-IM staff is effectively conducting its outreach efforts. I understand that nuclear energy-related projects are highly complex and typically involve significant interagency coordination and I look forward to learning more about how we can partner with the Departments of State, Energy, and Commerce; the Nuclear Regulatory Commission; and others to ensure EX-IM is fulfilling its mission of supporting U.S. exports.

Q.11. I helped lead the effort to reauthorize the Export-Import Bank last Congress with Sen. Sinema. Included in the bill was the Program on China and Transformational Exports, which directs EX-IM to provide financial products to directly neutralize export subsidies offered by the PRC. The United States has cut emissions more than anyone in the world and unlike China, our energy producers, whether nuclear or natural gas or carbon capture for coal, are the best innovators and entrepreneurs.

With EX-IM's mandate to compete with China and our shared desire to reduce global emissions, should the Bank use its authorities to focus on the exportation of American energy innovation overseas, including advanced nuclear, carbon capture and natural gas technology?

A.11. EX-IM is a demand-driven institution and is mandated not to discriminate on the basis of industry or sector. Should I be confirmed, I will review each transaction in accordance with all applicable legal requirements, always being mindful of the agency's mission to support U.S. jobs through exports.

Furthermore, Congress has mandated that the agency seek to increase its financing for exports related to renewable energy, energy storage, and energy efficiency. These provide great opportunities for U.S. exports and EX-IM should be active in engaging U.S. businesses and foreign buyers to support American jobs through the export of these goods and services.

Q.12. To reiterate, the U.S. has reduced emissions more than any other Nation specifically because of our efficient use of natural gas, carbon capture, and nuclear power. Does EX-IM have a role to play, making the U.S. a model for other Nations by exporting these goods and technologies?

A.12. EX-IM is a demand-driven institution and is mandated not to discriminate on the basis of industry or sector. Should I be confirmed, I will review each transaction in accordance with all applicable legal requirements, always being mindful of the agency's mission to support U.S. jobs through exports.

**RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN BROWN
FROM OWEN EDWARD HERRNSTADT**

Q.1. Where have you excelled in past positions in attracting, hiring, and promoting people of color in positions in your organization/s? Where might there be room for improvement?

A.1. As Chief of Staff for a large industrial union, I have worked hard to attract, hire and promote people of color. As always, there is room for improvement in recruiting.

Q.2. What specific measures will you use to evaluate the success of the Export-Import Bank in understanding and addressing the needs of Black, Indigenous, and people of color (BIPOC)? And, will you keep Congress apprised, as appropriate, on the progress being made on these measures?

A.2. If confirmed, I look forward to learning more about how EX-IM addresses the needs of Black, Indigenous, and people of color and working with our Board, staff, you and Members of the Committee to improve EX-IM's effectiveness in these efforts.

Q.3. What is your plan for creating an inclusive working environment for employees within your office?

A.3. I believe in an open, transparent working environment that reflects the values I have displayed in all of my positions—respect, equality, dignity and honesty. I plan to collaborate closely with EX-IM's President and my fellow Board Members to identify ways in which we can instill those values in all of our work.

Q.4. In 2016, EX-IM created the Environmental and Social Project Information and Concerns web portal. That portal allows for communities to submit grievances about project impacts. Financial and development institutions often review their accountability mechanisms every 4 or 5 years and solicit public input to improve their processes. The COVID-19 pandemic has limited the ability of EX-IM and its contractors to undertake project assessments and monitoring.

If confirmed, do you believe that it is important for the EX-IM Board of Directors to ensure project monitoring and accountability processes are robust, and do you believe that public consultation to improve EX-IM practices is important?

A.4. Yes, I believe that it is important for the EX-IM Board of Directors to ensure project monitoring and accountability processes are robust. I believe that public consultation to improve EX-IM practices is important.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR TOOMEY
FROM OWEN EDWARD HERRNSTADT**

Q.1. *Congressional Oversight*—Please provide your philosophy on how the Export-Import Bank of the United States (EX-IM) will approach and respond to Congressional information requests (both for documentary information and oral testimony), if you are confirmed.

A.1. I support a philosophy of transparency in which EX-IM complies with Congressional information requests in a responsive and timely manner as consistent with all statutory, regulatory, and pol-

icy requirements and in consultation with the General Counsel and others, as appropriate.

Q.2. If confirmed, do you intend to respond to information requests differently depending on who is making the Congressional information request (whether it's the chair of the Congressional committee, the ranking member, or another member of Congress)? Please answer "yes" or "no." If your answer is "yes," please explain.

A.2. I will seek to respond to all requests in a manner consistent with Committee rules and all statutory, regulatory, and policy requirements and in consultation with the General Counsel and others, as appropriate.

Q.3. Will you commit that, if confirmed, you will respond in a timely manner and fully comply with all information requests from me? Please answer "yes" or "no." If your answer is "no," please explain.

A.3. I am committed to responding to all requests in a timely manner consistent with all statutory, regulatory, and policy requirements and in consultation with EX-IM's General Counsel and others, as appropriate.

Q.4. Will you commit that, if confirmed, you will make yourself and any other EX-IM employee expeditiously available to provide oral testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chairman or Ranking Member? Please answer "yes" or "no." If your answer is "no," please explain why.

A.4. I will work with the Committee Chairman and Ranking Member, as consistent with the rules of the Committee and all statutory, regulatory, and policy requirements and in consultation with the EX-IM's General Counsel and others as appropriate.

Q.5. *Qualifications for Nominated Position*—What specific qualifications do you have that give you the experience and expertise to serve as a member of EX-IM's Board of Directors?

A.5. EX-IM's mission is to support U.S. jobs through exports and my entire career has been focused on supporting American workers. Should I be confirmed, I believe I would be well-qualified to review transactions to understand how the financing would support U.S. jobs. Throughout my career, I have had experience working with financial matters. I served as Board Member and Chair of the Federal Reserve's Baltimore Branch. Among other things, in that capacity, I worked closely with a wide variety of financial institutions and business leaders.

I understand, in addition to supporting American jobs, EX-IM must be a responsible steward of taxpayer resources. Therefore, I would review each transaction closely, in conjunction with EX-IM staff, to understand how the transactions are mitigating a wide variety of risks, including operational and financial risks. Managing the risk is critically important in enabling EX-IM to fully support American jobs through exports.

For over 34 years, I have witnessed how unfair global competition from countries like China has impacted American businesses both large and small, American workers, their families and their communities. I know how important EX-IM is in helping these

businesses and workers succeed, especially in a world where other countries are utilizing their own export credit agencies to support their own exporters at the cost of U.S. businesses, suppliers and workers.

Q.6. During your professional career, have you ever reviewed and approved a loan?

A.6. No.

Q.7. *Role of Export-Import Bank*—In your written testimony submitted to the Banking Committee for your nomination, you stated: “if confirmed, I believe that I could provide a critical voice in fulfilling EX-IM’s mission of creating and supporting U.S. jobs by providing support to exporters of all sizes across our Nation’s industrial and service sectors.”

Can you clarify how EX-IM creates jobs, and specifically how this fits within the statutory authority of the Bank?

A.7. The mission of EX-IM, as stated in Section 2(a)(1) of its Charter (Public Law 79-173 As Amended Through P.L. 116-94, Enacted December 20, 2019) includes the following: “. . . The objects and purposes of the Bank shall be to aid in financing and to facilitate exports of goods and services, imports, and the exchange of commodities and services between the United States or any of its territories or insular possessions and any foreign country or the agencies or nationals of any such country, and in so doing to contribute to the employment of United States workers” (emphasis added).

EX-IM’s financing to foreign customers to purchase products made in the U.S. by U.S. workers contributes to supporting U.S. jobs because U.S. workers will be producing these goods for export. This allows U.S. companies to maintain and grow their workforce to meet foreign demand. Moreover, if EX-IM financing does not exist, customers may be inclined to pursue financing support from other countries’ export credit agencies, resulting in the loss of sale of U.S. exports, and the loss of U.S. jobs and/or the loss of additional job opportunities for American workers.

Q.8. How will you ensure that EX-IM is not competing with private lenders in facilitating financing for exporters of all sizes, but particularly large exporters who have access to private capital?

A.8. If confirmed, I will work with EX-IM staff to address this important matter consistent with statutory, regulatory, and policy requirements. Specifically, I would review the work done by staff to analyze the conditions that make EX-IM financing needed in order to facilitate the exports. I will also look forward to meeting with you and other Members of this Committee, to hear your concerns and recommendations.

Q.9. EX-IM’s charter states that “[i]t is also the policy of the United States that the Bank in the exercise of its functions should supplement and encourage, and not compete with, private capital.” Do you commit to ensuring that large corporations who have access to private capital do not turn to EX-IM financing without first exhausting efforts to obtain credit elsewhere?

A.9. I agree that each individual transaction must be reviewed to determine that there is a legitimate need for EX-IM to be involved in the transaction and that there is a detailed explanation for why

the requested financing is not available from the private sector. I look forward to hearing more about your concerns regarding this matter as well as to reviewing each transaction that comes before me in accordance with all statutory, regulatory, and policy requirements.

Q.10. *COVID-19 Temporary Measures*—In March 2020, EX-IM adopted four “temporary” measures that put the U.S. taxpayers at greater risk, such as increasing the guaranteed coverage option to 95 percent. These measures were extended for an additional year to April 2022. If confirmed, will you commit to ending the temporary measures that EX-IM adopted during the pandemic?

A.10. I was not at EX-IM when the above-referenced measures were adopted. If confirmed, I look forward to learning more about these measures as well as your concerns.

Q.11. Do you commit to ensuring these “temporary measures” do not become permanent policies of EX-IM?

A.11. I was not at EX-IM when the above-referenced measures were adopted. If confirmed, I look forward to learning more about these measures from EX-IM staff as well as your concerns.

Q.12. *China Program*—In December 2020, the EX-IM Board of Directors unanimously approved lowering the domestic content policy for its Program on China and Transformational Exports (CTEP) to 51 percent, with the potential to be even lower.

What is the lowest domestic content percentage that you would personally support?

A.12. If confirmed, I will work hard to ensure that EX-IM fulfills its mission to offer finance support to exports that support U.S. jobs consistent with all statutory, regulatory, and policy requirements. I look forward to learning in more detail EX-IM’s empirical data as well as its methodology for determining the impact that various levels of domestic content requirements have on U.S. workers across sectors. If confirmed as a Board member, I look forward to reviewing EX-IM’s policies, including those pertaining to domestic content, to ensure that they are effectively enabling the Bank to fulfill its mission regarding finance support of exports that support U.S. jobs.

Q.13. The EX-IM Advisory Committee, which you were a party to, recommended a U.S. content minimum of 20–30 percent to purportedly better level the playing field with our foreign competitors. Would you support a 20 percent domestic content for a loan guarantee? If so, can you explain how this fit within the mission statement of supporting U.S. jobs when 80 percent of the product will be made elsewhere?

A.13. As a member of the Advisory Committee last year, I did not support the proposal you cite for reasons that included process concerns as well as a lack of empirical data indicating what impact such a change would have on EX-IM’s ability to fulfill its mission to support U.S. jobs in each of the transformational sectors that were the subject of the proposal.

Q.14. *Answering Questions for the Record*—Please describe with particularity the process by which you answered these questions

for the record, including identifying who assisted you in answering these questions along with a brief description of their assistance.

A.14. I completed answers to these questions. The answers were reviewed by EX-IM's Office of Congressional and Intergovernmental Affairs, which advised me on their accuracy and responsiveness.

**RESPONSES TO WRITTEN QUESTIONS OF
SENATOR MENENDEZ FROM OWEN EDWARD HERRNSTADT**

Q.1. I am increasingly concerned that the United States is not well positioned to engage in economic statecraft for the 21st century, including promoting U.S. jobs, business and economic interests, engaging in development financing for infrastructure and other needs, including climate change-related resiliency, and setting standards for emergent technologies and the digital economy.

Can you expand upon how you view your role at the Ex-Im Bank, if you are confirmed, in helping to renew and replenish U.S. economic statecraft?

A.1. If confirmed as Member of the Board of Directors, I believe my role will be to review policies that will assist EX-IM to better effectuate its mission. I recognize the important role that EX-IM can play in supporting U.S. economic leadership. I look forward to working with you and your colleagues, as well other agencies, on a whole-of-Government approach concerning this very critical matter.

Q.2. Where do you see the biggest challenges? Biggest opportunities?

A.2. The biggest challenge also represents the biggest opportunity, namely adopting a whole-of-Government approach to renew and replenish U.S. economic statecraft. This means frequent exchanges with other agencies to fully understand the interaction of each agencies mission and priorities, consistent with all statutory, regulatory, and policy requirements.

Q.3. In past recessions, EX-IM has typically expanded its support as private commercial banks scale back their trade financing. For example in fiscal year 2009, during the Great Recession, EX-IM's credit assistance grew 46 percent over the prior year, and much of that new assistance was in support of American small businesses.

If confirmed, what steps will you take to ensure EX-IM is prepared to respond to the needs of small exporters during the COVID recovery?

A.3. If confirmed, I will make small businesses who are ready to export and support U.S. jobs one of my priorities, especially those who have been hard hit during the COVID recovery.

Q.4. As the United States increases its focus on clean energy and creating good-paying green tech jobs here at home, there has been some public criticism that EX-IM has inadequately done its part to reach out to the clean energy industry, educate them about the opportunities EX-IM provides, develop a clean tech project pipeline, and in turn create competitive American made climate tech industries and jobs.

How can EX-IM better engage the clean energy sector in order to fulfill its mission both at home and abroad?

A.4. I agree that this should be a priority, and if confirmed, I am committed to working with you and EX-IM staff to better engage the clean energy sector in order to better fulfill its mission at home and abroad.

Q.5. Section 2(b)(1)(C) of the EX-IM Charter requires the Board to appoint an officer to work with industry and other Government agencies to promote more clean energy applications and more sustainable projects for EX-IM to support.

Has this officer been appointed?

A.5. Since I am not at EX-IM, I do not know the status of this position.

Q.6. If so, who is this officer and how have they advanced this mission?

A.6. Since I am not at EX-IM, I do not know the status of this position or how they have advanced this work.

Q.7. If not, what progress has been made towards appointing this officer?

A.7. Since I am not at EX-IM, I do not know the status of this position.

Q.8. Section 11 of the EX-IM Charter allows the Board of EX-IM to engage in increased scrutiny of projects that could have significant adverse environmental impacts, including impacts to the “global commons”.

How do you view EX-IM’s Section 11 authorities as it pertains to climate change?

A.8. I am not currently at EX-IM and am not fully knowledgeable of how EX-IM interprets its Section 11 authority regarding this matter. Should I be confirmed, I would look to learn more about EX-IM’s implementation of Section 11 of the EX-IM Charter. I also look forward to hearing your concerns.

Q.9. Section 3(I) of the EX-IM Charter states that the duty of EX-IM’s Chief Risk Officer is to be “responsible for all matters related to managing and mitigating all risk”

Does the Chief Risk Officer account for the risk of climate impacts on EX-IM projects?

A.9. I agree that climate impact is serious and must be a priority. As I am not currently at EX-IM, I am not familiar with the activities and priorities of the Chief Risk Officer. Should I be confirmed, I look forward to learning more from EX-IM staff and hearing your concerns.

Q.10. Does the Chief Risk Officer account for policy risks of carbon intensive projects becoming stranded assets?

A.10. As I am not currently at EX-IM, I am not familiar with the activities and priorities of the Chief Risk Officer. Should I be confirmed, I look forward to learning more from EX-IM staff and hearing your concerns.

Q.11. Do you think the Chief Risk Officer should account for such climate impacts and climate policy risks?

A.11. I agree that climate impact is serious and must be a priority. However, as I am not currently at EX-IM, I am not familiar with the activities and priorities of the Chief Risk Officer. Should I be confirmed, I look forward to learning more from EX-IM staff and hearing your concerns.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR KENNEDY
FROM OWEN EDWARD HERRNSTADT**

Q.1. The United States has become one of the global leaders in exporting liquified natural gas (LNG), supporting hundreds of thousands of jobs at home while building upon important relationships overseas. America has exported LNG to 40 different countries, many of which remain dependent on significantly more carbon intensive forms of energy sourced from China and natural gas supplied from Russia. Other recipients of LNG are currently facing severe shortfalls of renewable generation due to drought or low wind power production, demonstrating that LNG is a critical tool for keeping power grids reliable as the world moves to higher levels of renewable energy.

LNG also serves as the foundation to decarbonize hard to electrify sectors and for the deployment of the next generation of energy technologies such as clean hydrogen. U.S. LNG exports provide America with an unparalleled asset to reduce global GHG emissions, provide good paying jobs here at home, and advance our Nation's geopolitical and national security interests, particularly with respect to China and Russia—necessitating continued support by the Administration.

What role do you see for the Export-Import Bank in helping ensure the United States continues to be a leader in the export of LNG to emerging economies around the world?

A.1. I believe EX-IM has an important role in supporting all industries and workers in our country (including LNG) in accordance with all statutory, regulatory, and policy requirements.

Q.2. If confirmed, will you support eligible projects overseas that rely on U.S. LNG exports—particularly those aimed at curbing China's influence through coal-powered energy projects in the far east and Russia's influence through natural gas supply to Europe?

A.2. At this time, I cannot confirm supporting actual transactions that I have not reviewed. If confirmed, I am committed to reviewing all transactions, including those regarding LNG, consistent with all statutory, regulatory, and policy requirements.

Q.3. If confirmed, will you commit to exploring ways the Export-Import Bank can more directly support domestically produced U.S. LNG exports to emerging economies overseas?

A.3. If confirmed, I commit to exploring ways the Export-Import Bank can more directly support domestically produced U.S. LNG exports to emerging economies overseas, in a manner consistent with statutory, regulatory, and policy requirements.

President Biden's Executive Order 14008, Tackling the Climate Crisis At Home and Abroad, directs the Secretaries of State, Treasury, and Energy to work with the Export-Import Bank "to identify steps through which the United States can promote ending inter-

national financing of carbon-intensive fossil fuel-based energy while simultaneously advancing sustainable development and a green recovery.”

In response to the Executive Order, the Treasury Department announced guidance in August of this year restricting support for financing of natural gas projects overseas. Treasury’s guidance further confounds the uncertainty surrounding President Biden’s support for U.S. LNG exports and thousands of high-paying jobs here in the United States. Furthermore, the Treasury guidance creates uncertainty for U.S.-led LNG projects that are already underway overseas as foreign partners and private investors worry that broader financing restrictions by other Federal agencies may be coming. This will lead to U.S. engineering and manufacturing companies competing, without the support of the U.S. Government, with other companies supported by their Government—case in point, the Chinese Belt and Road Initiative and Russian efforts to capture markets for their coal and natural gas resources

Q.4. In your view, can financing of U.S.-led LNG projects overseas help to advance or facilitate sustainable energy development in emerging countries that are otherwise wholly dependent on carbon-intensive coal from China or natural gas from Russia?

A.4. Thank you for raising this very important matter. I am not yet well-versed in this subject matter, however if confirmed, I look forward to learning much more about this issue and meeting with you and stakeholders to discuss it and any opportunities that may exist for EX-IM

Q.5. If confirmed, will you commit to look for ways to support U.S.-led LNG projects overseas that provide a cleaner energy alternative for emerging countries to meet their energy demands today, while also helping to pave the way for renewable energy development in the future?

A.5. If confirmed, I look forward to working with you to find ways to support U.S.-led projects overseas that provide a cleaner energy alternative for developing countries to meet their energy demands today and in the future, as consistent with my role on the Board and in a manner consistent with all statutory, regulatory, and policy requirements.

Q.6. If confirmed, will you commit to reassuring foreign and commercial partners that the Export-Import Bank will continue to support eligible U.S.-led LNG projects overseas?

A.6. I believe EX-IM has an important role in supporting all industries and workers in our country in accordance with all statutory, regulatory, and policy requirements.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAMER FROM OWEN EDWARD HERRNSTADT

Q.1. The U.S. Department of Commerce estimates that the international nuclear reactor export market is valued at \$500–740 billion, and another independent report estimates nuclear market revenues could range between \$1.3 trillion and \$1.9 trillion through

2050. The EX-IM Bank can play a key role in enabling U.S. companies to access these markets.

What will you do to ensure that the EX-IM Bank is enabling access to this potentially \$1.9 trillion dollar market?

A.1. If confirmed, I look forward to working with EX-IM staff to learn what is currently being done to access this market, consistent with statutory, regulatory, and policy requirements. To the extent foreign buyers or U.S. exporters are unaware of EX-IM tools, I look forward to supporting EX-IM's education efforts across industries. If confirmed, I will also look forward to hearing your recommendations on this matter.

Q.2. The EX-IM charter states that an organizational objective is to "seek to minimize competition in Government-supported export financing." Today, China and Russia are clearly dominating the international export market for nuclear energy. For example, between 2009 and 2018, Russia accounted for about half of the 53 units under construction around the world today. These countries, due to their State-owned enterprises, can offer extremely competitive financing packages. Organizations like the EX-IM Bank and International Development Finance Corporation can help U.S. companies compete with these incredible packages.

How will you ensure that the EX-IM Bank works to make U.S. companies more competitive on the international market, especially for technologies like nuclear energy which are used as geopolitical tools by adversarial countries?

A.2. If confirmed, I look forward to working with EX-IM staff to learn more about what is currently being done to make U.S. companies more competitive on the international market, especially for technologies like nuclear energy, consistent with statutory, regulatory, and policy requirements. To the extent foreign buyers or U.S. exporters are unaware of EX-IM tools, I look forward to supporting EX-IM's education efforts across industries.

If confirmed, I will also look forward to hearing your recommendations on this matter.

Q.3. There is a significant market for nuclear energy abroad. However, if we lack a cost-competitive reactor design to sell, we will continue to cede our global leadership on nuclear energy to countries like China and Russia. To export these designs, we will also need better financing opportunities through the Export-Import Bank and International Development Finance Corporation.

How can we better work with our allies to combat the financing China and Russia offer to developing countries that are allowing them to dominate the nuclear export market?

A.3. If confirmed, I look forward to working with EX-IM staff and with colleagues across the U.S. Government to learn more about how we can better work with our allies to combat the financing China and Russia offer to developing countries, consistent with statutory, regulatory, and policy requirements. To the extent foreign buyers or U.S. exporters are unaware of EX-IM tools, I look forward to supporting EX-IM's education efforts across industries. If confirmed, I will also look forward to hearing your recommendations on this matter.

Q.4. How can we modernize our export process, which not only has clean energy benefits but supports U.S. interests and national security?

A.4. I believe this requires a whole-of-Government approach. If confirmed, I look forward to working with EX-IM staff and other agencies to learn more about how we can modernize our export process, if appropriate. If confirmed, I will also look forward to hearing your recommendations on this matter.

Q.5. We need to work with our allies to supersede the competitive financing packages of international competitors. The EX-IM Bank has previously helped finance four nuclear reactors in the UAE, where, even though the UAE selected South Korea to build their reactor designs, the EX-IM Bank provided \$2 billion in financing to U.S. companies participating in the construction project. This deal supported 5,000 U.S. jobs in 17 States.

How will you ensure that the EX-IM Bank better supports the U.S. nuclear energy industry by providing financing to U.S. companies interested in executing these deals internationally?

A.5. If confirmed, I look forward to working with EX-IM staff to learn more about providing financing to U.S. companies interested in executing nuclear energy deals internationally. To the extent foreign buyers or U.S. exporters are unaware of EX-IM tools, I look forward to supporting EX-IM's education efforts across industries. I am committed to reviewing each transaction in accordance with all statutory, regulatory, and policy requirements.

Q.6. How will you make sure that the EX-IM Bank is proactive in engaging with U.S. companies and countries that are looking to build new projects?

A.6. To the extent foreign buyers or U.S. exporters are unaware of EX-IM tools, I will work with EX-IM staff to identify those gaps and create strategies to maximize EX-IM's education efforts across industries. I would also like to work with you and other Members of the Committee to identify educational opportunities and strategies.

Q.7. In recognition of China's growing international investment, the International Development Finance Corporation (DFC) was authorized in 2018 to counter State-directed investments by authoritarian Governments. Last Administration, the DFC removed its restriction on funding nuclear energy. EX-IM does not have a restriction on financing nuclear export projects, and historically has provided financing to nuclear projects.

How important is supporting nuclear energy projects to the EX-IM Bank?

A.7. I am not currently aware of specific details of the EX-IM portfolio. However, EX-IM supports all industries. If confirmed, I look forward to working with EX-IM staff to learn if there are educational gaps that EX-IM should close with foreign buyers and U.S. exporters in the nuclear industry who are unaware of EX-IM tools.

Q.8. What steps will you take to ensure that the EX-IM Bank is coordinating with other Government agencies to level the playing field with authoritarian Governments to support private industry?

A.8. If confirmed, this will be a priority and I look forward to working with EX-IM staff to learn more about how it can improve coordination with other Government agencies to level the playing field with foreign Governments to support private industry, consistent with its statutory, regulatory, and policy requirements.

Q.9. In the past month we have seen agreements signed between Poland and Ukraine with U.S. companies to build U.S. nuclear reactor designs abroad. In addition, the International Atomic Energy Agency (IAEA) estimates that about 30 countries are currently considering or newly embarking on nuclear power. This presents an incredible market opportunity for the dozens of U.S. companies developing the next generation of nuclear power.

What will you do to ensure that American nuclear companies are able to secure deals with these ready markets?

A.9. If confirmed, I look forward to raising the awareness of EX-IM's tools, working with EX-IM staff and stakeholders and reviewing each transaction brought before me, consistent with all statutory, regulatory, and policy requirements. To the extent foreign buyers or U.S. exporters are unaware of EX-IM tools, I look forward to supporting EX-IM's education efforts across industries.

Q.10. How will you ensure the EX-IM bank is proactively engaging with private companies looking to build abroad to ensure they can procure commitments from international partners?

A.10. If confirmed, I look forward to working with EX-IM staff to learn more about how it can improve its proactive engagement with private companies looking to build abroad to ensure they can procure commitments from international partners consistent with its statutory, regulatory, and policy requirements.

Q.11. I helped lead the effort to reauthorize the Export-Import bank last Congress with Sen. Sinema. Included in the bill was the Program on China and Transformational Exports, which directs EX-IM to provide financial products to directly neutralize export subsidies offered by the PRC. The United States has cut emissions more than anyone in the world and unlike China, our energy producers, whether nuclear or natural gas or carbon capture for coal, are the best innovators and entrepreneurs.

With EX-IM's mandate to compete with China and our shared desire to reduce global emissions, should the Bank use its authorities to focus on the exportation of American energy innovation overseas, including advanced nuclear, carbon capture and natural gas technology?

A.11. If confirmed, I look forward to working with EX-IM staff to learn how it is focusing on the exportation of American energy innovation overseas, including advanced nuclear, carbon capture and natural gas technology, consistent with all statutory, regulatory, and policy requirements. EX-IM's mission is to support jobs through exports, and should I be confirmed, I look forward to supporting this mission and learning from you about opportunities to support these sectors.

Q.12. To reiterate, the U.S. has reduced emissions more than any other Nation specifically because of our efficient use of natural gas, carbon capture, and nuclear power. Does EX-IM have a role to

play, making the U.S. a model for other Nations by exporting these goods and technologies?

A.12. If confirmed, I look forward to working with EX-IM staff to learn about its precise role in making the U.S. a model for other Nations by exporting these goods and technologies regarding the efficient use of natural gas, carbon capture, and nuclear power, as consistent with statutory, regulatory, and policy requirements. I also look forward to learning your ideas on this critical matter.

ADDITIONAL MATERIAL SUPPLIED FOR THE RECORD

LETTER SUBMITTED BY NAFCU

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National Association of Federally-Insured Credit Unions

September 29, 2021

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing,
& Urban Affairs
U.S. Senate
Washington, DC 20510

The Honorable Pat Toomey
Ranking Member
Committee on Banking, Housing,
& Urban Affairs
U.S. Senate
Washington, DC 20510

**Re: Tomorrow's Nomination hearing for Todd Harper, Member Designate of the
National Credit Union Administration**

Dear Chairman Brown and Ranking Member Toomey:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), I am writing to share NAFCU's perspective on several issues related to the National Credit Union Administration (NCUA) as you prepare for the nomination hearing of NCUA Chairman Todd Harper to serve another term on the NCUA Board. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 127 million consumers with personal and small business financial service products. NAFCU appreciates the Committee's continued focus on issues of importance to credit unions.

The National Credit Union Share Insurance Fund (SIF)

While NAFCU applauds Chairman Harper, the NCUA Board, and the agency's leadership for their prudent oversight of the SIF during the pandemic, we continue to believe that changes to the structure of the SIF or a premium charge on credit unions are not warranted at this time. The fact that the SIF has fared so well during the past 18 months provides ample evidence that the fund is strong and that credit unions were well-capitalized and had strong balance sheets entering the crisis and continue to remain safe and sound today. The current language of the *Federal Credit Union Act* (FCU Act) creates this strong insurance fund for credit unions, which provided the necessary scope to extend assistance to their members during the pandemic.

The FCU Act creates a SIF that is structured fundamentally differently than the Deposit Insurance Fund (DIF) run by the Federal Deposit Insurance Corporation (FDIC). NAFCU is opposed to any efforts that call for legislative changes to the FCU Act to give NCUA the powers to manage the SIF similar to the DIF, such as allowing new premium assessments when they are not needed, removing upper limits on the normal operating level, or making changes that threaten the mutual nature of the fund. The FCU Act recognizes the importance of not hitting credit unions and their members with an unnecessary premium through very specific language that gives the NCUA an eight-year (or longer) window to restore the SIF equity ratio to 1.2 percent should it fall below that level. We caution against any calls for statutory changes to the SIF that go against the spirit of this provision in the FCU Act—a provision that is designed not only to keep credit unions healthy, but also to keep funds available to credit union members.

The Honorable Sherrod Brown, The Honorable Pat Toomey
 September 29, 2021
 Page 2 of 4

However, NAFCU has called for additional investment authorities to bolster credit unions' ability to manage their money and shares on deposit, as well as to protect the equity ratio of the SIF. Should the NCUA Board determine that it does not have the authority under the FCU Act to permit additional investment activities for certain debt instruments, we urge you to amend the FCU Act to explicitly provide for such authority. For example, some state-chartered credit unions can currently invest in corporate bonds and corporate credit unions are permitted to invest in asset-backed securities, but federal credit unions do not have the explicit power to do either. Such authorities would not only provide parity with state-chartered credit unions so the value of the federal charter is not diminished, but federal credit unions would be given more flexibility to make reasonable, safe investments to preserve their net worth ratios and the equity ratio of the SIF, and to help provide more products and services to their communities. Unlike for-profit banks that prioritize their shareholders above consumers, credit unions always put their members first. Yields from such investments would be returned to credit union members in the form of higher dividends and lower rates, helping communities across America.

NAFCU Opposes Granting NCUA Oversight Authority Over Third-Party Vendors

NAFCU and our member credit unions believe that cybersecurity, including the security of vendors that credit unions do business with, is an important issue. However, we are opposed to granting additional authority to the NCUA to examine third parties at this time because credit unions already conduct comprehensive due diligence and ongoing monitoring all of their third-party vendors. NAFCU believes in a strong NCUA, but we also believe that the NCUA should stay focused on where their expertise lies—regulating credit unions. Credit unions fund the NCUA budget. Implementing such new authority for NCUA to oversee third parties would require significant expenditures by the agency. The history of the NCUA's budget growth has shown that these costs would ultimately be borne by credit unions and their members.

There are also other tools already in place for the agency to get access to information about vendors. We believe the agency's time and resources are better focused on reducing regulatory burden by coordinating efforts among the financial regulators. The NCUA sits on the Federal Financial Institutions Examination Council (FFIEC) with the FDIC, the Office of the Comptroller of the Currency (OCC), and the Federal Reserve. The FFIEC was created to coordinate examination findings and approach in the name of consistency and to avoid duplication. This means that as a member of the FFIEC the NCUA should be able to request the results of an examination of a core processor from the other regulators and not have to send another exam team from the NCUA into their business for a separate examination. This would seem to be an unnecessary burden on these small businesses. Additionally, if the NCUA did its own examination, the likelihood of finding anything the other regulators did not would seem to be close to nil.

Instead of granting the NCUA vendor examination authority, Congress should encourage the agency to use the FFIEC to gain access to the information on exam findings on companies that have already been examined by other regulators. This would address the NCUA's concerns without creating additional costs to credit unions and increasing regulatory burdens on credit unions and small businesses. The NCUA could then continue to focus on other priorities that help credit unions to grow, innovate, and provide the best products and services to their communities.

The Honorable Sherrod Brown, The Honorable Pat Toomey
 September 29, 2021
 Page 3 of 4

NAFCU Supports Allowing Credit Unions to Do More to Help Underserved Populations

NAFCU supports expanding the ability of credit unions to add underserved areas to their field of membership (FOM), such has been proposed in [draft legislation](#) by the House Financial Services Committee. In 1998, as part of the *Credit Union Membership Access Act*, Congress provided federal credit unions with the ability to add underserved areas to their FOM. However, subsequent legal challenges by the banking industry over the reading of the statute led the NCUA to limit this authority to only multiple common bond credit unions in 2006.

As Congress grapples with ways to ensure that underserved and unbanked populations have access to affordable financial services, credit unions want to be able to help. Unfortunately, many credit unions are limited by the restriction on adding underserved areas to their FOM. One area where this legislation would be extremely helpful is in rural areas. According to a recent report by the Federal Reserve, between 2012–2019 credit unions grew their branch presence in rural areas by 2 percent, while community banks decreased rural branches by 5 percent and large banks decreased rural branches by 19 percent. Credit unions are proud to be at the forefront of efforts to expand financial services access to rural areas, many of which are underserved, and want to do more. However, not all credit unions can add underserved areas to their field of membership, making it challenging for some to expand in rural areas. We urge the Committee to support legislation that would allow all types of credit unions to add underserved areas to their FOM.

NAFCU Supports Governance Modernization for Credit Unions

NAFCU supports S. 1767, the *Credit Union Employee and Member Safety Act*, introduced by Senators Tina Smith (D-MN) and Ben Sasse (R-NE), which would help protect credit unions and their members from abusive, fraudulent, or criminal activity. Currently, federal credit unions can only expel a member of their community by a two-thirds vote of all members at a special meeting and only if the behavior they are engaged in is illegal. With notice requirements, the time it takes to hold a special meeting is significant. This legislation would allow credit unions to adopt an expulsion policy to expel members who engage in abusive or illegal behavior, while allowing for an appeal process that would provide due process for the accused member. It would also provide parity with several state-chartered credit unions' model or standard bylaws, which often have a "for cause" provision or board-adopted policy for expulsion. Credit unions have an obligation to ensure their cooperatives act in the best interests of their members and local communities. This common-sense legislation would put safety first, while still protecting the rights of credit union members.

NAFCU Supports Efforts to Promote De Novo Credit Union Formation

NAFCU supports efforts to promote new credit unions, which has also been a focus for NCUA Vice Chairman Kyle Hauptman. We urge the Committee to consider legislation to improve the chartering process for new credit unions as well as to consider ways to reduce the regulatory burden that discourages new credit union formation.

The Honorable Sherrod Brown, The Honorable Pat Toomey
September 29, 2021
Page 4 of 4

Thank you for the opportunity to share our thoughts on the range of issues before the Committee and the NCUA. Should you have any questions or require additional information, please do not hesitate to contact me or Janelle Relfe, NAFCU's Associate Director of Legislative Affairs, at (571) 289-7550 or jrelfe@nafcuhq.org.

Sincerely,



Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Committee on Banking, Housing, & Urban Affairs

LETTER SUBMITTED BY CUNA



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99 M Street SE
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September 30, 2021

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing, and Urban
Affairs
United States Senate
Washington, DC 20510

The Honorable Pat Toomey
Ranking Member
Committee on Banking, Housing, and Urban
Affairs
United States Senate
Washington, DC 20510

Dear Chairman Brown and Ranking Member Toomey,

On behalf of America's credit unions, I am writing in regard to the hearing on the nomination of Todd Harper to be a board member on the National Credit Union Administration Board. CUNA represents America's credit unions and their more than 120 million members.

CUNA historically has not taken positions on presidential nominations and we continue that practice in this case. Nevertheless, there are several pertinent issues that we bring to the attention of the Committee in the context of Chairman Harper's renomination, NCUA's continued work on COVID-19 related policy accommodations, the need for NCUA to have flexibility with respect to prompt corrective action (PCA) requirements, our concern with proposals to adjust the National Credit Union Share Insurance Fund (NCUSIF), our support for additional charter enhancement legislation that will further enable credit unions to focus on their members' financial well-being, and concerns raised by banking trade associations regarding the small number of bank sales to credit unions.

NCUA Should Continue Its COVID-19 Policy Accommodations

We commend the steps taken by the National Credit Union Administration (NCUA) under the leadership of Chairman Todd Harper, former Chairman Rodney Hood and Vice Chairman Kyle Hauptmann to implement policies during the COVID-19 pandemic that enabled credit unions to work to improve their members' financial well-being and advance the communities that they serve.

These include several interim final rules, including a recently adopted interim final rule that continues relief provided in a 2020 rule related to prompt corrective action (PCA).¹ We are hopeful that the agency will remain responsive and open to the needs of credit unions and their members during this global crisis.

PCA Flexibility

While regulators across government took swift and appropriate action to implement accommodations to help regulated entities navigate the pandemic and ensuring economic crisis, in some cases, the COVID-19 pandemic exposed areas of law that do not provide sufficient crisis flexibility. Credit union prompt corrective action (PCA) requirements are one such area.

Credit union capital requirements are different than bank requirements in several respects, including that only retained earnings count as Tier I capital for credit unions and thresholds for credit union capital levels are

¹ 86 Fed. Reg. 73 (Apr. 19, 2021).

hardwired into statute. Having these requirements in the statutory text restricts NCUA's ability to provide accommodations to otherwise healthy credit unions impacted by natural disasters, pandemics, and other crises. This has been an issue of concern for us since the PCA standards were enacted into law in 1998; and, in the aftermath of Hurricane Katrina, we first urged the Committee to address the issue.

Credit unions entered the pandemic very well capitalized; as a system, average credit union capital stood at 11.4% at the beginning of 2020. As the pandemic took hold and the economy shut down, lending slowed, and deposits increased dramatically, particularly after economic impact payments were made to help consumers during the crisis. Deposits are a liability on the books of credit unions which means an increase in deposits puts downward pressure on capital ratios. Lower capital ratios draw supervisory scrutiny. As a credit union approaches the 7% statutory benchmark to be considered well-capitalized, it must take action to slow the decline – perhaps by disincentivizing deposits – because if the credit union falls below 6%, it must develop a net worth restoration plan.

During this crisis, as with most natural disaster related economic events, the decline in the capital ratio was not an indicator of an unhealthy credit union but rather an indicator of the impact of an event that was widely considered to be temporary. As such, NCUA took some steps – which we commend – to provide flexibility to credit unions impacted by economic impact payments and other deposit inflows. However, the law did not permit the agency flexibility to forbear net worth restoration plans in the event a credit union dropped below 6% net worth. The consequence for members of these credit unions is that their credit union is forced to put more resources in reserve which makes fewer resources available to credit union members as we emerge from the crisis. This hampers the credit unions' ability to improve their members' financial well-being and advance the communities they serve.

Times of crisis are when credit union members need their credit union the most. Otherwise healthy credit unions should not be forced to reserve extra to accommodate rigid statutory and regulatory capital requirements when their capital declines as a result of natural disaster, pandemic or other external crisis; they should be able to continue to serve their members and help them weather the storm. Therefore, we encourage Congress to enact legislation that provides temporary flexibility to NCUA to offer forbearance from prompt corrective action to otherwise healthy credit unions impacted by federally declared emergencies or disasters.

National Credit Union Share Insurance Fund

The National Credit Union Share Insurance Fund (NCUSIF) remains strong. The fund's pre-pandemic equity ratio stood at 1.35% and finished 2020 at a historically robust 1.26% reading despite massive fiscal stimulus that led to an enormous 20% surge in insured shares during the year.² The credit union 1% deposit true-up in the first quarter of 2021 appears to have pushed the fund ratio back above 1.30%.

There was only one credit union failure in 2020 – and the system's asset quality metrics – both loan delinquency and net charge-off rates – remain near modern-day lows.

Given the health of the fund and its historically favorable performance, we are troubled by the remarks of several NCUA officials, including Chairman Harper, suggesting that NCUA may need to charge a NCUSIF premium in the near future and advocating for statutory changes to the NCUSIF funding guidelines and normal operating level.

The Federal Credit Union (FCU) Act currently provides that the NCUA Board may assess a premium charge only if the NCUSIF's equity ratio is less than 1.30 percent and the premium charge does not exceed the amount necessary to restore the equity ratio to 1.30 percent.³ This process has served the NCUSIF and the credit union industry well. While there is a statutory process in place to ensure the Fund is restored if it drops below 1.20

² <https://www.ncua.gov/files/agenda-items/AG20210218Item1a.pdf>

³ 12 CFR § 741.4(d)(2)(i).

percent, the boards over the years have been able to actively manage the Fund to maintain it near or above 1.30 percent.⁴

In a letter to Senate Banking Committee Ranking Member Pat Toomey, Chairman Harper called on Congress to enact legislation that:

- Increases the NCUSIF's capacity by removing the 1.5 percent statutory ceiling on the normal operating level.
- Removes the interim limitation on assessing premiums when the equity ratio exceeds 1.3 percent, granting the NCUA Board discretion on the assessment of premiums.
- Provides the NCUA Board with the option to use risk-based premiums and use total assets as the assessment basis, not insured shares.⁵

This is truly a solution in search of a problem. Such a drastic, unnecessary approach is wholly inappropriate because there is no apparent problem with the NCUSIF that is begging to be fixed, the historical performance of the NCUSIF relative to the bank insurance fund is very favorable, and the NCUA Board has at its disposal the tools it needs to properly maintain the NCUSIF.

The NCUSIF is maintained in a relatively straightforward manner: as prescribed by the FCU Act, the NCUA Board has the authority to assess a premium on insured credit unions if, and only if, the equity ratio of the Fund drops below 1.30 percent. This is the tool the NCUA has used to maintain the equity ratio of the Fund at least 1.30 percent. This tool has consistently proven effective in ensuring the equity ratio does not drop, or remain below, the statutorily established 1.30 percent mark.

History shows that the incentives faced by credit union management—generally uncompensated volunteer boards, the absence of stock options for senior management and board members, the absence of pressure from stockholders to maximize profits, and “low-powered” compensation packages—induce management to eschew higher-risk, higher-return strategies.⁶ As a result, credit union operations are less risky and subject to far less volatility over the business cycle. Compared to credit unions, more and substantially larger banks fail during significant economic dislocations. Twice in recent history, the bank insurance fund has operated in the red – while the credit union insurance fund has maintained a steady balance – above 1.20% even in difficult economic times.

While it is true that the NCUSIF has charged premiums to maintain that record, it is also true that since 1990 the FDIC has charged premiums in 21 years – while the NCUSIF has charged premiums in just four years. The NCUSIF has had comparatively little trouble collecting those premiums.

Similarly, it is true that the Great Recession provided significant challenges, but it is also true that those challenges were dominated by corporate credit union failures. The corporate system has been completely and forever changed to ensure that the fund has virtually no exposure to those institutions in the future. The agency must resist the temptation to manage to the last crisis.

Speaking of the Great Recession and its aftermath, it's important to recall that FDIC performance would have been immeasurably worse were it not for nearly \$250 billion in direct taxpayer subsidies funneled to the banking industry.

⁴ 12 CFR § 741.4(d)(2)(ii).

⁵ Letter from NCUA Chairman Todd Harper to Senate Banking Committee Ranking Member Pat Toomey, at 4 (Mar. 19, 2021).

⁶ Edward Kane, *The Federal Deposit Insurance Fund That Didn't Put A Bite on U.S. Tax Payers*, NBER Working Papers From National Bureau of Econ. Research, Inc. available here: <https://econpapers.repec.org/paper/nbrnberwo/4648.htm>

The NCUSIF, of course, is funded by credit union member deposits, so every dollar over-insuring the fund is a dollar that is not being used to the benefit of credit union members. Which means that an over-insured fund idles enormous credit union member benefits. Every ten-basis point increase in the fund ratio represents \$1.1 billion taken out of members' pockets—resulting in fewer financial benefits, reduced access (including branching), and a disincentive to encourage and cultivate consultative behaviors that improve consumer financial well-being. Of course, policy makers outside the agency are increasingly demanding more of—not less of—these activities and behaviors.

For these reasons, we find Chairman Harper's advocacy of changes to the NCUSIF unwarranted and counterproductive. Credit union members need their credit unions in the market working to improve their financial well-being and advancing the communities that they serve. Making the changes Chairman Harper proposes would take money out of credit union members' accounts to over-insure a fund that historically has performed its function very well.

Charter Enhancement Legislation

It is critical that the Federal Credit Union Act remain updated and relevant to support credit unions' fulfillment of their mission in the 21st Century. The last substantial update was enacted in 1998. Since then, the financial services sector has changed significantly, but the Federal Credit Union Act and its implementing regulations have not kept pace with technology and how consumers access financial services.

We support and continue to advocate for the following changes:

Enhanced Ability to Serve Underserved Areas

We encourage Congress to enact legislation that would allow all federal credit unions to add underserved areas to their field of membership and exempt business loans made by credit unions to businesses in underserved areas from the credit union member business lending cap.

Any serious discussion of policy remedies to address access to financial services to underserved or unbanked persons, businesses and communities must include breaking down barriers in law and regulation that keep credit unions from being part of the solution. Credit unions' field of membership restrictions and the member business lending cap shut out those that need access to mainstream financial services. This legislation is not a panacea to these exclusionary policies, but it does represent a solid step forward toward financial inclusion. We strongly support this legislation and appreciate its consideration.

Make Permanent Central Liquidity Facility Accommodations

We also encourage Congress to make permanent changes made to the NCUA's Central Liquidity Facility (CLF) by the CARES Act in 2020. These changes expanded the CLF's borrowing authority and made it easier for credit unions to join the CLF through their corporate credit union. CUNA has previously advocated for Congress to make these changes permanent and, therefore, we support this legislation.

Eliminate outdated restrictions on lending maturity limits

Except for mortgage lending, federally-chartered credit unions are prohibited by statute from making loans with maturity limits in excess of 15 years. Only Oklahoma has a similar constraint on state-chartered credit unions and no such constraint exists for banks. That said, CUNA strongly supports S. 762, the Expanding Access to Lending Options Act, authored by Senators Scott (R-SC) and Cortez Masto (D-NV) which would raise federal credit union loan maturity limits on non-mortgage loans from 15 to 20 years.

One area that this change may impact is student lending, the ability to set a longer loan maturity for federal credit union loans would provide student borrowers across the country with more opportunities for education

that is more affordable both in the short and long term. Credit unions would also be able to better service loans for the agricultural sector and other businesses.

Permit credit unions to establish their own fiscal year

Federal credit unions, like other corporations, should have the choice to establish a fiscal year that makes sense as it relates to the members it serves. For example, a credit union may conduct a significant amount of business with members that have seasonal operations. Thus, that credit union may want to have their fiscal year end when that large wave of financial activity is completed.

Enhance flexibility of federal credit unions to schedule board meetings

Under current law a credit union board of directors is required to meet monthly. Federal credit unions should have the authority, as do other corporations, to set meetings through their bylaws.

Remove outdated responsibilities of boards of directors

The Federal Credit Union Act requires its board of directors to review membership applications as well as the hiring of loan officers and employees. These responsibilities are undertaken in the daily operation of the credit union by management staff and are unnecessary and burdensome for a board of directors.

Eliminate the requirement to file certain information regarding loan officers

Federal credit unions are required to file with NCUA the names and addresses of executive officers, supervisory committee members, credit committee members, and loan officers. That information should be accessible through the credit union management and is unnecessary.

Ensure credit unions the ability to better protect members and employees

Although extremely rare, some credit union members may engage in sometimes dangerous or illegal conduct. This can include physical damage to property, harassment, threats, or fraud. Under current law, a 2/3rds vote of the full credit union membership is required to expel a member. In these cases, the time and resources required for a full vote are simply not practically effective. As such, CUNA supports S.1767 - Credit Union Employee and Member Safety Act of 2021, authored by Senators Smith (D-MN) and Sasse (R-NE), which would amend the Federal Credit Union Act to afford a more efficient process by requiring a majority vote of the board of directors of a credit union while at the same time providing a robust appeal process for the credit union member.

Bank Consolidation

Consolidation in the banking industry has been an ongoing trend since the 2008 recession. Banks closed more than 13,000 branches – 14 percent of all branches – between 2008 and 2020.⁷ This ongoing, multi-year trend is not due to a few relatively small banks that have decided to sell to credit unions. These transactions are few and pale in comparison to a much larger number of bank-to-bank sales – 42 to 2,343 over the last 10 years.⁸ The deals occur between two private entities in the free market and should be encouraged, not impeded, as they decrease banking deserts and improve financial access.

These transactions do not deprive the government of tax revenue. Most of the banks that sell to credit unions paid little or no taxes in the preceding years, and the taxes credit unions paid on these transactions – 24.5 percent of the total transaction value – often exceed the taxes the banks had paid in recent years.

⁷ CUNA, "Bank Sales to Credit Unions," February 2021, *available here*: https://www.cuna.org/uploadedFiles/Global/About_Credit_Unions/Bank%20Sales%20Issue%20Brief%202021.02.20.pdf

Critics of these transactions ignore the real issues at hand: Too many consumers are hurting, too many lack convenient access to safe and affordable financial services and too many small financial institutions – banks and credit unions alike – have found it impossible to keep up with the cost and complexity of compliance with an ever-increasing regulatory burden flowing out of the Consumer Financial Protection Bureau and other regulators. This forces the leaders of struggling banks to either close or to fulfill their fiduciary duty to shareholders by taking the best offer available – whether it comes from a megabank, local competitor, or credit union.

Furthermore, acquiring credit unions almost always continue to operate the bank's branches **leading to less consolidation in the industry**. When banks sell to credit unions, the credit union will often retain the bank's branches and employees. This allows consumers who would otherwise be potentially left in a banking desert to keep access to locally provided financial services, often with better terms rates.

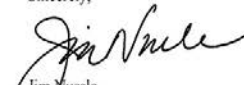
Preventing banks from selling to credit unions would have a fundamentally adverse impact on local communities and their access to financial services, hurt efforts to promote financial equity, and undermine free-market forces in which shareholders receive the best return on investment.

Banks that sell to credit unions ensure continued access to locally provided, safe and affordable financial services. These types of sales help prevent new banking deserts from developing. They should be encouraged — not impeded.

On behalf of America's credit unions and their more than 120 million members, thank you for the opportunity to share our views.

Sincerely,

Sincerely,



Jim Nussle
President & CEO