

**Statement of The Honorable Todd M. Harper
Nominee for the Board of the National Credit Union Administration**

**Nominations Hearing before the
Senate Committee on Banking, Housing, and Urban Affairs**

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 seven-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.
