

July 7, 2026

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Bessent:

On behalf of the American Bankers Association (ABA)¹, I write to urge the Department of the Treasury and the Internal Revenue Service to use their existing administrative authority to require federal credit unions to file annual IRS Form 990 information returns.²

IRS Form 990 serves as the principal transparency and accountability mechanism for tax-exempt organizations. These disclosures provide policymakers, regulators, taxpayers, and the public with important information regarding an organization's governance, executive compensation, revenues, expenditures, and activities. Most tax-exempt organizations are required to provide these disclosures as a condition of enjoying favorable tax treatment.³

Federal credit unions are a notable exception. Although they benefit from a federal income tax exemption, they are not required to file Form 990. By contrast, many state-chartered credit unions already provide annual disclosures through the Form 990 framework applicable to tax-exempt organizations.

Today, credit unions serve approximately 145.8 million members and hold roughly \$2.48 trillion in assets.⁴ Treasury's most recent tax expenditure estimates project that the federal tax exemption for credit unions will reduce federal revenues by approximately \$32.37 billion between fiscal years 2026 and 2035.⁵ Given the size of the industry and the substantial public resources associated with this tax preference, basic transparency and public accountability are more important than ever.

Requiring Form 990 filings would not alter the tax-exempt status of federal credit unions. Treasury need not create a new reporting framework to achieve this objective. Requiring federal credit unions to file Form 990 would represent a modest but meaningful transparency reform—one that would provide policymakers, taxpayers, credit union members, and the public with access to basic governance and financial information while promoting greater consistency across the tax-exempt sector.⁶

¹ The American Bankers Association is the voice of the nation's \$26.1 trillion banking industry, which is composed of small, regional and large banks that together employ over 2 million people, safeguard \$20.5 trillion in deposits and extend \$13.7 trillion in loans.

² IRS Rev. Rul. 89-94, 1989-2 C.B. 233 (concluding that federal credit unions are federal instrumentalities described in 26 U.S.C. § 501(c)(1)); 26 C.F.R. § 1.6033-2(g)(1)(vi).

³ Internal Revenue Service, Instructions for Form 990, Return of Organization Exempt from Income Tax.

⁴ National Credit Union Administration, Quarterly Credit Union Data Summary, 2026 Q1.

⁵ U.S. Department of the Treasury, Office of Tax Analysis, Tax Expenditures Fiscal Year 2027.

⁶ Organizations exempt under 26 U.S.C. § 501(c)(14), including many state-chartered credit unions, generally are subject to annual information return requirements unless an exception applies. See 26 U.S.C. § 6033(a).

This issue is particularly important because Form 990 disclosures help ensure that tax-exempt organizations remain accountable to their stakeholders and faithful to the purposes that justify their preferential treatment under federal law. Information regarding executive compensation, organizational governance, program expenditures, and other operational matters is routinely available for most tax-exempt organizations. Federal credit unions should not remain exempt from these basic transparency expectations.

Importantly, Treasury can address this issue administratively. Treasury should review and revise existing regulations and guidance that exempt federal credit unions from annual information return requirements.⁷ Doing so would provide policymakers, taxpayers, credit union members, and the public with valuable information while promoting greater confidence in the integrity of the federal tax system.

This recommendation also aligns with broader efforts to strengthen transparency and public trust in the administration of tax laws. Accordingly, ABA respectfully urges Treasury and the IRS to initiate a review of existing regulations and guidance and take appropriate administrative action to require federal credit unions to file annual IRS Form 990 information returns.

Thank you for your consideration of this request.

Respectfully,

BOB NICHOLF

⁷ 26 U.S.C. § 6033(a)(1); 26 C.F.R. § 1.6033-2(g)(1)(vi).