



National Association of Federal Credit Unions
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B. Dan Berger
Executive Vice President
Government Affairs

November 16, 2010

The Honorable Mary Landrieu
Chair
Senate Committee on Small Business
and Entrepreneurship
United States Senate
Washington, D.C. 20510

The Honorable Olympia Snowe
Ranking Member
Senate Committee on Small Business
and Entrepreneurship
United States Senate
Washington, D.C. 20510

Re: Credit Unions want to help Small Business Access to Capital

Dear Chair Landrieu and Ranking Member Snowe:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents the interests of our nation's federal credit unions, I am writing, as the Committee meets to discuss access to capital for small businesses, to urge you and your colleagues to embrace bipartisan legislation offered by Senator Mark Udall that would raise the arbitrary member business lending cap imposed on credit unions. We believe enactment of this legislation would be another important step in increasing access to capital for our nation's small businesses in these uncertain times.

Clearly the top concern of the American people continues to be the state of the economy. Earlier this month, the American public once again sent the message to Congress that job creation should be priority number one and more needs to be done. We realize that job creation is a bipartisan issue on the mind of each and every elected official and NAFCU member credit unions are also eager to continue helping with economic recovery efforts. Raising the arbitrary and outdated member business lending cap credit unions face, currently set at 12.25% of assets, would enable credit unions to help restore the flow of credit to America's small businesses and get people back to work.

While there are a number of credit unions at or approaching the arbitrary cap, many more have capital to lend but have not fully developed their business lending programs because of this artificial and arbitrary limitation on these programs. It should also be known that the Chairman of the National Credit Union Administration, credit unions prudential

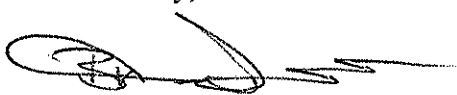
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regulator, has endorsed the member business lending cap increase and has stated that if the cap should be raised, "the NCUA would take every appropriate step to enhance regulatory safeguards and assure that member business lending is done in a prudent and safe manner."

It is with the above concerns in mind that NAFCU urges the Senate to pass legislation to lift the arbitrary member business lending cap before the end of this Congress. Credit unions and their 93 million members want to assist our struggling economy and we ask for your support to allow us to do so.

If my staff or I can be of assistance to you, or if you have any questions regarding this issue, please feel free to contact myself, or NAFCU's Director of Legislative Affairs, Brad Thaler, at (703) 842-2204.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger", with a stylized flourish extending to the right.

B. Dan Berger
Executive Vice President of Government Affairs

cc: Members of the Senate Committee on Small Business & Entrepreneurship
The Honorable Harry Reid
The Honorable Mitch McConnell