



National Association of Federal Credit Unions
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Fred R. Becker, Jr.
President and CEO

May 11, 2010

The Honorable Sam Brownback
United States Senate
303 Hart Senate Office Building
Washington, DC 20510

Re: Support Brownback Amendment #3961 to limit new regulatory burdens on credit unions

Dear Senator Brownback:

I am writing on behalf of the National Association of Federal Credit Unions (NAFCU), the only trade organization exclusively representing the interests of our nation's federal credit unions, in support of your amendment (SA 3961) to S. 3217, the *Restoring American Financial Stability Act of 2010*. This important amendment would exempt all credit unions and community banks with less than \$10 billion in assets from any examination authority of the Bureau of Consumer Financial Protection (BCFP) established in the legislation, and would give the National Credit Union Administration (NCUA) concurrent authority in rule-writing for these credit unions. This \$10 billion threshold is indexed for inflation, so that more institutions are not caught above this line over time.

As many of your colleagues have noted on the floor during this debate, our nation's credit unions did not cause this crisis. We believe it is important for this legislation to focus on Wall Street and the other bad actors and not those institutions who have continued to serve Main Street, such as our nation's credit unions. As we have previously stated, NAFCU recognizes the need for additional consumer protection in the financial services arena, and we strongly support efforts to address past abuses and protect consumers. However, we do not believe that additional regulatory burdens should be imposed on credit unions, including those burdens that would be added with the creation of the BCFP in the *Restoring American Financial Stability Act*. Since credit unions are not-for-profit cooperatives, the cost of these new burdens on credit unions will be borne by the 92 million Americans who are credit union members.

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NAFCU therefore strongly supports SA 3961 as a tremendous first step in eliminating unnecessary regulatory burdens that credit unions will undoubtedly face should the *Restoring American Financial Stability Act* be adopted in its current form.

As the bill continues to move through the Senate, we urge that all credit unions be exempted from the BCFP. This will prevent the credit union industry from being split by an arbitrary dividing line based on assets. All credit unions are similar in nature, and we believe all should therefore remain within the purview of the NCUA.

On behalf of credit unions across the country we want to thank you and you staff for your work on this important amendment as the Senate takes up comprehensive financial reform. If we can answer any questions or provide you with further information on this matter, please do not hesitate to contact NAFCU's Executive Vice President of Government Affairs, Dan Berger, at 703-842-2803.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred R. Becker, Jr.", written in a cursive style.

Fred R. Becker, Jr.

President/CEO

cc: Members of the United States Senate