



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

May 5, 2010

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

Re: Oppose Amendment SA 3766 to S. 3217

Dear Leaders Reid and McConnell:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of our nation's federal credit unions, I am writing to express our concerns about, and opposition to, amendment SA 3766 offered by Senator Durbin to the *Restoring American Financial Stability Act of 2010* (S.3217) that would subject credit unions above \$1 billion in assets that make student loans to supervision by the Consumer Financial Protection Bureau created in the underlying bill.

While NAFCU commends lawmakers' efforts to provide students and their families with the kind of consumer protection they need and deserve, we believe this well-intentioned amendment could have serious unintended consequences for credit unions and their members. Subjecting credit unions that provide student loans to additional regulatory burdens, combined with the recent Congressional elimination of the Federal Family Education Loan Program, which had enabled credit unions to offer government-backed student loans to their members and customers, could lead to fewer credit unions making student loans.

As we have previously stated, NAFCU recognizes the need for additional consumer protections in the financial services arena. However, we remain concerned that imposing new regulatory burdens on not-for-profit credit unions could mean lower dividends, and in this case, fewer services for credit union members. It is with this in mind that we urge the Senate to reject amendment SA 3766.

If we can answer any questions or provide you with further information on this matter, please do not hesitate to contact NAFCU's Director of Legislative Affairs Brad Thaler or me at (703) 522-4770.

Sincerely,

Fred R. Becker
President/CEO

cc: Members of the United States Senate

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