



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 SA 3812 to S. 3217, the *Restoring American Financial Stability Act of 2010*

Dear Leader Reid and Leader McConnell:

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, regarding the amendment numbered SA 3812 to S. 3217, the *Restoring American Financial Stability Act of 2010*, which would limit fees charged at automated teller machines (ATMs).

Financial institutions commonly charge fees for the use of their ATMs by non-members. These fees help to cover the cost of machine installation, maintenance, and security incurred by the ATM owner, particularly in rural areas where there may be fewer banking institutions and fewer ATMs. Furthermore, these fees help to encourage customers to withdraw money from their own financial institutions. This is important as it ensures that some ATMs, particularly in popular areas, are not drained of cash by individuals who do not keep their money in the owner's financial institution.

SA 3812 would impose a limitation on fees of no more than \$0.50 charged by ATM operators. While a fee this low might cover the cost of processing an ATM transaction, it does not reflect the additional costs associated with maintaining an ATM and protecting one's own customers or members and the money they hold in a particular institution. Such an arbitrary cap on ATM charges could ultimately force many financial institutions, including credit unions, to close their automated machines, to the detriment of their customers and members. While some institutions have charged exorbitantly high fees for transactions processed at their ATMs, we do not believe that this amendment takes the right approach in tackling this problem. NAFCU therefore asks that you oppose SA 3812 in its current form.

We thank you and your staff for your work on this amendment as the Senate takes up comprehensive financial regulatory reform. If we can answer any questions or provide you with further information on this matter, please do not hesitate to contact me or NAFCU's Director of Legislative Affairs, Brad Thaler, at 703-842-2204.

Sincerely,

Fred R. Becker
President/CEO

cc: Members of the United States Senate