



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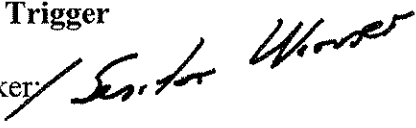
Fred R. Becker, Jr.
President and CEO

February 24, 2010

The Honorable Mark Warner
459A Russell Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Bob Corker
185 Dirksen Senate Office Building
United States Senate
Washington, D.C. 20510

Re: Systemic Resolution Fund Asset Trigger

Dear Senator Warner and Senator Corker: 

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 to you regarding your work on systemic resolution as part of the *Restoring America's Financial Stability Act* to urge you to ensure that any asset threshold for payment for any type of systemic resolution be set at \$50 billion or higher for financial institutions and indexed for inflation.

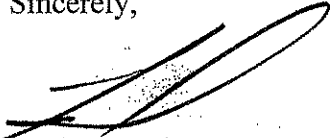
At a \$10 billion threshold, three natural-person credit unions, including the two largest credit unions that serve our men and women in the armed forces, could be assessed to pay for the resolution of future failures of large for-profit Wall Street firms. Imposing such a cost on not-for-profit cooperatives (such as credit unions) and their members would essentially amount to a new tax on members of these covered credit unions, while other covered entities would have their shareholders to cover the cost. Put simply, for credit unions, a \$10 billion threshold could potentially amount to a tax on our troops to pay for the resolution of large Wall Street corporations.

As you are aware, the House-passed bill set the asset trigger for a resolution fund at \$50 billion (indexed for inflation) for financial institutions. We believe this recognizes the fact that financial institutions under \$50 billion, such as credit unions, would be unlikely to receive any benefit from any resolution fund, as they have deposit insurance that would be in place to wind them down if they fail. We believe that a similar \$50 billion threshold should be established in the Senate bill as well.

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We look forward to working with you and your staff to address this concern. Should you have any questions or require any additional information, please contact Brad Thaler, NAFCU's Director of Legislative Affairs, at 703-522-4770.

Sincerely,



Fred R. Becker, Jr.
President/CEO

*Senator Warner -
Thanks in advance
for your support on this
very important issue!*

cc: Members of the Senate Banking Committee