



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

March 16, 2011

The Honorable Patrick Leahy
Chairman
Committee on the Judiciary
United States Senate
Washington, D.C. 20510

The Honorable Chuck Grassley
Ranking Member
Committee of the Judiciary
United States Senate
Washington, D.C. 20510

Dear Chairman Leahy and Ranking Member Grassley:

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 write today to express our concerns about the *Limiting Investor and Homeowner Loss in Foreclosure Act* (S. 222).

While NAFCU recognizes this legislation as a well intentioned effort to mitigate foreclosures in the wake of the subprime mortgage crisis, NAFCU cannot support legislation that opens the door for the establishment of loss mitigation programs, or any other bankruptcy court led mediation efforts, in which lender participation is involuntary.

NAFCU urges Congress to recognize that credit unions have an inherent interest in the communities that they serve and an excellent record of working with their member-owners in helping with loan modifications where appropriate.

Credit unions did not engage in the risky subprime lending that contributed to the high volume of foreclosures today, and should not be unfairly pushed into situations that could lead to a judge penalizing community based lenders if they do not agree to loan modifications. While the intent of this legislation may be noble, we have concerns about the consequences that could arise from its enactment at this time and thus urge the Committee not to report this bill.

Should you have any questions or require any additional information, please contact Brad Thaler, NAFCU's Vice President of Legislative Affairs, at 703-842-2204.

Sincerely,

Fred R. Becker, Jr.
President/CEO

cc: Members of the United States Senate Committee on the Judiciary

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