



National Association of Federal Credit Unions
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B. Dan Berger
Executive Vice President
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The Honorable Spencer Bachus
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Barney Frank
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Bachus and Ranking Member Frank:

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 with respect to the full House Financial Services Committee mark-up scheduled for tomorrow. At the mark-up the committee is scheduled to consider bills to make improvements to the Consumer Financial Protection Bureau (CFPB), as well as legislation to reform and reauthorize the National Flood Insurance Program (NFIP) for an additional five years.

As the Committee is well aware, credit unions did not cause the financial crisis. While this fact has been well documented and cited by lawmakers on both sides of the aisle, credit unions were still inexplicably placed under the regulatory authority and new burdens of the CFPB. While NAFCU has consistently opposed CFPB authority over credit unions, the introduction of H.R. 1121, the *Responsible Consumer Financial Protection Regulations Act of 2011*, H.R. 1315, the *Consumer Financial Protection Safety and Soundness Improvement Act*, and H.R. 1667, the *Bureau of Consumer Financial Protection Transfer Clarification Act* represent an opportunity to improve the structure and operations of the CFPB from a credit union perspective. For that reason, NAFCU supported these bills during the Financial Institution and Consumer Credit Subcommittee mark-up last week and urges the Committee to report these bills to the full House.

Ideas like broadening the governance structure of the CFPB to a five person bipartisan commission as opposed to one single director, modifying the vote threshold needed for the Financial Stability Oversight Council to overturn CFPB rules on the grounds of safety and soundness concerns, and not allowing the scheduled transfer date for the CFPB to go forward without a Senate confirmed director in place are steps in the right direction for credit unions and

their 92 million members. NAFCU is pleased that limiting potential CFPB burdens on small financial institutions including credit unions is a priority of the Committee.

I would also like to take this opportunity to express support for H.R. 1309, the *Flood Insurance Reform Act*, sponsored by Insurance, Housing, and Community Opportunity Subcommittee Chairman Judy Biggert. This bipartisan bill being cosponsored by Representative Maxine Waters, a longtime advocate for flood insurance reform in her own right, is sorely needed. Countless short-term extensions of the NFIP have created a high level of uncertainty leaving millions of American families who rely on flood insurance in limbo. As detailed in previous correspondence, NAFCU supports H.R. 1309 as a bipartisan opportunity to reauthorize the program for an additional five years.

I would also like to make note of an amendment expected to be offered by Rep. Frank Lucas of Oklahoma. NAFCU supports the Lucas amendment which would clarify existing law allowing lenders to collect premiums for force-placed flood insurance during the 45-day notification period if borrowers let policies lapse. This is an issue of fairness given that credit unions participating in the NFIP continue to assume the risk of property damage during this delinquency notification window. We urge the Committee to adopt the Lucas amendment.

It is with the above concerns in mind that NAFCU urges the House Financial Services Committee to favorably report H.R. 1121, the *Responsible Consumer Financial Protection Regulations Act of 2011*, H.R. 1315, the *Consumer Financial Protection Safety and Soundness Improvement Act*, H.R. 1667, the *Bureau of Consumer Financial Protection Transfer Clarification Act*, and H.R. 1309, the *Flood Insurance Reform Act* to the full House of Representatives.

Should you have any questions or require additional information please do not hesitate to contact myself or NAFCU's Vice President of Legislative Affairs, Brad Thaler, at (703) 842-2204.

Sincerely,



B. Dan Berger
Executive Vice President, Government Affairs

cc: Members of the House Committee on Financial Services