



National Association of Federal Credit Unions
3138 10th Street North • Arlington, Virginia • 22201-2149
703-522-4770 • 800-336-4644 • 703-522-0594

B. Dan Berger
Executive Vice President
Government Affairs

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The Honorable Tim Johnson
Chairman
Committee on Banking, Housing &
Urban Affairs
United States Senate
Washington DC 20515

The Honorable Richard Shelby
Ranking Member
Committee on Banking, Housing &
Urban Affairs
United States Senate
Washington DC 20512

Dear Chairman Johnson and Ranking Member Shelby:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of our nation's federally chartered credit unions, I write with respect to tomorrow's scheduled hearing on national mortgage servicing standards. NAFCU appreciates the committee's work on this issue and having the ability to comment at this juncture.

While NAFCU member credit unions understand that national mortgage servicing standards are one policy option being explored in the wake of revelations that the nation's largest banks may have a host of irregularities in their foreclosure practices, NAFCU urges caution in extending costly and burdensome new requirements to not-for-profit credit unions. Credit unions have a solid track record of promptly addressing repayment problems that arise with their member-owners and often times are able to arrive at a solution that is amenable to both the credit union and the struggling borrower. Furthermore, the community-based nature of credit unions and the smaller mortgage servicing portfolios they often retain is in stark contrast to that of mega-banks now subject to enforcement actions from their regulators due to haphazard foreclosure practices.

In short, credit unions have not participated in the practices that have led to discussions about the worthiness of national mortgage servicing standards and should not be unjustly punished for the shortcomings of institutions that have. Extending new compliance requirements on credit unions because of the poor practices of large, for-profit banks would be very burdensome for credit unions. While it is important that the bad actors who failed thousands of their borrowers are held accountable, we would oppose extending any new compliance burden stemming from national mortgage servicing standards onto good actors such as credit unions. Thank you for your attention to this issue. 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 Committee

E-mail: dberger@nafcu.org • **Web site:** www.nafcu.org