



National Association of Federal Credit Unions
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B. Dan Berger
Executive Vice President
Government Affairs

October 17, 2011

The Honorable Mary Landrieu
Chairman
Senate Small Business Committee
United States Senate
Washington, D.C. 20510

The Honorable Olympia Snowe
Ranking Member
Senate Small Business Committee
United States Senate
Washington, D.C. 20510

Re: Help Small Businesses create jobs by supporting the Small Business Lending Enhancement Act of 2011 (S. 509)

Dear Chairman Landrieu and Ranking Member Snowe:

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 write in conjunction with tomorrow's hearing – "The Small Business Jobs Act of 2010, One Year Later" – featuring testimony from Treasury Secretary Tim Geithner. NAFCU commends the committee on holding this important hearing on the topic of job creation. While credit unions were not included in the Small Business Lending Fund, we support the goal of helping America's small businesses create jobs. One of the best options remaining for Congress to help create jobs, without spending taxpayer money to do so, is raising the arbitrary credit union member business lending cap.

As you know, credit unions are arbitrarily restricted (12.25% of total assets) on the amount of lending they can partake in to help create jobs through member business loans. With a struggling economy and recent fee increases at many of the nation's banks, 93 million credit union members across the country are relying on their neighborhood financial institutions now more than ever. Accordingly, we urge the committee and its members to embrace the bipartisan *Small Business Lending Enhancement Act* (S. 509) sponsored by Senators Mark Udall and Olympia Snowe that would allow eligible credit unions to help small businesses in their communities by dedicating up to 27.5% of total assets to member business lending.

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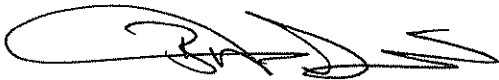
NAFCU recognizes and appreciates that several members of the committee have signaled their support for this commonsense measure through cosponsorship.

It is important to note that the legislation is designed to raise the member business lending cap for credit unions who meet strict requirements. In fact, the eligibility requirements, including limiting annual member business lending portfolio growth to 30% annually, were put into place to refute baseless claims by the banking industry that this bill would somehow create safety and soundness issues. Secretary Timothy Geithner has expressed the Treasury Department's support for the approach put forth in this measure.

NAFCU believes that the strength of the economy and labor force is strongly influenced by the health and well-being of the small business community. Credit unions themselves are small businesses, and in these tough economic times are in a position to understand and help fellow small businesses with access to capital issues. *The Small Business Lending Enhancement Act* is a win-win for consumers, small businesses, and the credit unions who serve them. We urge the committee to consider this bipartisan approach as you examine ways to help our nation's small businesses create jobs.

If my colleagues or I can be of assistance to you or if you have any questions regarding this issue, please feel free to contact me 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 Senate Small Business Committee