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National Association of Federal Credit Unions | www.nafcu.org

October 3, 2012

The Honorable Mark Warner
United States Senate
475 Russell Senate Office Building
Washington, DC 20510

Dear Senator Warner:

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 in conjunction with your bipartisan efforts at deficit reduction to bring to your attention a recently released study measuring the economic benefits of the credit union tax exemption to consumers, businesses, and the U.S. economy. As evidenced by the study, altering the tax status of member-owned credit unions would have a devastating impact on the 94 million credit union members across the country, including the 7,236,188 in your state. Furthermore, this negative impact would extend beyond just credit union members to harm consumers in general, as eliminating the credit union tax exemption would result in the loss of 1.5 million jobs over the next decade and a net *loss* of revenue to the federal government.

In your state alone, the study found that eliminating the credit union tax exemption would lead to a *loss* of 47,200 jobs over the next decade and a total personal income loss of \$6.5 billion over that same time span.

I have enclosed a copy of the study with this letter. To review additional key findings and learn more, please visit www.nafcu.org/cutaxexemption. We hope this information is useful as you consider the implications of policy solutions to reduce the federal deficit.

If you have additional questions about the credit union tax exemption or other legislative issues impacting credit unions, please feel free to contact me or Brad Thaler, NAFCU's Vice President of Legislative Affairs at 703-842-2204 or bthaler@nafcu.org

Sincerely,

B. Dan Berger
Executive Vice President of Government Affairs