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November 19, 2012

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Leader Reid and Leader McConnell:

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 today to urge your support for, and action on, increasing the credit union member business lending cap before the end of this session of Congress. One way that this could be accomplished would be to combine this effort with efforts by the banking trades to extend the Transaction Account Guarantee program.

As you know, bipartisan pro-growth legislation (S.2231) put forward by Senators Mark Udall (D-CO) and Olympia Snowe (R-ME) would raise the arbitrary member business lending cap placed on credit unions. Increasing the available capital to small businesses is critical to fostering economic growth and increasing credit union business lending, almost all of which is directed to small businesses, would facilitate job creation. Both the Treasury Department and the National Credit Union Administration (NCUA) have signed-off on this common sense proposal that would create jobs without spending a single dime of taxpayer funds.

The Transaction Account Guarantee program has helped bring more stability to businesses by ensuring accounts primarily used for cash flow purposes are protected. If the program was to expire as it is set to do at year's end, \$1.4 trillion would instantly be uninsured. This would certainly have unintended consequences on smaller financial institutions and could very well lead to businesses shifting funds away from their community based financial institutions.

Passing a package combining the two issues above would not only be a win-win proposition for credit unions and banks, but also for the American people and our nation's economy. NAFCU would support such an economic growth package, and it is with this in mind, that NAFCU would urge the Senate to consider this as one approach to help our nation's struggling economy.

We thank you for your consideration and welcome the opportunity to discuss this matter further. If my colleagues and I can be of assistance to you or if you have any questions regarding this issue, please feel free to contact myself or NAFCU's Vice President of Legislative Affairs, Brad Thaler, at (703) 842-2204.

Sincerely,

Fred R. Becker, Jr.

cc: Members of the United States Senate