



3138 10th Street North
Arlington, VA 22201-2149
703.522.4770 | 800.336.4644
F: 703.524.0594
nafcupac@nafcu.org

National Association of Federal Credit Unions Political Action Committee | www.nafcupac.org

December 3, 2012

The Honorable Tim Johnson
Chairman
Committee on Banking, Housing &
Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Richard Shelby
Ranking Member
Committee on Banking, Housing &
Urban Affairs
United States Senate
Washington, D.C. 20510

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 today to reiterate our support for increasing the credit union member business lending cap. With a limited number of legislative days before this Congress ends, we would welcome action that would combine the credit union member business lending legislation with the Transaction Account Guarantee extension bill that the banking trades have been pressing for.

As you know, bipartisan job creating 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 the economic growth our country so desperately needs. 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 welcome this approach. 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 myself or NAFCU's Associate Director of Legislative Affairs, Quincy Enoch, at (703) 842-2261.

Sincerely,

Brad Thaler
Vice President, Legislative Affairs

cc: Majority Leader Harry Reid
Minority Leader Mitch McConnell