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June 9, 2014

The Honorable Jeb Hensarling
Chairman
House Financial Services Committee
United States House of Representatives
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
United States House of Representatives
Washington, D.C. 20515

**Re: Committee Consideration of Legislation to Promote Transparency and
Accountability at the Consumer Financial Protection Bureau**

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of our nation's federal credit unions, I write today in advance of tomorrow's full committee mark-up of several bills that would bring more transparency and accountability to the Consumer Financial Protection Bureau (CFPB) and other entities created under the *Dodd-Frank Act*, including the Financial Stability Oversight Council (FSOC).

As you know, Members of Congress on both sides of the aisle have acknowledged that credit unions were not the cause of the financial crisis. While NAFCU has long recognized the need for additional consumer protection in the financial services arena, we were the first credit union trade association to oppose CFPB authority over credit unions given their record of member service and the existing laws and regulations they are subject to. While NAFCU maintains that the CFPB should not have authority over credit unions, it has become clear through the rule writing and examination processes that credit unions are firmly within reach of the new regulatory body. Accordingly, NAFCU member credit unions and their 98 million member owners have a vested interest in ensuring the CFPB operates in a fair and transparent way.

NAFCU believes today's mark-up is an important one, as many of the bills highlight the need for credit unions to have a clear understanding of how the CFPB operates. A number of the legislative proposals being considered will provide improvements to the CFPB and some relief to those who are subject to the new regulatory burdens from the Bureau. We look forward to the committee's debate of these measures.

In particular, NAFCU is glad to see the consideration of Representative Duffy's legislation, the *Bureau Advisory Commission Transparency Act* (H.R. 4262), that would ensure CFPB Credit Union Advisory Council meetings (and others) are open to the public and all minutes and reports are made available as detailed under the *Federal Advisory Committee Act*. We are pleased that, just last month, the CFPB announced that the Bureau was taking steps to accomplish this goal. NAFCU believes the Credit Union Advisory Council plays an important role in providing

information to the CFPB on how various rules and regulations would impact credit unions in practice, and also encourages the CFPB to take these discussions into account throughout the rule making process.

In the same vein, NAFCU also supports Chairman Garrett's bill, the *Financial Stability Oversight Council Transparency and Accountability Act* (H.R. 4387), that would require the same level of openness and transparency from the FSOC. Given the FSOC's statutory requirement to facilitate regulatory coordination, NAFCU member credit unions would like as much information as possible with respect to the council's activities.

NAFCU also supports Representative Fitzpatrick's legislation, the *Bureau Research Transparency Act* (H.R. 4539), that would ensure CFPB research papers are made available to the public and include all data and analysis that contributed to the final product. Given the pace at which the CFPB must work to meet statutory requirements outlined in the *Dodd-Frank Act*, publication of materials used to support various activities seems like an issue of fairness that may help credit unions better understand the logic behind these initiatives.

We are also pleased to see consideration of, and would urge support for, Representative Posey's legislation, the *Bureau Advisory Opinion Act* (H.R. 4662). This bill would help establish procedures for institutions to get needed advisory opinions from the Bureau, something other regulators have long done and has been lacking from the CFPB.

Lastly, NAFCU recognizes and supports concepts found in Representative Mulvaney's legislation, the *Bureau Examination Fairness Act* (H.R. 4804), including reasonable time limitations on the completion of examination field work and the issuance of exam reports and supervisory letters by the CFPB. As you know, NAFCU has commented extensively before the committee on broader exam fairness legislation introduced by Chairman Capito and Representative Maloney (H.R. 1553, the *Financial Institutions Examination Fairness and Reform Act*) that would bring a higher level of accountability to all federal financial regulators and their field examiners, covering the CFPB and the prudential credit union regulator the National Credit Union Administration. NAFCU encourages the committee to closely review both pieces of legislation going forward.

Again, thank you for holding this important mark-up. We look forward to a robust discussion on how the CFPB can operate in a more transparent way. If my colleagues or I can be of assistance to you, or if you have any questions regarding regulatory relief for our nation's credit unions, please feel free to contact myself, or NAFCU's Director of Legislative Affairs, Jillian Pevo at (703) 842-2286.

Sincerely,



Brad Thaler
Vice President of Legislative Affairs

cc: Members of the House Financial Services Committee