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

February 4, 2015

The Honorable John Boehner
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Re: NAFCU supports the Small Business Regulatory Flexibility Improvements Act of 2015

Dear Speaker Boehner and Leader Pelosi:

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 as the House of Representatives considers the *Small Business Regulatory Flexibility Improvements Act of 2015* (H.R. 527) to express our support for this legislation. We would also like to recognize House Small Business Committee Chairman Steve Chabot and House Judiciary Committee Chairman Bob Goodlatte for their work in advancing this important piece of legislation.

Credit unions help provide critical access to credit for small businesses across the country, and as not-for-profit cooperatives, credit unions are small businesses themselves. Accordingly, credit unions and their more than 100 million members strongly support efforts to ensure that all federal agencies, including agencies with direct jurisdiction over credit unions including the National Credit Union Administration (NCUA) and Consumer Financial Protection Bureau (CFPB), appropriately consider the impact of their rules on small businesses.

As you know, this legislation would clarify that agencies must measure both the direct economic impact, and the reasonably foreseeable indirect economic impact, that regulations are having on small entities (including credit unions). It would also require agencies to provide detailed analyses of impacts in both proposed and final rules, including estimates of cumulative economic impacts. Strengthening the *Regulatory Flexibility Act* will help to ensure that small entities have more information about how regulations will impact them and a greater opportunity to meaningfully participate in the rulemaking process.

It is worth noting that in January of 2013, NCUA finalized a rule changing the agency's definition of a "small entity" for the purposes of the *Regulatory Flexibility Act* to include federally insured credit unions with less than \$50 million in assets, an increase from the \$10 million figured used since 2003. NAFCU supported this change as a step in the right direction and continues to encourage a definition that would capture all credit unions. Credit unions, regardless of asset size, operate on a not-for-profit basis and are organized without capital stock. In the wake of the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, credit unions

face an influx of rulemaking often times aimed at the nation's biggest banks that contributed to the financial crisis. Accordingly, as an issue of fairness given that Congress widely recognizes that credit unions did not contribute to the financial crisis, NAFCU believes all such rules should be examined from a small lender and credit union compliance perspective.

Thank you for your attention to this important legislation and we again urge you to support the passage of the *Small Business Regulatory Flexibility Act of 2015*. 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 Vice President of Legislative Affairs, Brad Thaler at (703) 842-2204.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carrie R. Hunt".

Carrie R. Hunt

Senior Vice President of Government Affairs & General Counsel

cc: Members of the House of Representatives