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April 22, 2015

The Honorable Randy Neugebauer
Chairman
Subcommittee on Financial Institutions
and Consumer Credit
House Financial Services Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Wm. Lacy Clay
Ranking Member
Subcommittee on Financial Institutions
and Consumer Credit
House Financial Services Committee
U.S. House of Representatives
Washington, D.C. 20515

Re: Tomorrow's Hearing: "Examining Regulatory Burden – Regulators Perspective"

Dear Chairman Neugebauer and Ranking Member Clay:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing our nation's credit unions, I write today in conjunction with tomorrow's subcommittee hearing entitled "Examining Regulatory Burden – Regulators Perspective." NAFCU thanks you for holding this important hearing.

As we have previously communicated, credit unions are drowning in an ever increasing tidal wave of new regulations, both from NCUA and the CFPB. This hearing is particularly timely, with the comment deadline for NCUA's second risk-based capital proposal only days away. If enacted, this proposal would be very detrimental to credit unions, forcing them to hold hundreds of millions of dollars just to maintain current capital cushion levels.

NAFCU also believes that NCUA needs to provide greater transparency to the agency's budget and open their budget process for public comment. Furthermore, we hope NCUA will take advantage of this opportunity to discuss what regulatory relief legislation it supports, and outline what regulatory actions the agency is willing to take within its current authority to provide regulatory relief to credit unions. NCUA providing relief to credit unions with field-of-membership concerns would be an example of help the agency could provide now.

We also believe that CFPB and NCUA need to work together in an effort to make new CFPB proposals less burdensome to credit unions. We hope that the CFPB will exercise greater use of its exemption authority to help credit unions help their members.

Again, thank you for holding this hearing. If my staff or I can be of assistance to you, or if you have any questions about the exam process at credit unions, please feel free to contact myself or NAFCU's Director of Legislative Affairs Jillian Pevo at (703) 842-2836.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Subcommittee on Financial Institutions and Consumer Credit