NAFCU's Top Ten Regulations to Eliminate or Amend

1. **Improve the process for credit unions seeking changes to their field of membership.** Improvements should include: (1) enabling credit unions to strengthen their associational membership charter; (2) streamlining the process for converting from one charter type to another; (3) remove or greatly increase the current population limits for serving members in a metropolitan area (1 million) and contiguous political jurisdictions (500,000); and, (4) making it easier for all credit unions to add "underserved" areas within their field of membership.

2. **Provide more meaningful exemptions for small institutions.** The number of credit unions continues to decline, as the compliance requirements in a post Dodd-Frank environment have grown to a tipping point where it is hard for many smaller institutions to survive. While NAFCU and our member credit unions take safety and soundness extremely seriously, we encourage the financial regulators to expand many of the compliance thresholds, including raising (1) the 100-remittance transfers allowance threshold; (2) the 500-origination limit for the small creditor exemption; and (3) the 5,000-servicing limit for the small servicer exemption.

3. **Expand credit union investment authority** to allow credit unions to purchase mortgage servicing rights (MSRs). NAFCU strongly pushed for the expansion of credit unions' investment authority to include the ability to engage in limited derivatives activities and to securitize certain assets. NAFCU will continue to seek asset securitization for qualified credit unions. In addition, NAFCU will push NCUA to remove from its list of prohibited investment activities the ability to purchase MSRs. NAFCU believes a federally-insured credit union, at the very least, should not be prohibited from purchasing MSRs from other credit unions.

4. **Increase the number of transfers allowed to be made per month from savings accounts.** The restriction on "convenience transfers" under Regulation D presents an ongoing concern for NAFCU and its members. Members are often unable to understand and remember the arbitrary limits on the number and types of transfers the regulations permit them to make from their savings account. Members expect to have the ability to transfer their funds with ease to and from particular accounts, and the regulation's six-transfer limitation from savings accounts creates an undue burden for both credit unions and their members. This six-transfer limitation should be updated and increased to at least nine transfers per month, while still making a distinction between savings and transaction accounts.

5. **Seek added flexibility for credit unions that offer member business loans.** These improvements could include: (1) securing credit union-friendly changes to the waiver process; (2) increasing the general minimum loan-to-value ratio from 80% to 85%; (3) securing removal of the 5 year relationship requirement; and (4) defining credit unions that have had a successful MBL program in place for at least five years as having a "history of primarily making MBLs."

6. **Update the requirement to disclose account numbers to protect the privacy of members.** Credit unions are currently required to list a member's full account number on every periodic statement sent to the member for their share accounts pursuant to Regulation E. These requirements need to be updated to allow the credit union to truncate account numbers on periodic statements in order to protect the privacy of the member and to reduce the risks of fraud and identity theft.

7. **Update advertising requirements for loan products and share accounts.** The regulatory requirements for advertisement of credit unions' loan products and share accounts have not kept pace with technological changes in the current market place. The requirements of Regulation Z and Truth in Savings should be updated to reflect these changes and advances in practical advertisements and the disbursement of information, while maintaining the integrity and accuracy of the information that the member truly needs to know from the advertisement. Further, NCUA's regulations should be updated to clarify that the official sign is not required to be displayed on (1) mobile applications, (2) social media, and (3) virtual tellers.

8. **Seek improvements to the Central Liquidity Facility.** Reduce the amount of time that it takes for a credit union to secure access to liquidity. In addition, work with NCUA to secure changes the Central Liquidity Facility by removing the subscription requirement for membership and permanently removing the borrowing cap.

9. **Obtain flexibility for federal credit unions to determine their choice of law.** Federal credit unions should be allowed the opportunity to choose the jurisdiction under which they operate without surrendering their federal charter. To this end, NAFCU will work with NCUA to establish a waiver process under which a federal credit union, taking into account safety and soundness considerations, would choose the state law under which it wants one or more of its operations.

10. **Update, simplify and make improvements to regulations governing check processing and funds availability.** These enhancements should include: changing outdated references (i.e., references to non-local checks); changes that are required by statute and are already effective and incorrectly stated in the regulation; and changes that enable credit unions to address fraud.