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Carrie R. Hunt
Senior Vice President of Government Affairs
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National Association of Federal Credit Unions | www.nafcu.org

July 27, 2015

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Harry Reid
Minority Leader
United States Senate
Washington, D.C. 20510

Re: Parity for Credit Unions in Section 928 of the FY 2016 FSGG Appropriations Bill

Dear Leader McConnell and Leader Reid:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the federal interests our nation's federally-insured credit unions, I write today to bring to your attention the need for parity for credit unions as part of the regulatory relief for community institutions found in Section 928 of the Committee-approved Fiscal Year 2016 Financial Services and General Government (FSGG) Appropriations Bill.

NAFCU is pleased to see the focus on regulatory relief in the bill, including the incorporation of language from the *Financial Regulatory Improvement Act* (FRIA). We believe FRIA presents a balanced approach to providing relief to our nation's community financial institutions. We think the Committee FSGG bill can be improved by amending the language to bring that same balance to Section 928, which was not part of FRIA as reported by the Senate Banking Committee.

Section 928 would allow federal banking regulators to exempt banking institutions under \$10 billion in assets from provisions in their authorizing statutes or any rulemaking under those statutes, or other statutes that give authority to those regulators. This section grants this exemptive authority to the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve and the Office of the Comptroller of the Currency (OCC). It does not, however, include the National Credit Union Administration (NCUA).

Regulatory burden is the top challenge facing all credit unions. While smaller credit unions continue to disappear as a result of the growing burden, all credit unions are finding the current environment challenging. Finding ways to cut-down on burdensome and unnecessary regulatory compliance costs is the only way for credit unions to thrive and continue to provide their member-owners with basic financial services and the exemplary service they need and deserve. It is with this in mind that we urge the Senate to add language to this section to give NCUA similar exemptive authority for all credit unions before taking any final action on this legislation.

NAFCU firmly believes that any proposals and legislation to provide regulatory relief to community institutions must be balanced and provide relief to both community banks and credit unions. We are

pleased that the base text of FRIA included in the bill would do just that. We welcome the opportunity to work with you on improving Section 928 of the bill from this perspective.

Thank you for your consideration and attention to this important issue. If we can answer any questions or provide you with further information on this matter, please do not hesitate 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", followed by a long horizontal flourish.

Carrie R. Hunt
Senior Vice President of Government Affairs and General Counsel

cc: Members of the United States Senate