

May 7, 2013

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

The Honorable Shelley Moore Capito  
Chairman  
Subcommittee on Financial Institutions  
and Consumer Credit  
House Financial Services Committee  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Gregory Meeks  
Ranking Member  
Subcommittee on Financial Institutions  
and Consumer Credit  
House Financial Services Committee  
United States House of Representatives  
Washington, D.C. 20515

**Re: Regulatory Relief is Needed for All Credit Unions**

Dear Chairman Hensarling, Ranking Member Waters, Chairman Capito and Ranking Member Meeks:

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 to commend ongoing committee efforts to provide regulatory relief to our nation's community-based financial institutions. Finding ways to cut-down on burdensome and unnecessary compliance costs is a chief priority of our members, and NAFCU appreciated the opportunity to put forward the thoughts and ideas of our credit union members during the Financial Institutions and Consumer Credit Subcommittee hearing on this issue last month.

NAFCU is hopeful that information gathered at the hearing will serve as the basis for meaningful and lasting regulatory relief legislation for credit unions and their 95 million member-owners. As you know, credit unions are struggling under an ever-increasing regulatory burden in the wake of the *Dodd-Frank Act* [P.L.111-203]. Credit unions did not cause the financial crisis yet are routinely caught in the crosshairs of regulations aimed at those entities that did. As we first shared with the Committee via letter on February 12<sup>th</sup>, and more recently in our testimony, NAFCU has outlined a five-point plan for credit union regulatory relief. We are pleased to see that Representative Gary Miller has announced his intention to introduce key aspects of the plan, such as creating risk-based capital system for credit unions and giving the National Credit Union

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Administration (NCUA) the ability to allow federal credit unions to follow state rules in certain situations. We would urge that any regulatory relief package that is reported by the Committee include these important provisions.

As the committee continues to work on this issue, NAFCU wants to be clear that regulatory relief is needed by all credit unions. It is with this in mind that we could not support efforts to bifurcate the credit union industry based on asset size or any other arbitrary threshold. Regulatory relief efforts are critical to the survival of credit unions and we appreciate the steps you have taken and continue to take to ensure all credit unions are recognized and included in any such relief efforts.

We look forward to continuing to work with you and your staff to move a balanced regulatory relief package forward. If you have any questions or would like further information about any of these issues, please do not hesitate to contact me or NAFCU's Vice President of Legislative Affairs Brad Thaler by telephone at (703) 842-2204 or by e-mail at [bthaler@nafcu.org](mailto:bthaler@nafcu.org).

Sincerely,

Fred R. Becker, Jr.  
President and CEO

cc: Members of the House Financial Services Committee