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National Association of Federal Credit Unions | [www.nafcu.org](http://www.nafcu.org)

November 19, 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

**Re: Scheduled Mark-up of several Consumer Financial Protection Bureau related bills**

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of our nation's federal credit unions, I write in advance of tomorrow's full committee mark-up of several bills related to the Consumer Financial Protection Bureau (CFPB). Thank you for the opportunity to comment on these pieces of legislation.

As you know, Members of Congress on both sides of the aisle have acknowledged that credit unions were not the cause of the financial crisis. NAFCU has long recognized the need for additional consumer protection in the financial services arena to avoid such a crisis ever happening again. However, we have consistently opposed CFPB authority over credit unions given their stellar record of member service and the existing regulations they are subject to via the Federal Credit Union Act.

While NAFCU maintains that the CFPB should not have authority over credit unions, it has become clear through the rule writing and the examination processes that credit unions are firmly within reach of the CFPB. Accordingly, NAFCU member credit unions and their 96 million member owners have a vested interest in ensuring the operating structure at the CFPB is fair and transparent.

Among potential improvements for the CFPB, NAFCU supports the concept of creating a five person board or commission to govern the CFPB. Given the broad authority and awesome responsibility the CFPB has, a five person board has distinct benefits over a single director. No matter how qualified one person may be, a board or commission would allow multiple perspectives to be vetted in the decision making process. NAFCU thanks Chairman Emeritus Spencer Bachus for his leadership in introducing the *Responsible Consumer Financial Protection Regulations Act of 2013* (H.R. 2446) that would establish such a commission.

NAFCU also supports the reforms found in the *Consumer Financial Protection Safety and Soundness Improvement Act of 2013* (H.R. 3193) and thanks Financial Institutions and Consumer Credit Subcommittee Vice Chairman Sean Duffy for his continued efforts to make the Financial Stability Oversight Council (FSOC) more effective. While NAFCU is pleased that FSOC has limited "veto" authority over some proposed rules if they are found to create safety and soundness concerns, the current veto authority does not go far enough. NAFCU supports reforms that would modify the threshold needed for the FSOC to veto a proposed rule. Enabling a simple majority of FSOC members to veto a CFPB rule is a positive step toward ensuring safety and soundness concerns are adequately accounted for in this new regulatory regime. NAFCU also lauds Vice Chairman Duffy for his work in the area of CFPB data collection. The CFPB has broad authority to collect information from financial institutions from a variety of sources and procedures must be put into place to ensure sensitive personal information is not compromised.

Lastly, NAFCU supports provisions in the *Bureau of Consumer Financial Protection Accountability and Transparency Act of 2013* (H.R. 3519) introduced by Housing and Insurance Subcommittee Chairman Randy Neugebauer, that would subject the CFPB to the regular Congressional appropriations process. Subjecting the CFPB to the traditional appropriations process would allow for better oversight of this powerful agency. Given that the CFPB is in its infancy, Congress should retain every oversight tool possible to ensure the new agency is responsive to lawmakers and their constituents.

Again, thank you for the opportunity to put forward our views in advance of this important mark-up. NAFCU welcomes the opportunity to provide additional information about how the CFPB is impacting credit unions, and how basic structural changes could be helpful to our credit union members. If my colleagues or I can be of assistance to you, 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 black ink, appearing to read "Carrie Hunt", with a long, sweeping flourish extending to the right.

Carrie Hunt  
Senior Vice President of Government Affairs/General Counsel

cc: Members of the House Financial Services Committee