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B. Dan Berger
President & Chief Executive Officer

National Association of Federal Credit Unions | www.nafcu.org

October 10, 2013

The Honorable Tim Johnson
Chairman
Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Mike Crapo
Ranking Member
Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, D.C. 20510

Re: The Importance of Addressing the Federal Debt Ceiling Before Default

Dear Chairman Johnson and Ranking Member Crapo:

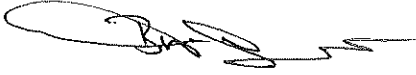
On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents the interests of our nation's federal credit unions, I write in conjunction with today's hearing entitled "Impact of a Default on Financial Stability and Economic Growth" to express our support for Congress addressing the statutory federal debt limit prior to a default. We appreciate the committee examining this issue today. As gridlock over funding of the government continues, and with the projected debt limit deadline of October 17, 2013, just a week away, it remains critical that action is taken to resolve the debt limit issue in a timely manner.

As small community-based lenders, credit unions have been on the forefront of serving American families as the country recovers from the worst financial crisis since the Great Depression. As evidenced by the still struggling housing market, the country's economic recovery remains extremely fragile. Failure to address the debt ceiling would threaten growth and recovery, deter investor confidence in the United States, and breed uncertainty on a global scale. Financial institutions of all sizes, including credit unions, need to have certainty and stability in order to meet the credit needs of consumers across the country.

Treasury securities influence the cost of financing not just for companies but more importantly for mortgages, auto loans, credit cards and student debt. While we understand and recognize efforts by members on both sides of the aisle to review spending and put forward recommendations to improve our country's fiscal situation, default would risk disarray in the markets above and would come with a host of unintended consequences.

It is with the above concerns in mind that I strongly urge swift action by Congress to address the federal debt limit. Should you have any questions or require additional information 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 black ink, appearing to read "B. Dan Berger", with a large, sweeping flourish extending to the right.

B. Dan Berger
President and CEO

cc: Members of the Committee on Banking, Housing and Urban Affairs