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Fred R. Becker, Jr.
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National Association of Federal Credit Unions | www.nafcu.org

June 18, 2013

The Honorable Elizabeth Warren
United States Senate
317 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Warren:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association that exclusively represents the interests of our nation's federal credit unions, I write in regard to your comments at the Senate Banking, Housing and Urban Affairs hearing on June 13, 2013, wherein you suggested a two-tiered regulatory system to provide relief to smaller financial institutions that were not responsible for the financial crisis.

First and foremost, I want to thank you for your strong support and recognition of the credit union industry that should not be held accountable for our country's economic crisis. As we have discussed, while many financial institutions reduced their lending to even their most loyal and longtime customers during the Great Recession, credit unions stood at the forefront, maintaining their level of lending, most particularly to our nation's small businesses.

Nevertheless, credit unions are facing a regulatory tidal wave. The plethora of regulations has, among other factors, resulted in the loss of over 700 credit unions in the past four years.

Accordingly, we would like to express our strong support for a two-tiered regulatory system that would take into account the unique structure, activities and mission of the nation's not-for profit credit unions. This two-tiered structure should separate nation's credit unions from the regulatory scheme directed toward the large Wall Street banks and other entities whose activities led to the financial crisis.

We would be happy to discuss your thoughts on this concept further with you or your staff. If you have any questions, or if we can provide you with additional information, please do not hesitate to contact me or NAFCU's Vice President of Legislative Affairs Brad Thaler at 703-842-2204 or bthaler@nafcu.org.

Sincerely,

Fred R. Becker Jr.