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

February 10, 2014

The Honorable John Boehner
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Re: NAFCU Support for the *Consumer Financial Protection Safety and Soundness Improvement Act of 2013 (H.R. 3193)*

Dear Speaker Boehner and Leader Pelosi:

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 support of the *Consumer Financial Protection Safety and Soundness Improvement Act of 2013 (H.R. 3193)*. NAFCU appreciates the scheduled consideration of this important piece of legislation.

Members of Congress on both sides of the aisle have acknowledged that credit unions were not the cause of the financial crisis and credit unions strongly support protecting consumers. NAFCU member credit unions and their 97 million member owners are greatly impacted by the actions of the CFPB and believe the operating structure of the CFPB should be as fair and transparent as possible.

NAFCU supports the concept of creating a five person board or commission to govern the CFPB which is among potential improvements for the CFPB included in H.R. 3193. Given the broad authority and awesome responsibility vested in the CFPB, 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 also supports the reforms found in the bill that would make the Financial Stability Oversight Council (FSOC) more effective. While NAFCU is pleased that the FSOC has limited "veto" authority over some proposed rules if they are found to create safety and soundness concerns, the current veto authority should be expanded. NAFCU supports reforms that would modify the threshold needed for the FSOC to veto a proposed rule.

Subjecting the CFPB to the regular Congressional appropriations process would also provide more oversight. 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.

Lastly, NAFCU lauds provisions in the bill that address CFPB data collection efforts. 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. Recent breaches at Target Corporation, Neiman Marcus, Michaels stores and White Lodging have demonstrated the need for Congressional action on data security. Enacting this provision would be a small step in ensuring that a data breach does not occur at the CFPB.

Again, thank you for the opportunity to put forward our views as the *Consumer Financial Protection Safety and Soundness Improvement Act of 2013* (H.R. 3193) comes to the floor. We urge the House to support this legislation. 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 horizontal flourish extending to the right.

Carrie Hunt

Senior Vice President of Government Affairs and General Counsel

cc: Members of the House of Representatives