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B. Dan Berger
President & Chief Executive Officer

National Association of Federal Credit Unions | nafcu.org

August 25, 2016

Mr. Donald Trump
Donald J. Trump for President, Inc.
725 Fifth Avenue
New York, NY 10022

Dear Mr. Trump:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the federal interests of our nation's federally-insured credit unions, I write today to thank you for your commitment to help reduce our nation's regulatory burden. Credit unions have faced a regulatory assault since the passage of the Dodd-Frank Act, which has reduced the amount of products and services they have been able to offer their member-owners. Reducing regulatory burden is a top priority of NAFCU, so on behalf of the nation's 104 million credit union members, and we were pleased to see your recent comments and stand ready to work with you in this regard.

Credit unions have faced a tidal wave of new regulatory burdens since the passage of the Dodd-Frank Act. Lawmakers and regulators readily agree that credit unions did not participate in the reckless activities that led to the financial crisis, and as such, shouldn't be caught in the crosshairs of regulations aimed at those entities that did. Unfortunately, that has not been the case thus far and finding ways to cut-down on burdensome and unnecessary regulatory compliance costs is of the utmost importance to NAFCU members.

The impact of the growing regulatory burden on credit unions is evident in the declining number of credit unions. A main reason for the decline is the growing cost and complexity of complying with the ever-increasing onslaught of regulations. Since the second quarter of 2010, we have lost over 20% of the industry, more than 1,500 federally-insured credit unions, 96% of which were smaller institutions below \$100 million in assets. Many smaller institutions simply cannot keep up with the increased regulatory expectations and have been forced to merge out of business. There is an urgent need for meaningful regulatory relief and better tailoring of regulations to help credit unions. We hope you will work with us to make this a reality if elected.

NAFCU would also like to reiterate the importance of retaining the credit union tax exemption. Numerous studies over the years have shown that the value of the credit union tax exemption to consumers far outweighs any revenue that the government would collect from taxing credit unions. Furthermore, studies have shown that not only the nation's 104 million credit union members benefit from the exemption, but also other financial institution customers benefit from having credit unions in the marketplace as they serve as a check on rates for all Americans. Without the federal tax exemption, credit unions would

not survive and the American public would be at a great financial disadvantage. We hope you will express your support for the credit union tax exemption.

Again, NAFCU thanks you for your call for regulatory relief and hope you will support us as we fight the undue burdens placed on the industry by the Dodd-Frank Act. Your official support of regulatory relief for credit unions would be welcomed by the credit union community and the nation's 104 million credit union members.

If we can answer any questions please do not hesitate to contact me or NAFCU's Executive Vice President of Government Affairs, Carrie Hunt, at (703) 842-2234.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger", with a stylized flourish at the end.

B. Dan Berger
President and CEO

cc: The Honorable Mike Pence