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**B. Dan Berger**  
President & Chief Executive Officer

**National Association of Federally-Insured Credit Unions**

November 13, 2017

The Honorable Orrin Hatch  
Chairman  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

**Re: The Importance of the Credit Union Tax Exemption**

Dear Chairman Hatch:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only national trade association that exclusively represents the federal interests of federally-insured credit unions, I write today to thank you for your leadership in preserving the credit union tax exemption as part of the Chairman's Mark of the *Tax Cuts and Jobs Act*. As the Senate Finance Committee prepares to begin mark-up of this legislation, NAFCU urges you to oppose any efforts to amend the bill that would change the tax status of credit unions or have a detrimental impact on the ability of credit unions to serve their 110 million members.

As you are aware, credit unions provide great economic benefit to the nation's economy. Credit unions are a vital part of the financial services industry and provide their nearly 110 million members financial opportunities they may not otherwise have access to. The cumulative benefit credit unions provide the greater economy totals \$16 billion a year according to an independent study released by NAFCU in 2017. You can read the study at: [www.nafcu.org/cutaxexemption](http://www.nafcu.org/cutaxexemption).

We continue to be disappointed that some in the banking industry have attacked the credit union tax exemption during this process, despite a number of banks benefitting from the changes in corporate tax rates and Subchapter S tax breaks. As not-for-profit member-owned cooperatives, credit unions are different than banks with a focus on member-service rather than stockholder enrichment. They are also subject to a number of legislative and regulatory restrictions that do not apply to banks. As you will see in the study referenced above, it is simply not true when some argue that credit unions are no different than banks.

Once again we thank you for your leadership and continued support of credit unions. We urge you to continue to protect the credit union tax exemption as the *Tax Cuts and Jobs Act* works its way through the legislative process. We thank you for the opportunity to share our views with you. If you have any questions or need any assistance, please don't hesitate to contact me or NAFCU's Vice President of Legislative Affairs Brad Thaler at [bthaler@nafcuh.org](mailto:bthaler@nafcuh.org) or (703) 842-2204.

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: Members of the Senate Finance Committee