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

May 23, 2023

The Honorable Patrick McHenry  
Chairman  
Committee on Financial Services  
United States House of Representatives  
Washington, DC 20515

The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
United States House of Representatives  
Washington, DC 20515

**Re: Tomorrow's Markup of H.R. 3556, the Increasing Financial Regulatory Accountability and Transparency Act, and H.R. 3564, the Middle Class Borrower Protection Act of 2023**

Dear Chairman McHenry and Ranking Member Waters:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) in conjunction with tomorrow's markup. As you know, NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 135 million consumers with personal and small business financial service products. We applaud the Committee for its work to protect consumers and improve regulatory transparency and look forward to working with you to that end.

**H.R. 3556, the Increasing Financial Regulatory Accountability and Transparency Act**

NAFCU has long advocated for increased transparency at the National Credit Union Administration (NCUA). Title V of H.R. 3556, the Increasing Financial Regulatory Accountability and Transparency Act, would require the NCUA's board chairman to testify semiannually before the House Financial Services and the Senate Banking Committees, and expand the reporting requirements related to supervision and regulation of credit unions, including providing confidential reports. This semiannual testimony will give Congress an opportunity to check in on an Administration's plans and actions related to regulation of our nation's credit unions and act accordingly. NAFCU is pleased to support this commonsense legislation.

**H.R. 3564, the Middle Class Borrower Protection Act of 2023**

Last week, the Federal Housing Finance Agency (FHFA) issued a new request for information (RFI) on the government-sponsored enterprises' (GSEs) single-family pricing framework after some initial backlash. NAFCU is supportive of the FHFA's efforts to allow the GSEs to rebuild capital, and we believe strong liquidity and funding requirements are an important step toward preventing another government bailout in the event of an economic downturn and ultimately removing the GSEs from conservatorship. However, NAFCU is concerned that this will come at the cost of increased guarantee fees (g-fees) which will ultimately harm consumers. NAFCU has continuously advocated for lower g-fees for credit unions selling loans to Fannie Mae and Freddie Mac. Excessive capital requirements that treat the GSEs like large banks by establishing enhanced

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Page 2 of 2

regulatory and supervisory requirements will likely increase compliance costs for the GSEs. This has the potential to lead to negative impacts on credit unions and their members in the form of higher mortgage costs.

The FHFA and GSEs should be encouraged to operate in a safe and sound manner that takes reasonable measures to mitigate risks while fulfilling their statutory mission. However, increased g-fees on the sale of loans should not be the trade-off for the short-term capital build-up and other changes at the GSEs, as this will serve to limit access to credit for the communities that are most in need. Neither should g-fees be used as a tool to address political concerns. Now is not the time to impose additional costs on borrowers who are relying on access to mortgage credit through a loan that will be sold to the GSEs. NAFCU hopes the Committee will consider this during debate of any legislation.

We thank you for the opportunity to share our views and look forward to working with you on these and other legislative matters. Should you have any questions or require any additional information, please contact me or Chad Adams, NAFCU's Senior Director of Legislative Affairs, at (703) 842-2265 or [cadams@nafcu.org](mailto:cadams@nafcu.org).

Sincerely,

A handwritten signature in black ink that reads "Brad Thaler". The signature is written in a cursive, flowing style.

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the Committee on Financial Services