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

November 13, 2017

The Honorable Jeb Hensarling  
Chairman  
House Financial Services Committee  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Maxine Waters  
Ranking Member  
House Financial Services Committee  
U.S. House of Representatives  
Washington, D.C. 20515

**Re: Tomorrow's Financial Services Committee mark-up**

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only trade association exclusively representing the federal interests of our nation's federally-insured credit unions, I write in advance of tomorrow's mark-up to voice support for, and encourage favorable reporting of, several bills on the agenda that have a direct impact on our members. We appreciate the Committee's continued efforts to provide regulatory relief and create an environment in which credit unions can thrive.

**NAFCU supports H.R. 1153, the *Mortgage Choice Act of 2017***

This legislation, introduced by Representative Huizenga, provides needed relief by amending the Truth in Lending Act (TILA) by modifying the definition of "points and fees" for the purposes of determining whether a mortgage can be a Qualified Mortgage (QM). As NAFCU testified before the Committee last month, this relief will help credit unions who have affiliate relationships that are designed to help their members.

**NAFCU supports H.R. 3221, the *Securing Access to Affordable Mortgages Act***

This legislation, introduced by Representative David Kustoff, is an important step forward providing regulatory relief for credit unions and allowing them to help their members achieve the American Dream of homeownership. The current appraisal requirements and subsequent costs unfortunately create a disincentive for credit unions from providing smaller mortgage loans that their members need.

**NAFCU Supports H.R. 3299, the *Protecting Consumers' Access to Credit Act of 2017***

This bipartisan legislation, introduced by Representatives McHenry and Meeks, would amend the *Federal Credit Union Act* to provide that federal interest rate preemption applies "regardless of whether the loan is subsequently sold, assigned, or otherwise transferred to a third party" including to non-bank purchasers. The Second Circuit's decision of *Madden v. Midland Funding, LLC*'s has created a great deal of uncertainty for third-party loan purchasers ranging from debt buyers to marketplace lenders. This legislation would codify the "valid when made" doctrine by clarifying that third-party loan purchasers can collect the interest rate originally contracted for between the borrower and the depository institution.

**NAFCU supports H.R. 3978, the *TRID Improvement Act of 2017***

This legislation introduced by Representative Hill would amend RESPA to require the CFPB to allow for the calculation of discounted rate title insurance companies may provide when they purchase a lenders and owners title insurance policy simultaneously.

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**NAFCU Supports H.R. 4296**

NAFCU supports this legislation offered by Representative Luetkemeyer that prohibits the establishment of operational risk capital requirements for banks and credit unions unless they meet certain requirements. As we have previously communicated, we believe the establishment of proper capital requirements for financial institutions is important. We would urge the Committee to continue to look at capital issues for credit unions, such as NCUA's risk-based capital rule, and be prepared to act to delay or stop implementation of the current rule, so that changes can be made.

Finally, we hope this mark-up serves as another step forward in addressing regulatory relief for community financial institutions such as credit unions. As NAFCU has communicated in the past, there are a number of additional areas where credit unions need relief including additional capital reforms, field-of-membership improvements, and requiring regulators to perform robust cost-benefit analyses of regulations. We would urge the committee to tackle these and other areas as you continue your work on regulatory relief.

NAFCU thanks you for the opportunity to share our thoughts ahead of the mark-up. We appreciate the Committee's effort to provide regulatory relief and look forward to working with you on these and other issues to improve the environment for credit unions. If you have any questions, or if my colleagues or I can be of assistance in any way, please do not hesitate to contact me or NAFCU's Senior Associate Director of Legislative Affairs, Chad Adams, at 703-842-2265 or [cadams@nafcu.org](mailto:cadams@nafcu.org).

Sincerely,



Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the House Financial Services Committee