



3138 10th Street North
Arlington, VA 22201-2149
P: 703.522.4770 | 800.336.4644
F: 703.524.1082
nafcu@nafcu.org

National Association of Federal Credit Unions | nafcu.org

February 23, 2016

The Honorable Tom Marino
Chairman
Subcommittee on Regulatory Reform,
Commercial and Antitrust Law
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Hank Johnson
Ranking Member
Subcommittee on Regulatory Reform,
Commercial and Antitrust Law
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515

Re: Tomorrow's Hearing on the Impact of Federal Regulations

Dear Chairman Marino and Ranking Member Johnson:

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 in conjunction with tomorrow's hearing, "Triple Threat to Workers and Households: Impacts of Federal Regulations on Jobs, Wages and Startups." We appreciate your focus on finding ways to cut back on regulatory burdens and urge that this remain a priority for the remainder of the 114th Congress.

As you may be aware, credit unions are among the most heavily regulated entities in the financial services industry. The need for regulatory relief for credit unions is great. Credit unions are struggling from costs associated with compliance, stemming from the relentless regulatory burdens imposed by federal agencies, particularly those with direct jurisdiction over credit unions, including the National Credit Union Administration (NCUA) and Consumer Financial Protection Bureau (CFPB). Every dollar spent on compliance is dollar that is not being loaned to a consumer or small business.

The impact of this growing regulatory burden on credit unions is evident in the declining number of credit unions. Since the 2nd quarter of 2010, we have lost over 1,350 federally-insured credit unions, 96% of which were smaller institutions below \$100 million in assets.

Credit unions are often forced to merge or simply shut their doors as a result of an inability to cope with regulatory burdens. While credit unions were not the cause of the financial crisis, they are still subject to the CFPB and many regulations intended for those that did. Consequently, finding ways to cut-down on burdensome and unnecessary regulatory compliance costs is a chief priority of our members. There is an urgent need for Congress to enact meaningful regulatory relief for credit unions.

NAFCU is pleased that the need for regulatory relief for credit unions has bipartisan recognition. We urge you to work together to ultimately enact substantial regulatory relief for credit unions. NAFCU members are on the front lines of this battle and can provide ground level insight into the struggles facing the credit union industry in the current regulatory environment. NAFCU stands ready to assist you in your efforts and hopes you will not hesitate to contact us if we can be helpful in any way. Again, NAFCU looks forward to working with you as you look for ways to provide regulatory relief and work towards economic growth and prosperity.

Thank you for your attention and for your leadership on this issue of great importance to credit unions. Should you have any questions or require any additional information please contact me or Chad Adams, NAFCU's Associate Director of Legislative Affairs, at 703-842-2265 or cadams@nafcu.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Thaler", with a long horizontal flourish extending to the right.

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Subcommittee on Regulatory Reform, Commercial and Antitrust Law