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National Association of Federally-Insured Credit Unions

May 21, 2018

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 mark-up of H.R. 5841, the *Foreign Investment Risk Review Modernization Act of 2018*

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 today to thank you for your continued efforts to provide increased regulatory relief to credit unions and for including a provision in H.R. 5841, the *Foreign Investment Risk Review Modernization Act of 2018*, that does just that.

The legislation, introduced by Representative Robert Pittenger, has language in Title VII that would delay the NCUA's risk-based capital (RBC) rule from taking effect by two-years, moving the implementation date from January 1, 2019 to January 1, 2021. NAFCU is very supportive of Title VII and believes it is imperative that it remains in H.R. 5841 due to the short time period for this provision to be enacted before this harmful rule takes effect. The RBC rule as written will have a negative impact on the industry. Dozens of credit unions stand to see a downgrade in their capital levels and more than 400 credit unions will see a decline in their capital cushions. A two-year delay in the rule would give credit unions more time to prepare and comply, and more importantly, it would give the NCUA time to fix the rule, which they have expressed interest in doing.

NAFCU appreciates Representative Pittenger's efforts to provide credit unions with regulatory relief and urges the Committee to do so as well. We are grateful for your consideration of H.R. 5841 with Title VII included in it. We strongly urge you to retain this provision in the bill. We look forward to working with the Committee and Congress to advance this provision through the legislative process. Should you have any questions or require any additional information, please contact me or Allyson Browning, NAFCU's Associate Director of Legislative Affairs, at 703-842-2836 or abrowning@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the House Financial Services Committee