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National Association of Federally-Insured Credit Unions

May 23, 2018

The Honorable Tom Graves
Chairman
Financial Services and General Government
House Appropriations Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mike Quigley
Ranking Member
Financial Services and General Government
House Appropriations Committee
U.S. House of Representatives
Washington, D.C. 20515

Re: Tomorrow's mark-up of Fiscal Year 2019 Financial Services and General Government Appropriations Bill

Dear Chairman Graves and Ranking Member Quigley:

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 few provisions in your bill that will do just that.

The Financial Services and General Government Appropriations Bill has language in Subtitle XIV, Section 938 that would delay the National Credit Union Administration's (NCUA) risk-based capital (RBC) rule from taking effect for two-years, moving its implementation date from January 1, 2019 to January 1, 2021. NAFCU is very supportive of Section 938 and believes it is imperative that it remains in your bill 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.

Additionally, NAFCU appreciates the language in your legislation to keep the NCUA's Community Development Revolving Loan Fund (CDRLF) funded at a level of \$2 million. We are grateful for your consideration of this bill with Section 938 included in it.

Finally, NAFCU would like to thank you for funding the Community Development Financial Institutions Fund (CDFI) at \$191 million. Though we appreciate the current sum, we would encourage the committee to continue to find ways to increase this funding to the FY18 levels of \$250 million.

We look forward to working with the Committee and Congress to advance this bill 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,

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 House Financial Services and General Government Subcommittee