CONGRESSMAN GARY G. MILLER

PRESS RELEASE

CALIFORNIA'S 31ST DISTRICT

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Rep. Gary Miller Introduces Bill to Relieve Credit Unions from Mounting Federal Regulatory Burdens

Washington, D.C. - Rep. Gary Miller (CA-31), Vice Chairman of the House Financial Services Committee, today introduced legislation to address increased regulatory burdens that are hampering the ability of credit unions to best serve their local communities. The Regulatory Relief for Credit Unions Act of 2013 will ensure consumers are able to access financial products in a safe and sound manner while instituting common sense reforms for credit unions that will allow them to better focus resources on their 95 million members.

Representative Miller explained, "The financial crisis has had a devastating economic impact on my constituents and countless communities across Southern California. While I fully support effective federal regulation in the financial services sector, it is clear that new regulations out of Washington aimed at bad actors are negatively impacting those institutions that did not contribute to the financial crisis."

Representative Miller is also an original cosponsor of H.R. 1750, the Community Lending Enhancement and Regulatory Relief Act of 2013, to provide regulatory relief to community banks. According to Rep. Miller, "Credit unions and community banks should not be burdened by an overwhelming amount of regulation better suited for more complex institutions. Instead of focusing on access to credit and other basic financial services, our local credit unions and community banks now have thousands of pages of rules they must comply with from the Consumer Financial Protection Bureau alone. This mounting regulatory burden hits credit unions and community banks particularly hard as they often lack the resources and personnel that larger financial institutions enjoy."

"In my capacity as Vice Chairman of the House Financial Services Committee," Rep. Miller continued, "I look forward to working with my colleagues to ensure that the regulatory environment for our nation's credit unions and community banks promotes safe and sound banking practices without stifling innovation and consumer choice."

Leaders of Southern California credit unions commended the introduction of the Regulatory Relief for Credit Unions Act:

Gary Nelson, the President and CEO of La Loma Federal Credit Union in Loma Linda, CA said: “The Regulatory Relief for Credit Unions Act will help ease the amount of onerous regulation credit unions face as our nation recovers from the financial crisis. Representative Miller understands that credit unions should be focusing on maintaining the flow of credit to our local communities instead of being caught up in government regulation aimed at bad actors in the financial services arena.”

According to Debra Schwartz, President and CEO of Mission Federal Credit Union: “Representative Miller clearly understands the vital work credit unions are doing for consumers, and the Regulatory Relief for Credit Unions Act would help the credit union industry manage the stringent regulatory environment we face. Our employees should be focused on serving consumers, whom we call members, and assisting them with their loans--not on keeping up with and implementing endless and often unnecessary government compliance. This legislation will help provide the necessary regulatory balance so that credit unions can not only survive, but thrive, and continue our mission to serve consumers across the country.”

Richard L. Harris, President and CEO of Caltech Employees Federal Credit Union said: “The Regulatory Relief for Credit Unions Act is filled with practical ideas on how to cut down on the number of needless regulatory compliance issues my employees deal with every day. This bill is an excellent starting point for the kind of relief credit unions and their member-owners so desperately need.”

The Regulatory Relief for Credit Unions Act would:

- Allow the credit union’s prudential regulator, the National Credit Union Administration (NCUA), to grant federal credit unions a waiver to follow a state rule instead of a federal one in certain situations;
- Establish a risk-based capital system for credit unions akin to that of other depository institutions;
- Authorize the NCUA to step in where appropriate to delay application of, or slightly modify, a Consumer Financial Protection Bureau (CFPB) rule affecting credit unions to be sure such a rule recognizes the unique nature of credit unions while also carrying out the intent of the CFPB;
- Require that NCUA and CFPB revisit cost/benefit analyses of rules after three years so they have a true sense of the compliance costs for credit unions;
- Require the NCUA to conduct a study of the Central Liquidity Facility for credit unions and make legislative recommendations for its modernization;
- Provide credit unions parity with FDIC-insured institutions when it comes to deposit insurance coverage on Interest on Lawyers Trust Accounts (IOLTAs); and
- Give credit unions better control over their investment decisions and portfolio risk.

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