NAFCU
3138 10th Street North
Arlington, VA 22201-2149
703.522.4770 | 800.336.4644
F: 703.524.1082
nafcu@nafcu.org
National Association of Federal Credit Unions | www.nafcu.org

July 31, 2013

The Honorable John Boehner
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Re: Support Regulatory Relief for Credit Unions

Dear Speaker Boehner and Leader Pelosi:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of nation's federally chartered credit unions, I write today in support of the regulatory relief efforts found in *Regulations from the Executive in Need of Scrutiny* (REINS) *Act* (H.R. 367). As you know, in the wake of the *Dodd-Frank Act,* the amount of federal regulation credit unions face is at an all-time high. Regulatory relief for credit unions is desperately needed and would enhance their ability to react to market conditions and meet the demands of their 96 million members.

The REINS Act would make an important step toward regulatory relief by requiring any executive branch regulation with an economic impact in excess of $100 million as scored by the Office of Management and Budget to come before Congress for an up-or-down vote before it could be enacted. NAFCU believes putting this legislative process into place could help ensure additional accountability from the Administration and Congress regardless of which political party is in the majority.

As Congress looks for ways to cut down on duplicative and over-burdensome federal regulation, we urge you to also support efforts to provide regulatory relief for credit unions such as legislation introduced by Representative Gary Miller—H.R. 2572, the *Regulatory Relief for Credit Unions Act of 2013.* This legislation reflects key provisions we shared with Congress on February 12th of this year as part of NAFCU's five-point plan for credit union regulatory relief. As introduced, the bill would:

- establish a risk-based capital system for credit unions;
- allow 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;
- authorize the NCUA to step in where appropriate to modify or delay application of a CFPB rule affecting credit unions as long as the goal of the rule is still met (parity is also given for community banks and their regulator in this regard);

- require that the NCUA and the CFPB revisit cost/benefit analyses of rules after three years so they have a true sense of the compliance costs for credit unions (parity is also given for community banks in this regard);
- require the NCUA to conduct a study of the Central Liquidity Facility and make legislative recommendations for its modernization;
- give credit unions better control over their investment decisions and portfolio risk; and,
- provide credit unions parity with FDIC-insured institutions when it comes to deposit insurance coverage on Interest on Lawyers Trust Accounts (IOLTAs).

Credit unions are not-for-profit cooperatives that are member owned and managed. Credit Unions did not engage in the risky lending practices that led to the financial crisis, yet they are struggling under the tidal wave of new regulations that have emerged from the crisis. They need regulatory relief. That is why H.R. 2572, the *Regulatory Relief for Credit Unions Act of 2013* is needed today.

Again, thank you for your leadership in bringing the REINS Act to the House floor and for considering additional ways to mitigate the excessive regulatory environment credit unions face. Should you have any questions or require any additional information please contact me or Jillian Pevo, NAFCU's Senior Associate Director of Legislative Affairs, at 703-842-2836 or jpevo@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the House of Representatives