

Rep. Randy Neugebauer
Statement for Record
Credit Union Hearing
March 6, 2007

Chairman Frank, thank you for calling today's hearing.

I had the opportunity to visit with representatives from several credit unions from my district yesterday. When someone takes the time and expense to travel all the way to D.C. from Abilene and Big Spring, Texas, that tells me the issues we are working on here are important to them and the credit union members they work for.

I appreciate the contributions of credit unions in my district. Many are small credit unions, and they work hard to serve their members. Consumers benefit from having a wide range of financial institutions to choose from so they can find the credit union, bank or other institution that best fits their needs. We are fortunate in West Texas to have so many sound choices among financial services providers.

I support additional regulatory relief for all financial institutions. While we provided some relief in the last Congress, a number of important items were left on the table that we need to revisit. Any time we can reduce unnecessary paperwork, rules and burdensome requirements, more time and resources are freed up to allow these institutions to help their members, customers and communities prosper.

The credit unions that visited me yesterday discussed the regulatory relief items in new legislation Congressmen Kanjorski and Royce introduced this week. I appreciate their efforts to bring some new ideas to the table in addition to those in the CURIA legislation.

One aspect of CURIA I have been supportive of, however, is reforming prompt corrective action to allow credit unions to move toward a more risk-based approach. A one-size capital requirement for all credit unions does not take each credit union's risk-based profile into account. If we want financial institutions to make risk-based decisions, we must give them the ability to do so.

As the Committee moves forward from this hearing, I look forward to working on regulatory relief for credit unions, as well as for all types of financial institutions.