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B. Dan Berger
President & Chief Executive Officer

National Association of Federally-Insured Credit Unions

May 7, 2018

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Paul Ryan
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: Legislative Priorities of our Nation's Credit Unions

Dear Leader McConnell, Leader Schumer, Speaker Ryan, and Leader Pelosi:

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 follow up on my letter of January 8, 2018, that outlined a number of top action items for credit unions for the 2nd Session of the 115th Congress. As outlined below, a number of these items are still pending before Congress and we hope that you will continue to work with us to help address these top legislative issues for credit unions before the 115th Congress completes its work.

Regulatory Relief – Relief from unnecessary regulation, whether it be from the CFPB, NCUA or other regulators, continues to be the top operational issue that credit unions are concerned about. Both the House and Senate have passed NAFCU-backed comprehensive regulatory relief bills this Congress – H.R. 10, the *Financial CHOICE Act* in the House and S. 2155, the *Economic Growth, Regulatory Relief, and Consumer Protection Act* in the Senate. NAFCU is pleased to see recent reports that the House may soon act on S. 2155 in order to ensure that regulatory relief can be enacted into law this year. We urge both the House and Senate to continue their work to ensure that this bill is enacted into law. As with most pieces of legislation, bipartisan and bicameral agreement is not an easy undertaking. To that end, there has been much debate in the public arena as to whether S. 2155 should be amended with further additions when it is considered by the House. NAFCU is extremely supportive of S. 2155, but also has been supportive of bipartisan measures passed by the House since the start of this Congress. NAFCU supports a regulatory environment that allows credit unions to thrive. Should S. 2155 pass as is, we would ask that those measures be considered by the Senate as soon as possible.

Capital/Risk Based Capital Reform – NAFCU remains concerned with the impact the Risk-Based Capital (RBC) rulemaking will have on the credit union industry, including regulatory burden and increased costs. NAFCU urges Congress to pass H.R. 5288, the *Common Sense Capital Relief Act*, bipartisan legislation offered by Representatives Bill Posey and Denny Heck which would allow NCUA to revisit and reconsider the agency's approach to RBC by delaying the rule's effective date for two years to January 1, 2021.

Data/Cyber Security – NAFCU has been working with others in the financial services sector to enact reforms that create a safer environment and hold retailers accountable, all while not creating burdensome new requirements on financial services. House Financial Institutions Subcommittee Chairman Blaine Luetkemeyer and Representative Carolyn Maloney have a draft bipartisan data security bill that they are working on that addresses a number of credit union concerns. We hope to see this legislation advance later this year. NAFCU will continue to work with others in the financial sector on this key issue while also seeking to increase credit union awareness of cyber threats.

Field of Membership – Strengthening the federal charter and pursuing regulatory relief for federal credit unions is at the core of NAFCU's advocacy efforts. NAFCU fundamentally believes the industry's dual chartering system works best when the state and federal charters keep pace with each other. NAFCU believes that there must be legislative improvements to sections of the Federal Credit Union Act that restrict the ability of credit unions to serve their desired fields of membership, including allowing all credit unions to add underserved areas. This includes Congressional action on H.R. 4665, the *Financial Services for the Underserved Act*, bipartisan legislation from Representatives Gwen Moore and Paul Cook that would ensure that all types of federal credit unions have the ability to add underserved areas to their field of membership.

Ending Lawsuit Abuse – Credit unions are too often targets of demand letters that seek monetary damages for questionable patents or website "violations" of the *Americans with Disabilities Act* (ADA). These primarily come from patent trolls or law firms claiming to represent non-members of the credit union who are seeking to take advantage of the institutions and gain financial settlements. Credit unions seek to comply with the law, but regulators need to be clear about requirements for compliance. Congress must also step in and seek to curb these abusive practices. We were pleased to see the House pass H.R. 620, the *ADA Education and Reform Act of 2017*. We urge the Senate to act on this legislation.

Preserving the Credit Union Tax Exemption – NAFCU thanks Congress and the Administration for preserving the credit union tax exemption in the recently passed tax reform legislation. We urge you to continue to protect the credit union tax exemption as you continue to examine additional tax issues later this fall.

Thank you for your consideration and attention to these important matters. We look forward to continuing to work with you to address these priorities. If we can answer any questions or

The Honorable Mitch McConnell, The Honorable Charles E. Schumer,
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Page 3 of 3

provide you with additional information on any of these issues, please do not hesitate to contact myself or NAFCU's Vice President of Legislative Affairs, Brad Thaler, at 703-842-2204.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger". The signature is stylized and somewhat cursive, with a large initial "B" and a long, sweeping underline.

B. Dan Berger
President and CEO

cc: Members of the United States Senate
Members of the United States House of Representatives