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July 11, 2016

The Honorable Randy Neugebauer
Chairman
Subcommittee on Financial Institutions and
Consumer Credit
House Financial Services Committee
United States House of Representatives
Washington, D.C. 20515

The Honorable William Lacy Clay
Ranking Member
Subcommittee on Financial Institutions and
Consumer Credit
House Financial Services Committee
United States House of Representatives
Washington, D.C. 20515

Re: FinTech and Online Marketplace Lending

Dear Chairman Neugebauer and Ranking Member Clay:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the federal interests of our nation's federally-insured credit unions, I write today in conjunction with tomorrow's hearing, "Examining the Opportunities and Challenges with Financial Technology ("FinTech"): The Development of Online Marketplace Lending." NAFCU and our members welcome the Committee's interest in this growing market sector and we look forward to working with you as you examine this important topic.

NAFCU believes that the growth of online marketplace lenders underlines the need for Congress and regulators to modernize existing laws and regulations on traditional financial institutions to facilitate greater access to credit. A recent Treasury report confirmed NAFCU's concerns that there exists an uneven playing field for overregulated credit unions as compared to online marketplace lenders, which are not subject to the same disclosure rules and underwriting standards that apply to traditional lenders. NAFCU believes that, in addition to modernizing rules, financial regulators must also require online market lenders to meet the basic consumer protection requirements such as the *Truth in Lending Act*, underwriting standards for loans, and applicable state usury laws, just as credit unions must do now.

Thank you for your attention to this important issue. We look forward to continuing to work with the committee on this and other issues of importance to credit unions. Should you have any questions or require any additional information please contact me or Chad Adams, NAFCU's Senior Associate Director of Legislative Affairs, at 703-842-2265 or cadams@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Financial Institutions and Consumer Credit Subcommittee