



3138 10th Street North  
Arlington, VA 22201-2149  
703.842.2215 | 800.336.4644  
f: 703.522.2734  
dberger@nafcu.org | nafcu.org

**B. Dan Berger**  
President & Chief Executive Officer

**National Association of Federally-Insured Credit Unions**

September 5, 2019

The Honorable Al Green  
Chairman  
Subcommittee on Oversight and  
Investigations  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Andy Barr  
Ranking Member  
Subcommittee on Oversight and  
Investigations  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

**RE: The Credit Union Difference**

Dear Chairman Green and Ranking Member Barr:

Next week, hundreds of credit union officials will be on Capitol Hill talking about the credit union difference as part of the National Association of Federally-Insured Credit Unions (NAFCU) Congressional Caucus. As part of their time on the Hill, they will be sharing the attached document which outlines the great work that credit unions are doing to serve their communities.

Unfortunately, while credit unions are busy focusing on serving their 117 million members, bankers continue to put resources into attacks on credit unions in an effort to eliminate competition, despite continuing profits. Just today, the Federal Deposit Insurance Corporation (FDIC) announced another quarter of record profits for banks. Ironically, this comes in the same week that the Credit Union Times reported that the American Bankers Association was the secret owner of an anti-credit union website (<https://www.cutimes.com/2019/09/04/aba-revealed-as-owner-of-secretive-anti-credit-union-website/>). As your Subcommittee investigates what seems to be a never-ending stream of abuses by mega-banks, we urge you to examine questionable activities such as this website and ask, what other anti-consumer efforts are the bankers secretly funding?

The fact remains that if banker associations had focused this much attention on the nation's largest banks being more responsible to begin with, the financial crisis may not have reached such epic proportions. Unlike banks, credit unions, which are supervised by the National Credit Union Administration (NCUA), were not the bad actors that caused the financial crisis. The numbers speak for themselves when you look at over \$200 billion in bank fines and various settlements since the financial crisis.

These "fines" include over \$76 billion for Bank of America, over \$40 billion for JP Morgan Chase, and over \$12 billion for Wells Fargo, just to name a few. While the bankers continue to have the gall to attack the credit union tax exemption, they conveniently forget to mention how independent analysis has shown that the fines and settlements for wrongdoing by their members have actually

amounted to billions and billions of dollars of tax relief over the years for the nation's largest banks.<sup>1</sup>

We hope that the banker groups will change their approach and will instead focus their resources on issues that can help the entire financial services community, such as consumer protection, regulatory relief and creating a national data security standard for those who do not currently have one, including retailers and others who handle consumer financial data.

Credit unions are proud of their track record in meeting the needs of nearly 117 million members and being a stable capital source for our nation's small businesses. They will be telling that story on Capitol Hill next week. We thank you for listening to them and for your support of credit unions.

If my colleagues or I can be of assistance to you, or if you have any questions regarding this issue, please feel free to contact me or NAFCU's Vice President of Legislative Affairs, Brad Thaler, at (703) 842-2204.

Sincerely,



B. Dan Berger  
President and CEO

Attachment

cc: Members of the Subcommittee on Oversight and Investigations  
cc: U.S. Department of Justice

---

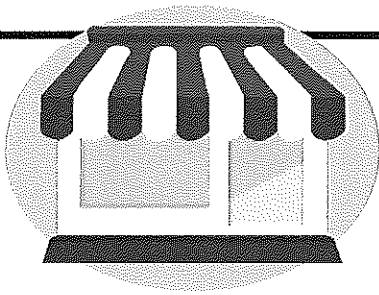
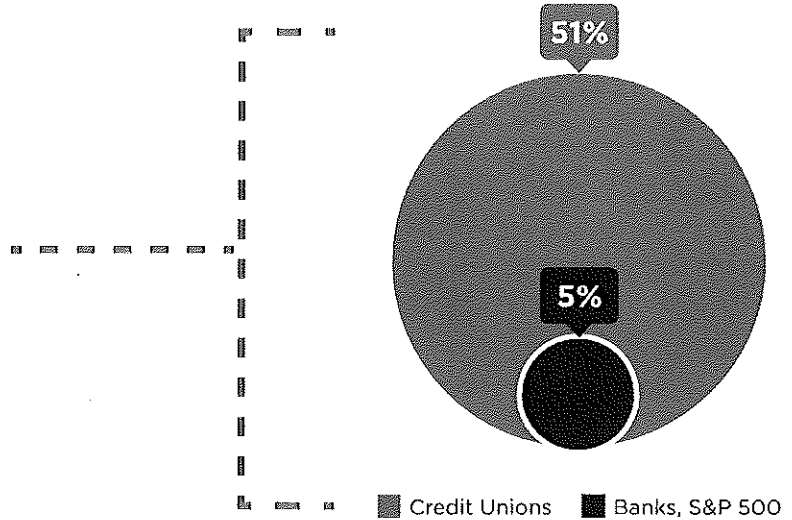
<sup>1</sup> Browning, Lynnley. (October 27, 2014). Too Big to Tax: Settlements Are Tax Write-Offs for Banks. *Newsweek*. Retrieved from: <http://www.newsweek.com/2014/11/07/giant-penalties-are-giant-tax-write-offs-wall-street-279993.html>



# THE CREDIT UNION DIFFERENCE

## MORE DIVERSE

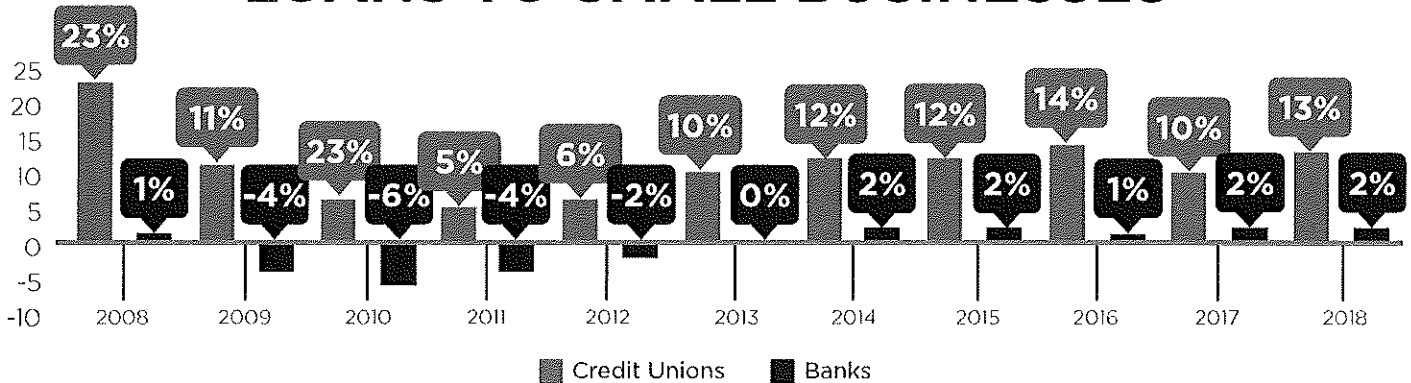
There are more than 10X as many female CEOs in credit unions than in banks.



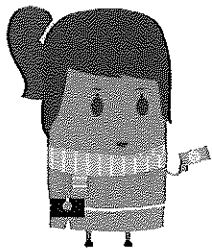
## BENEFITS TO THE ECONOMY

Credit unions played a large role in helping local communities through the financial crisis. When banks pulled back lending to small businesses, credit unions stepped up to fill the gap.

## Annual Growth in LOANS TO SMALL BUSINESSES



See more of what makes us different at [nafcu.org/cu-difference](http://nafcu.org/cu-difference)

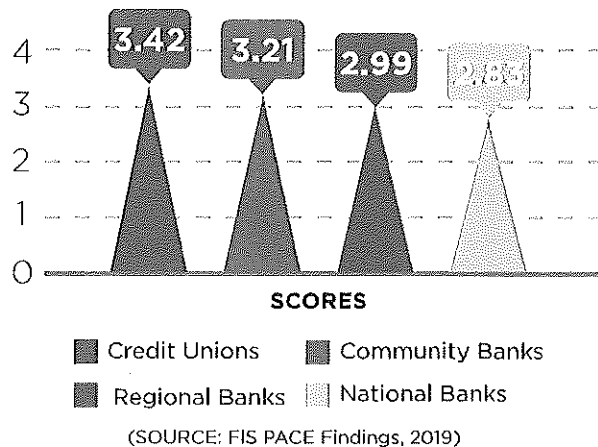


# SERVICE FIRST

“Credit unions are among the highest-rated services we’ve ever evaluated, with 96 percent of our members highly satisfied.”

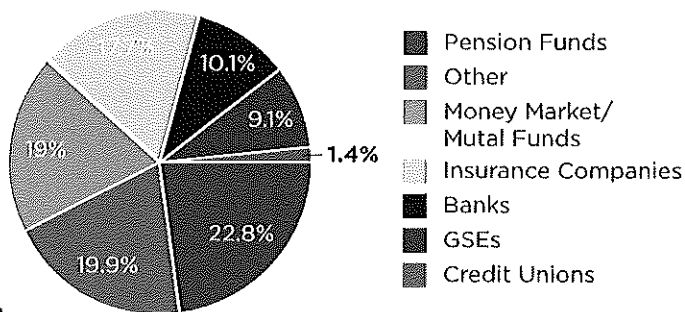
- *Consumer Reports*

## Satisfaction Scores



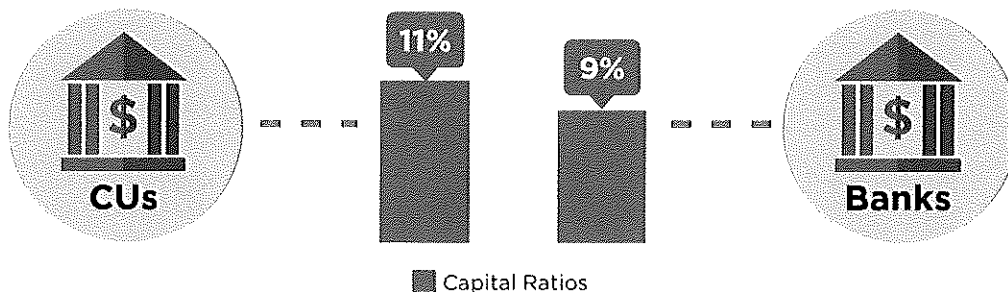
More than 117 million Americans are members of credit unions, while credit unions are a small slice of the financial services industry. They hold only 10% of transaction account balances, and they represent less than 2% of total domestic financial assets.

## Share of Domestic Financial Assets



## Capital Reserves For Tough Times

Since the financial crisis, regulators have placed greater emphasis on capital reserves as a first line of defense. Credit unions’ leverage ratio is nearly 2 percentage points higher than banks



See more of what makes us different at [nafcu.org/cu-difference](http://nafcu.org/cu-difference)