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National Association of Federally-Insured Credit Unions

June 12, 2018

The Honorable Rodney Frelinghuysen
Chairman
House Appropriations Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nita Lowey
Ranking Member
House Appropriations Committee
U.S. House of Representatives
Washington, D.C. 20515

Re: Tomorrow's Mark-up of Fiscal Year 2019 Financial Services and General Government Appropriations Bill

Dear Chairman Frelinghuysen and Ranking Member Lowey:

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 ahead of tomorrow's mark-up to share our thoughts on key provisions in the FY 2019 Financial Services and General Government Appropriations Bill. NAFCU is grateful for your continued efforts to provide increased regulatory relief to credit unions and the provisions included in the base text of this bill that do just that.

The Financial Services and General Government appropriations bill has language in Subtitle XIV, Section 938 that would delay the National Credit Union Administration's (NCUA) risk-based capital (RBC) rule from taking effect for two-years, moving its implementation date from January 1, 2019 to January 1, 2021.

NAFCU is very supportive of Section 938 and believes it is imperative that it remains in your bill due to the short time period for this provision to be enacted before this harmful rule takes effect. The RBC rule as written will have a negative impact on the industry. Dozens of credit unions stand to see a downgrade in their capital levels and more than 400 credit unions will see a decline in their capital cushions. A two-year delay in the rule would give credit unions more time to prepare and comply, and more importantly, it would give the NCUA time to fix the rule, which they have expressed interest in doing.

Additionally, NAFCU appreciates the language in your legislation to keep the NCUA's Community Development Revolving Loan Fund (CDRLF) at $2 million and the Community Development Financial Institutions Fund (CDFI) at $191 million. Although we appreciate the CDFI's current funding level, we would encourage the Committee to continue to find ways to increase this funding to the FY18 level of $250 million. We are also pleased to see full funding levels for the Small Business Administration's 7(a) and 504 loan programs.

Finally, NAFCU also supports a number of the other regulatory relief provisions found in the bill, including language from the *Mortgage Choice Act*, the *Financial Institutions Examination Fairness and Reform Act*, and the *TRID Improvement Act*. We also support the provisions to improve and enhance transparency and accountability at the Bureau of Consumer Financial Protection.

We look forward to working with the Committee and Congress to advance this bill through the legislative process. Should you have any questions or require any additional information please contact me or Allyson Browning, NAFCU's Associate Director of Legislative Affairs, at 703-842-2836 or abrowning@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the House Appropriations Committee