



3138 10th Street North
Arlington, VA 22201-2149
703.522.4770 | 800.336.4644
f: 703.524.1082
nafcu@nafcu.org | nafcu.org

National Association of Federally-Insured Credit Unions

April 14, 2021

The Honorable Brad Sherman
Chairman
Subcommittee on Investor Protection,
Entrepreneurship and Capital Markets
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

The Honorable Bill Huizenga
Ranking Member
Subcommittee on Investor Protection,
Entrepreneurship and Capital Markets
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

Re: Tomorrow's Hearing, "The End of LIBOR: Transitioning to an Alternative Interest Rate Calculation for Mortgages, Student Loans, Business Borrowing, and Other Financial Products"

Dear Chairman Sherman and Ranking Member Huizenga:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to share our thoughts ahead of tomorrow's virtual hearing, "The End of LIBOR: Transitioning to an Alternative Interest Rate Calculation for Mortgages, Student Loans, Business Borrowing, and Other Financial Products." NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve 124 million consumers with personal and small business financial service products. NAFCU thanks the Subcommittee for their attention to this important topic.

With LIBOR sunsetting this year, many credit unions are in the process of transitioning their suite of financial products away from the LIBOR index. While our credit union members report they are no longer originating new loans that rely on LIBOR as a reference rate, some credit unions still have a small number of legacy LIBOR contracts in their consumer loan portfolios, some of which do not contain fallback language that would allow for the contract to be amended and continued when LIBOR sunsets. To ensure a smooth transition from LIBOR, and to prevent any unneeded disruption during this time of economic uncertainty, we support Congress taking action through legislation to establish a process for these legacy LIBOR contracts to be appropriately updated so they continue to function.

We thank you for your leadership, and we appreciate the opportunity to share our input on this important topic. Should you have any questions or require any additional information, please contact me or Sarah Jacobs, NAFCU's Associate Director of Legislative Affairs, at sjacobs@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Subcommittee on Investor Protection, Entrepreneurship and Capital Markets