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National Association of Federally-Insured Credit Unions

B. Dan Berger
President & Chief Executive Officer

May 21, 2018

The Honorable Paul Ryan
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, DC 20515

Re: NAFCU's Support of S. 2155, *the Economic Growth, Regulatory Relief, and Consumer Protection Act*

Dear 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 thank you for your continued efforts to provide increased regulatory relief to credit unions and to urge you to support S. 2155, *the Economic Growth, Regulatory Relief, and Consumer Protection Act.*

NAFCU was pleased to see the coalition of Republicans and Democrats work together and advance this regulatory relief and economic growth package through the Senate. We now urge the House to pass this legislation and send it to the President's desk.

S. 2155 contains a number of key provisions that will help credit unions continue to meet the needs of their members. I have highlighted a few of the key provisions for credit unions below.

- Section 105 would exempt loans for one- to four-unit non-owner occupied dwellings from the credit union member business lending (MBL) definition. This would allow credit unions to treat loans that qualify for the exemption as residential loans with lower interest rates—similar to how banks make those loans to small businesses—and not have to count them toward their MBL cap. This would free up capital for additional lending to small businesses to help foster economic growth.

- Section 101 would provide key regulatory burden relief and safe harbor for certain mortgage loans that are made by certain credit unions and held in portfolio. As member-owned cooperatives, credit unions make mortgages to meet the needs of their members, taking into account the individual. They also hold many of these loans in portfolio. These loans meet the spirit of the Qualified Mortgage (QM) standard, even if they do not fit into the QM box, and deserve the same safe harbor and relief.

- Section 109 provides credit union members with the important ability to not have to wait three days if a credit union is able to provide them with better terms before closing. Credit unions work for the best interest of their members in a mortgage transaction and may be able to provide a better rate to a member as they head to closing. However, under current law, members may have to turn this down, as they have specific arrangements in place and cannot delay closing and wait the required three-day waiting period.

- Section 104 would provide important relief from new Home Mortgage Disclosure Act (HMDA) reporting requirements for smaller lenders. The Bureau of Consumer Financial Protection's new rule, which went beyond the parameters of the Dodd-Frank Act, created new burdens and costs for many small lenders, with little likely benefit or additional data gained from them. Section 104 addresses this regulatory overreach by creating a common-sense exception and relief for smaller community lenders while maintaining requirements for larger national lenders.

- Section 103 would provide a common-sense tailored exemption from appraisal requirements for smaller mortgage loans if a certified appraiser cannot be found to perform an appraisal. This will provide meaningful relief to institutions in rural areas, where a limited number of appraisers can be a hurdle to mortgage lending.

- Title III of the legislation would provide consumer protections, including the text of the *Senior$afe Act*, which NAFCU is particularly pleased to see. It also includes language from the *Credit Score Competition Act*, which would direct the Federal Housing Finance Agency (FHFA) to create a process for government-sponsored enterprises (GSEs) to use new credit scoring models that could benefit a large number of consumers.

- We also support language found in Section 212 to ensure budget transparency for the National Credit Union Administration (NCUA) and in Section 213 that would improve the ability for consumers to access online banking services (MOBILE Act).

Once again, S. 2155, the *Economic Growth, Regulatory Relief and Consumer Protection Act,* is an excellent step toward providing bipartisan regulatory relief and economic growth. NAFCU supports S. 2155 and we urge the House to pass this legislation. We thank you for the opportunity to share our input. Should you have any questions or require any additional information before this week's scheduled floor vote please contact me or Brad Thaler, NAFCU's Vice President of Legislative Affairs, at 703-842-2204 or bthaler@nafcu.org.

Sincerely,

B. Dan Berger
President and CEO

cc: Members of the United States House of Representatives