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

January 18, 2017

The Honorable James Lankford  
Chairman  
Subcommittee on Regulatory Affairs  
and Federal Management  
Committee on Homeland Security &  
Government Affairs  
United States Senate  
Washington, D.C. 20510

The Honorable Heidi Heitkamp  
Ranking Member  
Subcommittee on Regulatory Affairs  
and Federal Management  
Committee on Homeland Security &  
Government Affairs  
United States Senate  
Washington, D.C. 20510

**Re: Improving Small Business Input on Federal Regulations**

Dear Chairman Lankford and Ranking Member Heitkamp:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally-insured credit unions, I write today in advance of tomorrow's hearing, "Improving Small Business Input on Federal Regulations: Ideas for Congress and a New Administration." Thank you for your interest in this important topic, and for allowing NAFCU to share its views. It is our hope that Congress and this subcommittee will work to ensure that regulations promulgated with large entities in mind do not disproportionately hamper small businesses.

Credit unions help provide critical access to credit for small businesses across the country, and as not-for-profit cooperatives, credit unions are small businesses themselves. Accordingly, credit unions and their more than 106 million members strongly support efforts to ensure that all federal agencies, including agencies with direct jurisdiction over credit unions such as the National Credit Union Administration (NCUA) and Consumer Financial Protection Bureau (CFPB), appropriately consider the impact of their rules on small businesses.

NAFCU has long supported legislation that would clarify that agencies must measure both the direct economic impact and the reasonably foreseeable indirect economic impact that regulations are having on small entities (including credit unions). That is why we supported the *Small Business Regulatory Flexibility Improvements Act of 2015*, introduced in the 114<sup>th</sup> Congress. The legislation would also require agencies to provide detailed analyses of impacts in both proposed and final rules, including estimates of cumulative economic impacts. Strengthening the *Regulatory Flexibility Act* would help to ensure that small entities have more information about how regulations will impact them and a greater opportunity to meaningfully participate in the rulemaking process.

Additionally, NAFCU has advocated for *Small Business Regulatory Enforcement Fairness Act* (SBREFA) panels when it comes to the CFPB. While we are pleased that the CFPB has used this tool on some rules, NAFCU remains concerned that the voice of panelists is not always heard. There are several instances that NAFCU is aware of where SBREFA panel reports clearly recorded specific issues voiced by panelists that were ultimately not addressed in final rules. While NAFCU appreciates agencies' work to include industry representatives in the development of new rules that will directly impact their businesses, we would urge Congress and this subcommittee to investigate exactly how industry representatives' feedback is weighed and to seek more transparency on what aspects of their recommendations are considered when deciding what to include in a final proposal.

Once again, thank you for holding this important hearing and for the opportunity to share our comments. If my colleagues or I can be of assistance to you, or if you have any questions regarding this or any other issue, please feel free to contact myself, or NAFCU's Senior Associate Director of Legislative Affairs, Chad Adams at (703) 842-2265.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Thaler', written over a light blue horizontal line.

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the Subcommittee