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National Association of Federal Credit Unions | www.nafcu.org

November 18, 2015

The Honorable Richard Shelby
Chairman
Committee on Banking,
Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Sherrod Brown
Ranking Member
Committee on Banking,
Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Jeb Hensarling
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Re: NCUA's Proposed Field of Membership Amendments

Dear Chairman Shelby, Chairman Hensarling, Ranking Member Brown and Ranking Member Waters:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the federal interests of our nation's federally-insured credit unions, I write today to set the record straight in response to a letter from the American Bankers Association (ABA) regarding the National Credit Union Administration's (NCUA) plan to propose credit union field of membership (FOM) reforms at its board meeting tomorrow.

NAFCU is disappointed that the ABA has chosen to attack this proposal before it is even released and the details are known. It would seem that they are only interested in attacking credit unions and their 101 million members, rather than creating sound public policy. Perhaps the banking trade association should have paid this much attention to their own members and actions prior to the financial crisis. If so, maybe their members, the nation's big banks, would not have faced over \$100 billion in fines, settlements and buy-backs stemming from the financial crisis.

NAFCU continues to hear from our members that NCUA's FOM rules and regulations unnecessarily inhibit their ability to grow and serve their communities. Additionally, NAFCU and our members believe that the federal charter must keep pace with changes in state laws, technology, and the financial services industry. Despite what the ABA claims, we acknowledge that legislation is necessary to reform aspects of the *Federal Credit Union Act's* limitations on chartering. While we urge your committees to consider legislative reforms for FOM, we firmly

believe that NCUA can enact constructive regulatory relief under the agency's current authority by streamlining its chartering and FOM procedures, as well as by removing all non-statutory constraints on FOM chartering and expansion. These actions are within the agency's existing authority and do not require congressional action, despite how much the ABA attempts to misrepresent the situation.

There are many areas where credit unions and banks can work together, such as seeking regulatory relief and greater data security. We would prefer to work together with them to bring about reform that will help both of our members. We hope the ABA will focus on these meaningful efforts with us and not attack yet unseen proposals that will have their own public comment period. This comment period will provide them an opportunity to respond in the proper channels to the agency.

Thank you for the opportunity to set the record straight. We will be reviewing NCUA's proposal when it is released and will share our thoughts on this proposal. If my staff or I can be of assistance to you, or if you have any questions regarding this issue, please feel free to contact myself, or NAFCU's Vice President of Legislative Affairs, Brad Thaler, at (703) 842-2204.

Sincerely,



B. Dan Berger
President and CEO

cc: The Honorable Orrin Hatch, Chairman, Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance
The Honorable Kevin Brady, Chairman, House Ways and Means Committee
The Honorable Sander Levin, Ranking Member, House Ways and Means Committee
The Honorable Debbie Matz, Chairman, National Credit Union Administration
The Honorable Rick Metsger, Vice-Chairman, National Credit Union Administration
The Honorable Mark McWatters, Board Member, National Credit Union, Administration