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President & Chief Executive Officer

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

November 9, 2016

Mr. Donald J. Trump
President-elect of the United States
c/o Donald J. Trump for President, Inc.
Trump Tower
725 Fifth Avenue
New York, NY 10022

Dear President-elect Trump:

I am writing on behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association that exclusively represents the federal interests of our nation's federally-insured credit unions, to congratulate you on your election. NAFCU looks forward to working with you and your team throughout the transition and during your Administration.

As member-owned cooperatives, credit unions are designed to provide the best financial services to consumers and take great pride in the work they have done in serving Main Street America throughout the financial crisis.

Not-for-profit credit unions have been statutorily exempt from corporate taxes since 1934. Credit unions pass along the benefit to their members and millions of Americans who use financial services in the form of provident credit and favorable rates on savings. Numerous studies over the years have shown that the value of the credit union tax exemption to consumers far outweighs any revenue that the government would collect from taxing credit unions. Furthermore, studies have shown that not only credit union members, but other financial institution customers benefit from having credit unions in the marketplace as they serve as a check on rates for all Americans. Without the federal tax exemption, credit unions would not survive and the American public would be at a great financial disadvantage.

Additionally, credit unions are under a regulatory assault in the wake of the *Dodd-Frank Act*. Lawmakers and regulators readily agree that credit unions did not participate in the reckless activities that led to the financial crisis, and as such, shouldn't be caught in the crosshairs of regulations aimed at those entities that did. Unfortunately, that has not been the case thus far and finding ways to cut-down on burdensome and unnecessary regulatory compliance costs is a chief priority of NAFCU members.

The impact of the growing regulatory burden on credit unions is evident in the declining number of credit unions. A main reason for the decline is the growing cost and complexity of complying with the ever-increasing onslaught of regulations. Since the second quarter of

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2010, we have lost more than 20% of the industry - 1,550 federally-insured credit unions - 96% of which were smaller institutions below \$100 million in assets. Many smaller institutions simply cannot keep up with the new regulatory tide and have had to merge out of business or be taken over. There is an urgent need for meaningful regulatory relief.

It is with over 105 million credit union members in mind that I respectfully ask for your support for credit unions, the credit union federal tax exemption and regulatory relief measures for credit unions. This will include nominating regulators at the National Credit Union Administration (NCUA) and the Consumer Financial Protection Bureau (CFPB) who understand the unique role and importance of credit unions in the economy.

NAFCU and our nation's credit unions are committed to working with your Administration to help Make America Great Again. If I may ever be of assistance to you, please feel free to contact me directly at (703) 842-2215, or by email at dberger@nafcu.org.

With best personal regards,



B. Dan Berger
President & Chief Executive Officer