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National Association of Federally-Insured Credit Unions

November 1, 2021

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing,
& Urban Affairs
U.S. Senate
Washington, DC 20510

The Honorable Pat Toomey
Ranking Member
Committee on Banking, Housing,
& Urban Affairs
U.S. Senate
Washington, DC 20510

Re: Tomorrow's Hearing, "The LIBOR Transition: Protecting Consumers and Investors"

Dear Chairman Brown and Ranking Member Toomey:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to share our thoughts ahead of tomorrow's hearing, "The LIBOR Transition: Protecting Consumers and Investors." NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 127 million consumers with personal and small business financial service products. NAFCU thanks the Committee 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 Lewis Plush, NAFCU's Associate Director of Legislative Affairs, at lplush@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the U.S. Senate Committee on Banking, Housing, and Urban Affairs