



3138 10th Street North  
Arlington, VA 22201-2149  
703.522.4770 | 800.336.4644  
f: 703.524.1082  
nafcu@nafcu.org | nafcu.org

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

March 14, 2018

The Honorable Paul Ryan  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

**Re: NAFCU supports H.R. 1116, the *Taking Account of Institutions with Low Operation Risk Act of 2017* and H.R. 4545, the *Financial Institutions Examination Fairness and Reform 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 in support of H.R. 1116, the *Taking Account of Institutions with Low Operation Risk (TAILOR) Act of 2017* and H.R. 4545, the *Financial Institutions Examination Fairness and Reform Act*.

In the wake of the Dodd-Frank Act, the level of federal regulation credit unions face is at an all-time high. As you are well aware, credit unions did not contribute to the financial crisis yet are still subject to increasing regulatory requirements. The impact of the growing regulatory burden, in particular the growth of Consumer Financial Protection Bureau (CFPB) rulemaking, is evident as the number of credit unions continues to decline. Since the second quarter of 2010, over 20% (more than 1,500 institutions) of the credit union industry has been lost, 96% of which were institutions with less than \$100 million in assets. The fact is that many smaller institutions simply cannot keep up with the new regulatory tide and have merged out of business or closed their doors altogether. Regulatory relief for credit unions is desperately needed to enhance their ability to react to market conditions and meet the demands of their more than 111 million members.

H.R. 1116, the TAILOR Act, would be an important step towards regulatory relief by ensuring that the CFPB, National Credit Union Administration (NCUA) and other regulators do not use a one-size-fits-all approach to rulemaking. Instead, it would require that rules be tailored to fit the institutions' business models and risk profiles. Of particular importance, the bill would require NCUA (and other regulators) to consider the aggregate impact a new rule will have along with existing regulations. Many regulations are promulgated without this consideration, resulting in the current regulatory environment where smaller institutions are unable to keep up with the onslaught of regulations in the wake of the Dodd-Frank Act.

In addition to overwhelming regulations, credit unions can sometimes face inconsistent and unclear examinations. To that end, NAFCU supports H.R. 4545, the *Financial Institutions Examination Fairness and Reform Act*. This bipartisan legislation, introduced by Representatives Tipton and Maloney, would ensure that institutions get timely results within 60 days after the close of the examination and that they would have an independent channel for exam appeals.

Thank you for the opportunity to share our thoughts as the House considers financial regulation reform this week. We appreciate the House's efforts to provide regulatory relief and look forward to working with you on these and other issues to improve the environment for credit unions. Should you have any questions or require any additional information please contact me or Allyson Browning, NAFCU's Associate Director of Legislative Affairs, at 703-842-2836 or [abrowning@nafcu.org](mailto:abrowning@nafcu.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Thaler', with a long horizontal flourish extending to the right.

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the House of Representatives