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April 12, 2016

The Honorable Jeb Hensarling
Chairman
House Financial Services Committee
United States House of Representatives
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
United States House of Representatives
Washington, D.C. 20515

Re: NAFCU Supports H.R. 1486, the “Taking Account of Bureaucrats’ Spending Act of 2015”

Dear Chairman Hensarling 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 in conjunction with tomorrow’s markup of H.R. 1486, the “Taking Account of Bureaucrats’ Spending Act of 2015” (TABS Act). NAFCU appreciates Representative Andy Barr’s leadership in introducing this legislation, and urges the committee to support Representative Barr’s substitute amendment and underlying legislation to promote more accountability and transparency at the Consumer Financial Protection Bureau (CFPB).

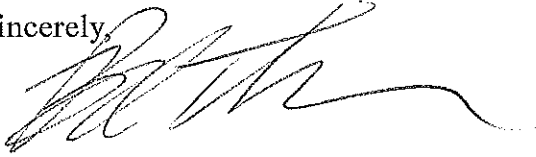
During the consideration of financial reform, NAFCU was concerned about the possibility of overregulation of good actors such as credit unions, and this is why NAFCU was the only credit union trade association to oppose the CFPB having authority over credit unions. Unfortunately, many of our concerns about the increased regulatory burdens that credit unions would face under the CFPB have proven true. While there are credible arguments to be made for the existence of the CFPB, its primary focus should be on regulating the unregulated bad actors, not adding new regulatory burdens to good actors that already fall under a prudential regulator.

The impact of this growing compliance burden from the CFPB is evident as the number of credit unions continues to decline. Since the second quarter of 2010, we have lost 1,280 federally-insured credit unions – over 17% of the industry. The overwhelming majority of these were smaller institutions below \$100 million in assets. The CFPB has unprecedented power and enforcement authority with very little accountability under its guaranteed funding mechanism. As you know, the TABS Act would subject the CFPB to the Congressionally-driven appropriations process rather than the current fixed formula for funding. Subjecting the CFPB to the appropriations process will give Congress much needed oversight by incentivizing the Bureau to focus on true consumer abuse and working to uphold congressional intent, while guaranteeing it considers the burdens it is placing on community institutions and better tailoring

its rules for them. It is with this in mind that we urge the committee to come together and support this common-sense legislation and report it favorably to the House for further consideration.

Thank you for your attention, and we look forward to continuing to work with the committee on this and other issues of importance to credit unions. Should you have any questions or require any additional information please contact me or Chad Adams, NAFCU's Associate Director of Legislative Affairs, at 703-842-2265 or cadams@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 Financial Services Committee