



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

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

November 16, 2015

The Honorable Steve Chabot
Chairman
Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nydia Velázquez
Ranking Member
Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Chabot and Ranking Member Velázquez:

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, I write in conjunction with tomorrow's hearing entitled "National Entrepreneurs' Day".

Credit unions have been and continue to be an important resource to our nation's small businesses and entrepreneurs. As a result of the close relationships credit unions maintain with their members, credit unions are often willing to assist their members in their entrepreneurial endeavors when other lenders refuse. During the economic crisis, many other lenders reduced their lending to small businesses. Credit unions not only continued to lend but increased their lending to small businesses at the time they needed it most.

Credit unions are ready, willing and able to assist our nation's entrepreneurs through their business lending programs and facilitating Small Business Administration programs. Unfortunately, credit unions are hampered in their pursuit to assist entrepreneurs because of an arbitrary cap on the credit they are able to extend to small businesses. As credit unions move closer to the business lending cap, they are forced to not only turn away new small businesses but also in some cases curtail their lending to small businesses they are currently serving. Additionally, the business lending cap serves as a barrier to entry for credit unions that wish to establish a business lending portfolio in response to the credit needs of entrepreneurs in their communities.

It is with this in mind, NAFCU asks committee members to support bipartisan efforts to provide relief from the credit union member business lending cap, such as H.R. 1188, the *Credit Union Small Business Jobs Creation Act*, H.R. 1422, the *Credit Union Residential Loan Parity Act*, and H.R. 1133 to exempt loans made to veterans from the cap. Enacting these bills will help credit unions continue to be able to respond to the credit needs of entrepreneurs and help them establish and grow their businesses.

Thank you for the opportunity to share our comments. If you have any questions or need any assistance, please don't hesitate to contact me or NAFCU's Associate Director of Legislative Affairs, Quincy Enoch, at 703-842-2261 or qenoch@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the House Small Business Committee