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

April 26, 2017

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
Washington, D.C. 20510

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: The Value of the Credit Union Tax Exemption**

Dear Leader McConnell, Leader Schumer, Speaker Ryan, and Leader Pelosi:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only trade association that exclusively represents the federal interests of our nation's federally-insured credit unions, I write today to remind you of the value credit unions provide to the greater U.S. economy as you prepare to consider the administration's tax proposal and the issue of tax reform in the 115<sup>th</sup> Congress.

The cumulative benefit credit unions provide the greater economy totals over \$16 billion a year, according to an independent study released by NAFCU earlier this year. As the study also shows, altering the tax status of credit unions would have a devastating impact not only on credit union members across the country, but also on consumers and small businesses in general. Eliminating the credit union tax exemption would result in the loss of 150,000 jobs a year, a shrinking of the GDP and a net *loss* of revenue to the federal government. You can read the study at: [www.nafcu.org/cutaxexemption](http://www.nafcu.org/cutaxexemption).

Simply put, the tax exemption is an issue of survival for credit unions and their over 106 million members. Despite what some claim, there remain significant regulatory and statutory differences between not-for-profit member-owned credit unions and other types of financial institutions – including limits on who they can serve and their ability to raise capital. During the financial crisis, credit unions performed well, continuing to lend to consumers and small businesses that were turned down by the nation's larger banks. Credit unions are proud of their continued service to Main Street America and ask Congress to recognize the value that credit unions provide.

Again, we urge you to ensure that the credit union tax exemption is protected in any tax reform effort. If my colleagues or I can be of assistance to you, or if you have any questions regarding this issue, please feel free to contact me or NAFCU's Senior Associate Director of Legislative Affairs, Chad Adams, at (703) 842-2265 or [cadams@nafcu.org](mailto: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 U.S. Senate  
Members of the U.S. House of Representatives