



Credit Union National Association

cuna.org

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February 20, 2009

The Honorable Jose Serrano
Chairman
Subcommittee on Financial Services
Committee on Appropriations
2227 Rayburn House Office Building
Washington, DC 20515

The Honorable Jo Ann Emerson
Ranking Member
Subcommittee on Financial Services
Committee on Appropriations
2440 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Serrano and Ranking Member Emerson:

On behalf of the Credit Union National Association (CUNA), I am writing in support of the National Credit Union Administration's (NCUA) request to extend the current loan ceiling for the Central Liquidity Facility (CLF) through the end of fiscal year 2009. CUNA represents approximately 90% of America's 8,200 state and federally chartered credit unions and their 90 million members.

As you know, on September 20, 2008, President Bush signed legislation to fund operations of the federal government through March 6, 2009. Included in the law was a provision that increased the loan limitation for the CLF to its statutory cap of \$41 billion (through March 6, 2009). Increasing the CLF cap to its statutory ceiling was a prudent measure to prevent any credit union liquidity problems during this ongoing period of turmoil in the financial sector and the credit markets.

As you debate omnibus appropriations legislation to fund federal government operations through the end of this fiscal year, I respectfully ask you to include a provision extending the CLF loan limitation statutory cap of \$41 billion through September 30, 2009. This action merely provides the NCUA with the tools it needs should unexpected problems arise within the credit union movement. In addition, extending the authority of NCUA to tap the CLF up to its statutory cap will further bolster public confidence in the credit union system. Failure to extend this provision would result in the CLF loan ceiling reverting to its traditional \$1.5 billion loan cap.

These are extraordinary circumstances: NCUA should have every tool at its disposal to address the affect of the financial crisis on the credit union system. On behalf of the Credit Union National Association, we appreciate your leadership in this area and we look forward to working with you on this issue.

Sincerely,

Daniel A. Mica
President & CEO



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