



**CUNA**

Credit Union National Association

cuna.org

**DANIEL A. MICA**  
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April 3, 2009

The Honorable Kent Conrad  
Chairman  
Committee on the Budget  
United States Senate  
Washington, DC 20510

The Honorable Christopher Dodd  
Chairman  
Committee on Banking, Housing and  
Urban Development  
United States Senate  
Washington DC 20510

Dear Chairman Conrad and Chairman Dodd:

On behalf of the Credit Union National Association (CUNA), I am writing regarding Senate Amendment #958 to the Senate Budget Resolution. CUNA represents nearly 90% of America's 8,000 state and federally chartered credit unions and their 92 million members.

Senate amendment #958, offered by Senator Crapo, would create a deficit-neutral reserve fund which will facilitate the consideration of legislation to address necessary increases in the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) borrowing authority. We appreciate that the Senate approved this amendment last evening and ask that you support this language in conference with the House of Representatives.

As introduced, the budget resolution did not include an assumption about the need to pass legislation to ensure adequate resources are available to the FDIC and the NCUA. This amendment would allow the Budget Chairman to adjust the Banking Committee's allocation for 2010 and 2010-2014 for any cost in those periods if the bill is deficit neutral over 10 years. This amendment removes a significant hurdle to waive a budget point of order when legislation increasing FDIC and NCUA borrowing authority is considered.

Earlier this year, NCUA announced a significant premium assessment on credit unions to replenish the NCUSIF as a result of losses at two corporate credit unions which were recently placed into conservatorship. This assessment will put a severe financial strain on credit unions if they are required to pay the entire amount this year, as currently required by the *Federal Credit Union Act*. This could reduce the ability of these credit unions to lend to their members at a time when our economy desperately needs credit to be available. Credit unions are not seeking avoid paying the full cost of replenishing their share insurance fund. They simply wish to be able to restore it in an orderly fashion over several years.



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On Tuesday, the Banking Committee passed by voice vote an amendment that will ensure that the FDIC and NCUA have the resources necessary to address future contingencies and fulfill the government's commitment to protect insured depositors. We hope that the Senate will consider legislation in the near future to help credit unions mitigate the immediate cost of the premium. We believe that this amendment will help the process.

On behalf of America's credit unions, thank you very much for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Daniel A. Mica". The signature is written in a cursive, flowing style.

Daniel A. Mica  
President & CEO

cc: The Honorable Judd Gregg, Ranking Member, Committee on Budget  
The Honorable Richard Shelby, Ranking Member, Committee on Banking,  
Housing and Urban Development  
The Honorable Michael Crapo, United States Senate  
The Honorable Bob Corker, United States Senate