



Credit Union National Association

cuna.org

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April 25, 2008

The Honorable
United States House of Representatives
House Office Building
Washington, DC 20515

Dear Representative :

On behalf of the Credit Union National Association (CUNA), thank you again for cosponsoring H.R. 1537, the *Credit Union Regulatory Relief Act* (CURIA). As a result of your leadership, we are very pleased that many of the provisions of H.R. 1537 will be brought to the House floor under suspension of the rules next week in the form of H.R. 5519, the *Credit Union Regulatory Relief Act* (CURRA). We encourage you to vote in favor of H.R. 5519.

H.R. 5519, a bipartisan bill sponsored by Representatives Paul Kanjorski and Ed Royce, will give credit unions modest regulatory relief that they need in order to continue to serve their members well. The legislation contains several provisions which passed the House of Representatives in 2006 as part of H.R. 3505, the Financial Services Regulatory Relief Act, but were not enacted into law. These provisions will exempt credit unions from pre-merger notification requirements under the Clayton Act, exempt business loans made to religious organizations from the credit union member business lending cap, give the National Credit Union Administration Board the ability to establish longer maturities for certain loans, modernize credit union governance, and give the NCUA Board flexibility to respond to market conditions.

CURRA also contains three other important provisions. It will clarify the intent of the *Credit Union Membership Access Act* (P.L. 105-219), that all federally chartered credit unions should be eligible to serve underserved areas, and not just multiple group federal credit unions. The bill also narrows the definition of what qualifies as an underserved area and will restrict credit unions to serving underserved census tracts, as opposed to underserved geographic areas. This provision is responsive to concerns raised at a March 6, 2008, hearing in the House Financial Services Committee.



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April 25, 2008
Page Two

H.R. 5519 will also exempt business loans made in underserved areas from the credit union business lending cap, which prevents credit unions from doing more to meet the financial needs of small businesses. Credit unions have nearly a century of experience in business lending – helping our business-owning members is a very important part of the mission of credit unions. During these difficult economic times, CURRA will allow credit unions to continue lending to the small businesses in the areas that need the help the most.

Finally, CURRA will allow federal credit unions to offer payday lending alternatives to any person within the credit union's field of membership. This provision will give those consumers who now must rely on high-cost nontraditional financial services providers a low-cost option at a mainstream, regulated institution.

H.R. 5519 represents a good first step toward providing credit unions the regulatory framework needed to serve their members in the 21st Century. However, as a CURIA cosponsor, you know that there is more work that needs to be done. We will continue to ask Congress to enact H.R. 1537, which includes a risk-based capital system for credit unions and provides a modest increase in the credit union member business lending cap.

On behalf of the credit unions and their members in your Congressional district, thank you for your strong support of credit unions. We encourage you to support H.R. 5519 when it comes to the floor next week.

Sincerely,

A handwritten signature in cursive script that reads "Daniel A. Mica".

Daniel A. Mica
President & CEO