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May 10, 2010

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

The Honorable Richard Shelby
Ranking Member
Committee on Banking, Housing and Urban Affairs
United States Senate
Washington, DC 20510

Dear Chairman Dodd and Ranking Member Shelby:

On behalf of the Credit Union National Association (CUNA), I am writing in opposition to the Brownback amendments (SA 3789 and SA 3790) to S. 3217, the Restoring American Financial Stability Act, which would exempt auto dealers from the bill. CUNA is the largest credit union advocacy organization in the United States, representing nearly 90 percent of America's 7,800 state and federally chartered credit unions and their 92 million members.

As we have said from the beginning of this debate, consumers of financial products provided by unregulated entities need greater protections. One of the ways that the legislation seeks to provide these greater protections is through the creation of the Bureau of Consumer Financial Protection (BCFP), which is intended to be the exclusive federal rulemaking entity for laws designed to protect consumers of financial products. Excluding any non-depository institution provider of financial products, including auto dealers, from the rules promulgated by the BCFP would defeat the purpose of creating the new consumer regulator, would put credit unions at a competitive disadvantage in the new regulatory regime, and could cause confusion for consumers of financial products.

We encourage the Senate to reject amendments, including the Brownback amendments, which would upset the balance of the consumer protection title by exempting any currently unregulated providers of financial services from the Bureau's rules.

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

Sincerely,

Daniel A. Mica
President & CEO

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