



Credit Union National Association

[cuna.org](http://cuna.org)

**DANIEL A. MICA**  
PRESIDENT & CEO

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June 29, 2010

Members of the United States Senate  
Washington, DC 20510

Dear Senator:

On behalf of the Credit Union National Association (CUNA), I am writing in support of the Amendment offered by Senator Mark Udall to H.R. 5297, the Small Business Lending Fund bill, language that the Administration supports to increase the credit union member business lending cap. CUNA is the largest credit union advocacy organization in the United States, representing nearly 90% of America's 7,700 state and federally chartered credit unions and their 92 million members.

There is no doubt that more needs to be done to help small businesses and encourage job creation. The Udall Amendment is one of the only small business proposals that would lead to substantial job creation without cost to taxpayers, or an increase in the size of government. The concept is simple: permit well managed credit unions that have capacity to lend and that are approaching the current statutory credit union business lending cap to continue to lend to their small business-owning members. We estimate that if the Udall Amendment were law, credit unions could lend an addition \$10 billion to their small business-owning members, helping them create over 100,000 jobs, in the first year after implementation – **at no cost to taxpayers.**

Credit unions throughout the country have continued to make business loans despite the economic crisis and they want to do even more to help small businesses in their communities. These loans are made very prudently by credit unions, and have very low loss rates compared to such rates for banks. Credit unions have the capacity and willingness to do more business lending and without reducing the amount of consumer lending that they continue to do, but they are inhibited from doing more as a result of the current statutory cap on their business loans imposed in 1998.

The Udall Amendment would increase the credit union member business lending cap from 12.25% of total assets to 27.5% and establish a statutory mechanism for credit unions to offer business loans to their members in excess of the 12.25% cap. The amendment, which is identical to a proposal that the Department of Treasury transmitted to Congress earlier this year, implements the cap increase in an incremental manner designed to protect the National Credit Union Share Insurance Fund from any potential increased risks.



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H.R. 5297 establishes a \$30 billion small business lending fund for community banks. We do not oppose the taxpayer subsidy for community banks; however, if Congress intends to give the community banks \$30 billion as an incentive to lend to small businesses, we believe that in the interest of sound fiscal and public policy, the credit union member business lending cap should be increased as a part of this legislation. The Udall Amendment is a common sense proposal that costs the taxpayers nothing and could help small businesses create additional jobs beyond what is envisioned under the taxpayer funded-community bank small business lending fund.

On behalf of America's credit unions, we encourage you to support the Udall Amendment to H.R. 5297.

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