



Credit Union National Association

cuna.org

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July 8, 2010

The Honorable Harry Reid
Senate Majority Leader
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
Washington, DC 20510

Dear Leader Reid and Minority Leader McConnell:

On behalf of the Credit Union National Association (CUNA), I write to correct the record on the July 6, 2010 letter from the Independent Community Bankers Association (ICBA) regarding H.R. 5297, the Small Business Lending Fund Act. CUNA is the largest credit union advocacy organization in the United States, representing nearly 90% of America's 7,500 state and federally chartered credit unions and their 92 million members.

We believe the focus of the small business legislation should remain on one thing only: "What is best for the struggling small businesses across America?" That is why senators and credit unions support the Udall Amendment to the small business bill. The Udall Amendment is actually language submitted by the U.S. Department of Treasury to Congress. It would create a credit union member business lending cap of 27.5% for those credit unions that could meet stringent standards set out in federal law, with strict oversight from the federal regulator. Enactment of the Udall Amendment would give small businesses access to \$10 billion in additional lending in the first year after implementation, creating over 100,000 new jobs, at no cost to the federal government. Clearly, this is in the best interests of America's small businesses.

When augmented by the Udall Amendment, H.R. 5297 would help America's small businesses in two ways: it would provide a \$30 billion lending fund to support additional loans by community banks to small businesses, and it would set in motion an additional \$10 billion in small business lending by credit unions.

Unfortunately, the ICBA is not focusing on what is best for America's small businesses. In the July 6, 2010 letter, it states that "adoption of the Udall amendment would force us to oppose the Small Business Lending Fund legislation (HR 5297)." In other words, not only does the ICBA want to prevent credit unions from providing more credit to small businesses, it would be willing to give up a significant opportunity to increase community banks' own lending to small businesses to do so. The hypocrisy is stunning, to say the least. By threatening to "hold hostage" the small business lending fund, the ICBA demonstrates that it is clearly not focused on the best interests of America's small businesses.



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Credit unions have thoroughly responded to every ICBA allegation against the Udall Amendment. The record reflects that credit unions are experienced in business lending, have a better pay-off record than banks, and need the Udall Amendment to continue their commitment to members with small business needs.

In conclusion, we simply ask: "What is best for the struggling small businesses across America?" We believe the right answer is giving small businesses access to both an additional \$10 billion in lending authority from credit unions and the small business lending fund of \$30 billion for community banks. The "all or nothing" approach of the ICBA is not in the best interests of America's small businesses. In fact, it would do small businesses a grave disservice.

On behalf of America's credit unions and small businesses, we ask for your support of the Udall Amendment to H.R. 5297.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Cheney", with a long, sweeping underline that extends to the right.

Bill Cheney
President and CEO

cc:

Senator Mark Udall

Senator Max Baucus, Chairman, Senate Finance Committee

Senator Charles Grassley, Ranking Member, Senate Finance Committee

Senator Mary Landrieu, Chairwoman, Senate Small Business and Entrepreneurship Committee

Senator Olympia Snowe, Ranking Member, Senate Small Business and Entrepreneurship Committee

The Honorable Timothy Geithner, U.S. Secretary of the Treasury

Gene Sperling, Counselor to the Treasury Secretary