



Credit Union National Association

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October 28, 2008

The Honorable Nydia Velázquez
Chairwoman
Committee on Small Business
United States House of Representatives
Washington, DC 20515

The Honorable Steve Chabot
Ranking Member
Committee on Small Business
United States House of Representatives
Washington, DC 20515

Dear Chairwoman Velázquez and Ranking Member Chabot:

I am writing on behalf of the Credit Union National Association (CUNA) to thank you for calling today's hearing entitled, "Creating Opportunities for Small Business in Economic Recovery." CUNA is the nation's largest credit union advocacy organization, representing 90% of our nation's approximately 8,300 state and federal credit unions, which serve over 90 million members, and state credit union leagues.

The consequences of the economic crisis are beginning to affect Main Street. Small business owners are finding it increasingly difficult to secure the credit that they need to keep their businesses operational. Identifying mechanisms to ensure the continued availability of credit for America's small businesses is critically important.

For nearly a century, in both good times as well as bad, credit unions in the United States have been there for their members, including those who own small businesses. In the aftermath of the Great Depression, Congress created the federal credit union charter to make credit more available to American consumers and help stabilize the credit structure of the United States. Credit unions with business lending experience are in a position to assist small business owners. As a part of a comprehensive approach to make credit more available to small business owners, we encourage Congress to enact legislation eliminating the decade-old cap on credit union member business lending.

Today, credit unions have approximately \$30 billion in outstanding business loans. We estimate that in an environment in which credit unions are no longer restricted by a statutory business lending cap and are encouraged by the regulator to lend money to their small business-owning members in a safe and sound manner, credit unions could easily lend an additional \$10 billion in the first twelve months. This would provide much needed economic stimulus without costing the taxpayers a dime.

As the economy recovers from this crisis, credit unions will continue to be there for their members. We know credit unions cannot be the entire solution to the problems we face, but credit unions stand ready, willing and able to assist in the recovery. We encourage Congress to further credit unions' ability to assist small businesses by repealing the cap on credit union member business lending.

On behalf of the 90 million members of America's state and federally chartered credit unions, we appreciate your consideration and look forward to working with Congress and the Administration to ensure credit unions are able to do their part to facilitate economic recovery.

Sincerely,

Daniel A. Mica
President & CEO



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