From: Bill Cheney [mailto:officeoftheceo@cuna.com]

Sent: Wednesday, April 4, 2012

To:

**Subject:** Can a Small Town Survive Without Its Bank? Yes, it can

Last week, <u>NPR ran a story</u> about the small town of Alburgh, VT, which saw its bank recently fold up shop and leave town. The leaders of this community formed a "find a bank" committee with the hope of attracting a new bank that could help keep the town from dying. At the end of the search, it was not a bank, but a credit union that came to the rescue. It makes interesting news because something like this just doesn't happen every day; but, if you think about it, it should not be very surprising.

Every day, on a much smaller scale, credit unions are doing the same thing in the lives of consumers and small business owners, providing access to financial services in some cases when banks will not or cannot. This is not a new phenomenon: Created to promote thrift among their members and create a source of credit for provident purposes, credit unions have been there for Americans for more than 100 years. They started by providing loans to small entrepreneurs at the turn of the 20<sup>th</sup> Century; they were there during and following the Great Depression, providing access to credit for consumers; and now, as we emerge from the most severe financial crisis since the Depression, we see that it was the credit unions that stood with small business owners when the banks closed their doors, actually increasing their business loan portfolios 40% during the crisis, while bank business loan portfolios shrunk.

Credit unions have been there for their members for more than 100 years. We've been helping small businesses since day one and we want to continue to be there in the future. No taxpayer bailout is necessary. No lending fund needs to be created. We just need Congress to allow the credit unions that have been lending to small businesses to continue to do it by increasing the statutory cap on credit union business lending, a cap that did not exist prior to 1998. This will not alter the fundamental nature of credit unions. It will not affect our cooperative ownership structure, which is the basis of our tax status. Increasing the statutory cap on business lending will allow credit unions to do more of what they were created to do, and it will make available \$13 billion to small businesses in the first year, helping them create 140,000 jobs.

We all know who opposes this change. They represent the bank that just left Alburgh, Vt.

On behalf of the 94 million members of America's credit unions, we encourage Congress to enact S. 2231 / H.R. 1418, the Credit Union Small Business Jobs Act.

Best regards,

Bill Cheney President and CEO