

April 28, 2014

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

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

Dear Chairman Johnson and Ranking Member Crapo:

On behalf of the Credit Union National Association (CUNA), I am writing regarding the markup of S. 1217, the Housing Finance Reform and Taxpayer Protection Act. As you know, CUNA is the largest credit union advocacy organization in the United States, representing America's state and federally chartered credit unions and their 99 million members.

We appreciate the opportunities that the Committee has given us to contribute to the development of the legislation under the Committee's consideration. Credit unions rely on equitable access to a well-regulated, well-capitalized, and liquid secondary mortgage market that affords them the opportunity to offer mortgage products with predictable payments, like the 30-year fixed rate mortgage. So, it is important to credit unions that any new system align with these principles. The discussion draft and the manager's amendment represent a strong step in this direction, carefully taking into consideration the needs of small lenders, and making considerable effort toward ensuring that the system that succeeds Fannie Mae and Freddie Mac will in fact be successful.

The discussion draft and the manager's amendment provide an important level of detail that builds on the very fine work of Senators Corker and Warner. As the bipartisan legislation moves through the Committee and hopefully on to the Senate floor, we will remain engaged in areas of the bill that we believe can be enhanced to ensure a functioning secondary market not only for credit unions, and their members, but also for all participants. To that end, we look forward to working with you to address remaining issues we have with respect to vertical integration and front-end capital markets execution, the governance of the Small Lender Mutual, regulatory authority of the Federal Mortgage Insurance Corporation and other issues.

We applaud the efforts of the Committee and the staff to move comprehensive housing finance reform legislation to the Senate floor, and we stand ready to continue to work with you to improve the bill between now and then.

On behalf of America's credit unions and their 99 million members, thank you very much for your leadership on this issue and your consideration of our views.

Best regards,



Bill Cheney
President & CEO