



Credit Union National Association

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July 9, 2012

The Honorable John Boehner
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Speaker Boehner and Minority Leader Pelosi:

On behalf of the Credit Union National Association (CUNA), I am writing regarding H.R. 4367, which is scheduled to be considered by the House of Representatives today. CUNA is the largest credit union advocacy organization in the United States, representing nearly 90% of America's 7,200 state and federally chartered credit unions and their 95 million members. CUNA strongly supports this bipartisan legislation and encourages the House to pass it.

The Electronic Fund Transfer Act and its implementing rule, Regulation E (12 CFR 205.16), require ATM operators to provide two separate notices to consumers regarding the imposition of a fee for the use of the ATM. This fee is disclosed on the ATM, which must be affirmatively accepted by the user to proceed with their transaction.

Regulation E also requires ATM operators to attach a physical placard to the ATM stating that a fee may be charged. If the placard is not attached, the statute prescribes that in a successful class action, plaintiffs are entitled to recover "the lesser of \$500,000 or 1 per centum of the net worth of the [ATM operator]", plus attorneys' fees and costs. This has led unscrupulous individuals to remove the physical placard and sue the ATM operator for noncompliance, costing financial institutions hundreds of thousands of dollars. The threat of lawsuits has caused many credit unions to go to extraordinary steps to document compliance, increasing the cost of operating ATMs to the detriment of credit unions' member-owners.

H.R. 4367 would eliminate the requirement that a physical disclosure be placed on the ATM, but would preserve the requirement that consumers are notified of potential fees associated with an ATM transaction through an electronic disclosure, and make an affirmative opt-in to accept such fee. This legislation will protect credit unions and other ATM operators from frivolous lawsuits while at the same time maintaining important consumer protections.

H.R. 4367 is a common sense piece of legislation that will reduce regulatory burden without harming ATM users. The Committee on Financial Services approved this bill unanimously on June 27, 2012, and it enjoys the support of 145 bipartisan cosponsors. On behalf of America's credit unions and their 94 million members, we encourage the House to pass this bipartisan bill. Thank you for your consideration.

Best regards,

Bill Cheney
President & CEO



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