

March 14, 2001

Dear Representative:

On behalf of the Credit Union National Association (CUNA) and the 80 million credit union members nationwide, I am writing to ask you to cosponsor H.R. 760, the *Faith-Based Lending Protection Act*.

CUNA and its member credit unions believe improving the access to credit by religious nonprofit organizations is key to serving their communities. Credit unions have a long history of making loans to nonprofit religious organizations, many of which are in underserved areas. These organizations make loans to churches, private faith-based schools and mission agencies, as well as homeless shelters, drug rehabilitation centers and shelters for abused women.

The *Credit Union Membership Access Act of 1998* arbitrarily limited a federally insured credit union's loans to members for business purposes at 12.25 percent of total assets. The law provides exceptions for credit unions that either are chartered for the purpose of providing member business loans (MBLs), have a history of making primarily such loans, or whose loan portfolios already consisted largely of MBLs.

Those provisions exempted many faith-based credit unions from the 12.25 percent cap, but many of the member business loans they make are possible because other credit unions invest in the loans through participation agreements. When other credit unions participate in these loans, they are brought closer to their own 12.25 percent cap.

H.R. 760 amends the *Federal Credit Union Act* to exclude loans made to non-profit religious organizations from MBL caps. Excluding MBLs made to religious nonprofit organizations from the current 12.25 percent cap will ensure these organizations can continue meeting the needs of their members and the greater community at large.

Thank you for considering co-sponsorship of H.R. 760. I encourage you to contact me if I can be of further assistance.

Sincerely,

Daniel A. Mica  
President & CEO