

May 17, 2001

The Honorable James T. Walsh, Chairman
Subcommittee on VA-HUD and Independent Agencies
H -143 The Capitol
Washington, DC 20515

Dear Chairman Walsh:

I am writing to express my support for the \$1.5 billion limit on the Central Liquidity Facility (CLF) borrowing authority sought by National Credit Union Administration Acting Chairman, Dennis Dollar.

The CLF plays an important role by serving as a liquidity source for credit unions. Although it has been mostly inactive in recent years, its presence ensures the confidence of the credit union system during periods of temporary liquidity shortages.

The Credit Union National Association (CUNA) has a long-standing policy of supporting removal of the cap on the CLF's borrowing authority. Until fiscal year 2000, the appropriations limit for the CLF had not been adjusted since Congress first imposed the \$600 million limit in 1980. Although CUNA believes the cap is unnecessary and should be omitted from the appropriations bill, especially since it has no budgetary or scoring impact, we agree with Chairman Dollar that \$1.5 billion should be adequate coverage for Fiscal Year 2002.

Thank you for your strong support of the CLF, especially last year when you advocated increasing the borrowing ceiling to \$3 billion. We look forward to continuing to work with you on this important issue.

Sincerely,

Daniel A. Mica
President & CEO