



Credit Union National Association

cuna.org

DANIEL A. MICA
PRESIDENT & CEO

601 Pennsylvania Ave., NW | South Building, Suite 600 | Washington, DC 20004-2601 | **PHONE:** 202-638-5777 | **FAX:** 202-638-7734

January 21, 2010

The Honorable Barack Obama
President of the United States
The White House
Washington, DC 20500

Dear Mr. President,

On behalf of the Credit Union National Association (CUNA), I am writing regarding the opportunity that your upcoming State of the Union address gives you to endorse credit union member business lending as part of the solution to the small business credit crunch. CUNA is the largest credit union advocacy organization in the United States, representing nearly 90% of America's 7,800 state and federally chartered credit unions and their 92 million members.

Throughout the financial crisis, credit unions across the country have continued to lend to their members, including their business-owning members, while banks have pulled back access to credit. In fact, in 2009, credit union business lending grew by 11%, while similar lending by banks was down 15%. There is clearly demand for small business loans, and credit unions are trying to meet that demand. However, credit unions face a statutory cap on the amount of business lending they can offer their members. There is no economic or safety and soundness rationale for the cap. While the number of credit unions very close to the cap may be small, at recent growth rates, many more credit unions find the cap binding. The existence of the cap also keeps many credit unions from even engaging in business lending.

We have been working in Congress with Representatives Paul Kanjorski and Ed Royce as well as Senators Mark Udall and Charles Schumer on legislation that would raise the credit union member business lending cap from its current level of 12.25% of total assets to 25% of total assets, and increase the de minimus amount of a credit union business loan to \$250,000. We believe that if these changes were made, credit unions could lend up to \$10 billion in new capital to small businesses in the first year, helping to create over 108,000 new jobs. This does not represent a complete solution to the problems we face, but this lending could be done safely and soundly without costing the taxpayers a dime and without increasing the size of government.

We hope you agree that credit unions should be part of the solution. We urge you to call on Congress to pass legislation to permit credit unions to lend more to their business-owning members. Please do not let this money go unused and these jobs go uncreated.

On behalf of the 92 million members of America's credit unions, thank you very much for your consideration.

Sincerely,

Daniel A. Mica
President & CEO



PO Box 431 | Madison, WI 53701-0431 | 5710 Mineral Point Road | Madison, WI 53705-4454 | **PHONE:** 608-231-4000