

Congress of the United States

Washington, DC 20515

November 2, 2005

Rep. William M. Thomas
Chairman, Committee on Ways and Means
U.S. House of Representatives

Rep. Charles B. Rangel
Ranking Member, Committee on Ways and Means
U.S. House of Representatives

Dear Chairman Thomas and Ranking Member Rangel:

We understand that the Ways and Means Committee is holding a hearing November 3 to consider the elimination of the federal tax exemption for credit unions. We believe that a move to tax credit unions, large or small, would end the credit union system that directly benefits 87 million Americans. We urge you to maintain the present tax structure for credit unions that Congress has always found to strike the best balance for the financial services sector.

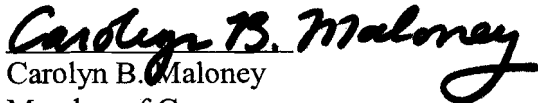
Credit unions are not banks. By law, they are not-for-profit, democratically-run, financial cooperatives that are owned by their members. They don't sell stock and don't have access to capital markets. Credit unions' boards of directors serve as unpaid volunteers, elected by the membership. In addition, credit unions operate with rigid limitations on the services they can provide and also have higher capital standards than commercial banks. Finally, credit unions have a social mission to provide service to people of modest means as part of their member base.

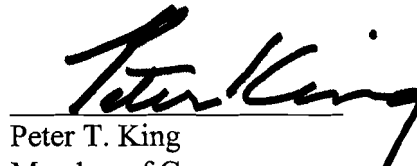
All consumers, whether members of a credit union or not, benefit from the presence of credit unions in the marketplace. Competition from credit unions helps keep the cost of for-profit banking services lower. For example, credit unions that offer credit cards charge, on average, an interest rate two to three percentage points lower than banks'.

Taxing credit unions hurts the economy and targets the most vulnerable consumers. If taxed, larger credit unions may be able to survive as for-profit banks charging higher fees and rates for their products and services. The smaller credit unions would likely cease to exist and members of modest means and in underserved communities would see their access to financial services disappear or become prohibitively expensive.


We urge you to reject any attempts to tax credit unions. They continue to serve the beneficial purpose Congress intended under a strong regulatory structure. Congress struck the right balance in creating the credit union movement and should continue to support it as part of a vibrant financial services market.

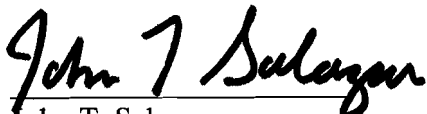
Sincerely,



Carolyn B. Maloney
Member of Congress

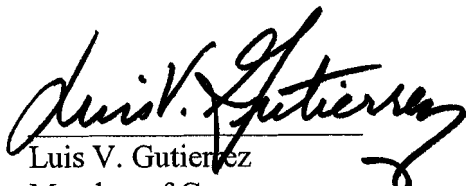

Peter T. King
Member of Congress

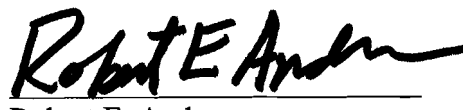

Gregory W. Meeks
Member of Congress



James L. Oberstar
Member of Congress



John T. Salazar
Member of Congress

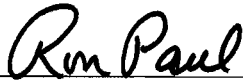

Lane Evans
Member of Congress


Luis V. Gutierrez
Member of Congress


Robert E. Andrews
Member of Congress


Donald M. Payne
Member of Congress

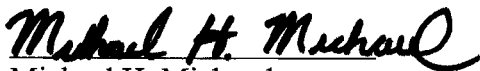

James P. McGovern
Member of Congress



Ron Paul
Member of Congress



Loretta Sanchez
Member of Congress



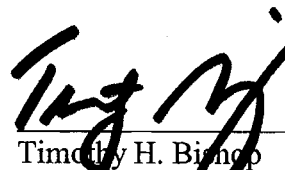
Michael H. Michaud
Member of Congress



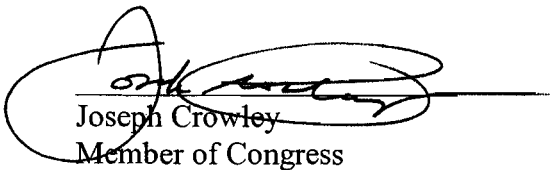
Mark Udall
Member of Congress



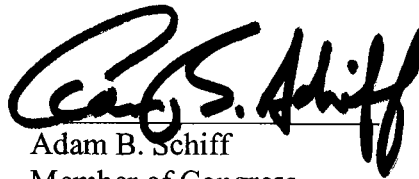
Peter A. DeFazio
Member of Congress



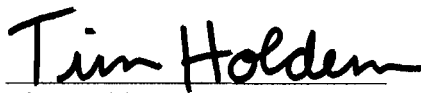
Timothy H. Bishop
Member of Congress



Joseph Crowley
Member of Congress



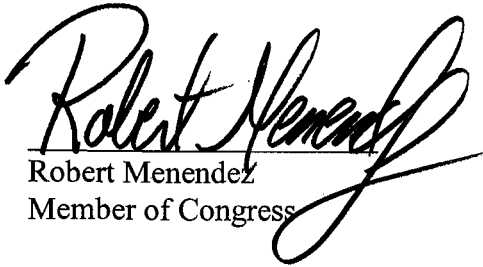
Adam B. Schiff
Member of Congress



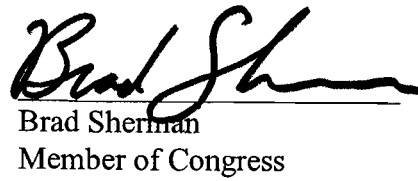
Tim Holden
Member of Congress



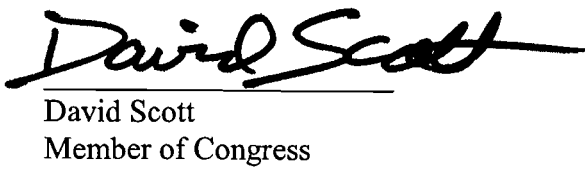
Lois Capps
Member of Congress



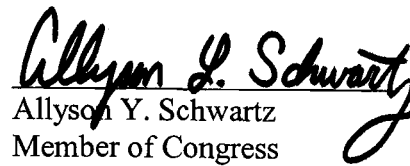
Robert Menendez
Member of Congress



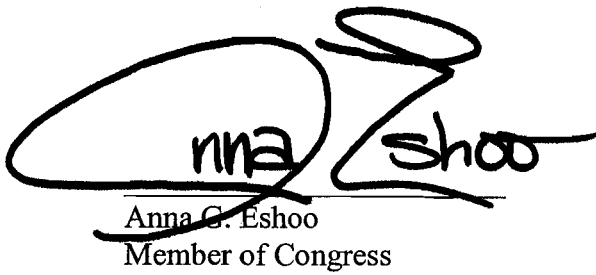
Brad Sherman
Member of Congress



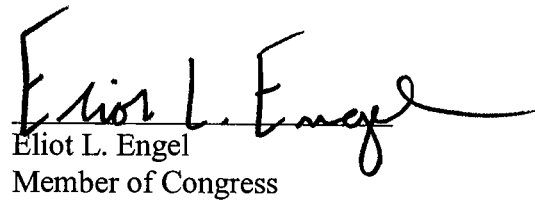
David Scott
Member of Congress



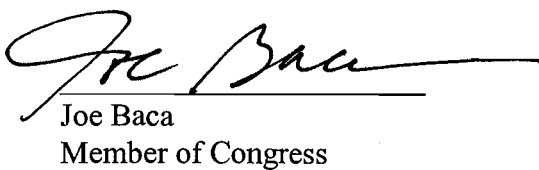
Allyson Y. Schwartz
Member of Congress



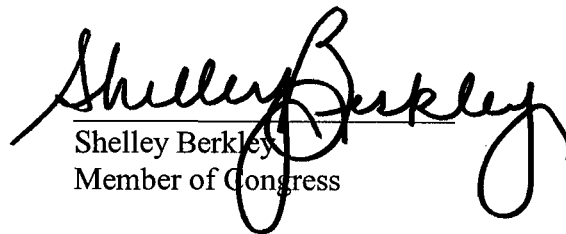
Anna G. Eshoo
Member of Congress



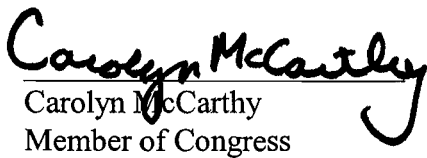
Eliot L. Engel
Member of Congress



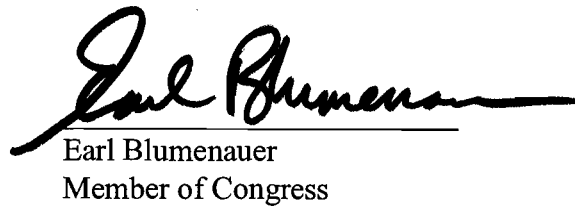
Joe Baca
Member of Congress



Shelley Berkley
Member of Congress



Carolyn McCarthy
Member of Congress



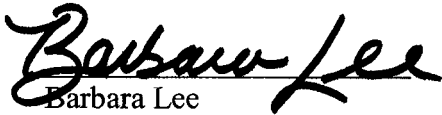
Earl Blumenauer
Member of Congress



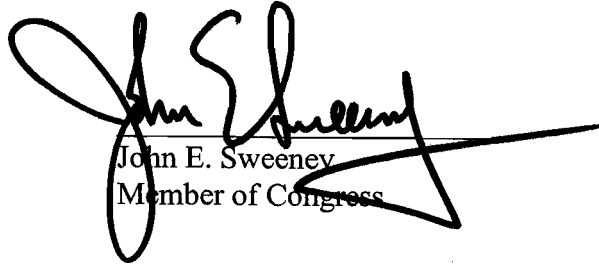
Bernard Sanders
Member of Congress



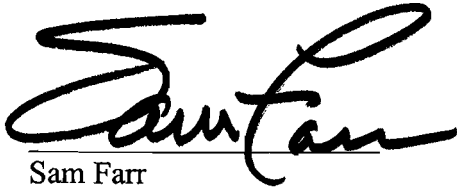
J. Gresham Barrett
Member of Congress



Barbara Lee
Member of Congress



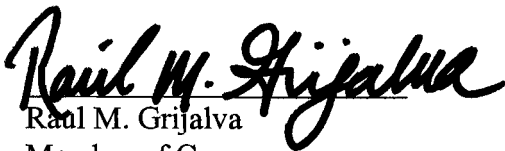
John E. Sweeney
Member of Congress



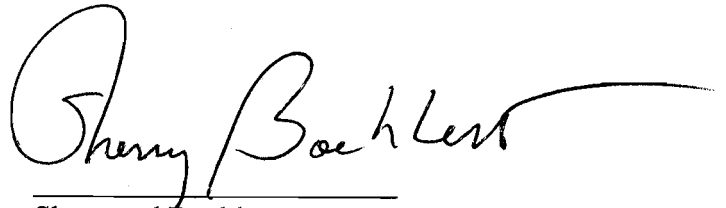
Sam Farr
Member of Congress



Ed Case
Member of Congress




Raul M. Grijalva
Member of Congress



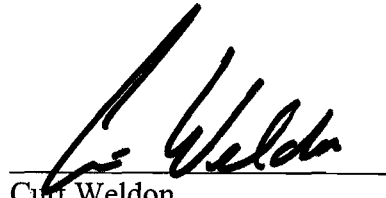
Sherwood Boehlert
Member of Congress



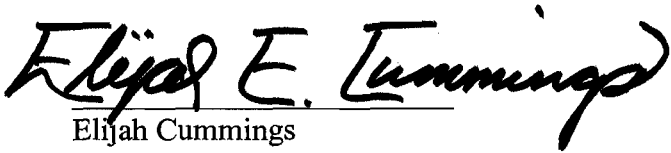
Tom Tancredo
Member of Congress



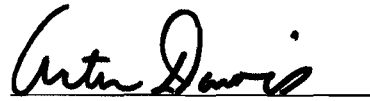
Kenny Marchant
Member of Congress



Curt Weldon
Member of Congress



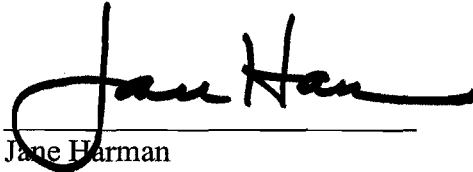
Elijah Cummings
Member of Congress



Artur Davis
Member of Congress



Ben Chandler
Member of Congress



Jane Harman
Member of Congress

Signers to credit union taxation letter

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Peter T. King

Gregory W. Meeks

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