



Jim Nussle  
President & CEO

Phone: 202-508-6745  
jnussle@cuna.coop

99 M Street SE  
Suite 300  
Washington, DC 20003-3799

May 22, 2019

The Honorable Thom Tillis  
United States Senate  
113 Dirksen Senate Office Building  
Washington, DC 20510

Dear Senator Tillis,

On behalf of America's credit unions, I am writing in support of S. 1564, the Continued Encouragement for Consumer Lending Act. The Credit Union National Association (CUNA) represents America's credit unions and their 115 million members.

We appreciate your recognition of the potential significance the Financial Accounting Standards Board's (FASB) current expected credit losses (CECL) standard will have not only on covered financial institutions but also consumers and the broader economy.

We continue to maintain our longstanding position that application of CECL to credit unions is inappropriate since CECL is intended to address delayed recognition of credit losses resulting in insufficient funding of the allowance accounts of certain covered entities. However, underfunding of allowance accounts has not generally been an issue for credit unions. Further, the typical user of a credit union's financial statements is not a public investor—such as with large, public banks—but instead is the credit union's prudential regulator, the National Credit Union Administration.

With that said, we understand the independence of the FASB and the extent of Congress' role in setting accounting standards. Thus, we urge Congress to utilize the authority it does have in order to improve CECL, or at a minimum, ensure there is sufficient, relevant information regarding CECL's impact from which future decisions can be made. We believe the Continued Encouragement for Consumer Lending Act would do just that.

One of the concerning results we anticipate a quantitative study on CECL will show is the tightening of available consumer credit. In fact, a recent CUNA survey of our membership found that nearly one in five credit union respondents expect CECL to negatively impact credit union members' ability to obtain credit.

For these reasons, we urge quick passage of this important legislation. On behalf of America's credit unions and their 115 million members, thank you for introducing this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle", is written over a printed name and title.

Jim Nussle  
President & CEO