



Credit Union National Association

cuna.org

DANIEL A. MICA
PRESIDENT & CEO

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The Honorable Henry Paulson
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Paulson:

On behalf of the Credit Union National Association, I must object in the strongest terms to the recommendations regarding the supervision of credit unions contained in the Treasury's blueprint for restructuring financial regulation. In our view, whatever the merits of the report in improving the operations of Wall Street, the blueprint completely misses the mark in terms of protecting consumers.

As reported in the news media, the proposal appears to call for a long-term strategy that we believe would eliminate separate charters for credit unions, banks and thrifts and combine their regulation, resulting in the demise of credit unions as they function today and severely limiting choices in the financial marketplace for consumers. We also think that separating oversight functions based on "prudential financial regulation," business conduct and market stability could lead to increased bureaucracy and overlapping jurisdictions given the complex interconnections entailed in these issues – just the opposite result of what the report seeks to achieve.

While the blueprint does address significant issues that should be reviewed, such as the proper regulation of the payments and settlement systems, the strategy regarding credit unions reveals Treasury's apparent total disregard for the uniquely democratic and consumer-owned structure of credit unions and the pocket-book benefits from better rates and services their consumer/members are provided.

In addition, the agency's process for developing its plan and recommendations was seriously flawed, as input from a number of organizations, including ours, was limited to filing a comment letter on general topics, with no opportunity to meet or otherwise discuss matters that are of the utmost importance to the economy, financial markets, and to our membership. Further, inquiries to agency staff were met with vague or misleading responses. Even though the report appears to direct the demise



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of the National Credit Union Administration and credit unions over time, our only source for information about the blueprint has come through the media, following the leaking of the report.

If the Treasury's recommendations for credit unions and NCUA have been accurately depicted, they leave us no choice but to oppose them vigorously every chance we get.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Mica". The signature is written in a cursive style with a large initial "D" and a prominent dot above the "i".

Daniel A. Mica
President & CEO