



Credit Union National Association

cuna.org

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April 16, 2013

The Honorable Shelley Moore Capito
Chairman
Subcommittee on Financial Institutions and
Consumer Credit
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

The Honorable Carolyn Maloney
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

Dear Chairman Capito and Representative Maloney:

On behalf of the Credit Union National Association (CUNA), I am writing to support H.R. 1553, the Financial Institution Examination Fairness and Reform Act (FIEFRA). CUNA is the largest credit union advocacy organization in the United States, representing nearly 90% of America's 7,000 state and federally chartered credit unions and their 96 million members.

CUNA strongly supports this legislation and views it as a firm step in the right direction toward ensuring the federal financial institution regulatory agencies (regulators) conduct fair exams for those they supervise which are consistent with the law and regulation and ensure safety and soundness. The legislation would make available to financial institutions the information used to make decisions in their examination; codify certain examination policy guidance; establish an ombudsman at the Federal Financial Institution Examination Council (FFIEC) to which financial institutions could raise concerns with respect to their examination; and, establish an appeals process before an independent administrative law judge.

Credit unions support a strong and effective regulatory system for credit unions. After all, credit unions' own net worth and combined National Credit Union Share Insurance Fund deposits fund solutions for credit union losses. We do not view your legislation as weakening the federal examination system. To the contrary, by increasing the consistency and fairness of the system, safety and soundness can also be enhanced. We applaud your leadership on this issue, and would like to work with you in to enhance the legislation as it goes through the legislative process. We were grateful for the opportunity to have testified in support of FIEFRA last year, and the areas we think could be improved are consistent with those we identified at that time.

As we noted in testimony before your Subcommittee just last week, the examination process is but one of the challenges credit unions and other financial institutions face as the country recovers from the recent financial crisis. FIEFRA will facilitate transparency



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and improve consistency in the examination process; provide a resource for financial institutions to express concern about their examination experience; and establish an independent adjudicatory process for the appeal of material supervisory determinations. It will help begin to address the “crisis of creeping complexity” with respect to regulatory burden. We strongly support this legislation and look forward to working with you to ensure its timely enactment.

On behalf of America’s credit unions and their 96 million members, thank you very much for your work on this critical legislation.

Best regards,

A handwritten signature in black ink, appearing to read "Bill Cheney", with a long, sweeping horizontal stroke extending to the right.

Bill Cheney
President & CEO