

May 5, 2014

The Honorable Jeb Hensarling  
Chairman  
Committee on Financial Services  
United States House of Representatives  
Washington, DC 20515

The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
United States House of Representatives  
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the Credit Union National Association (CUNA), I am writing in support of H.R. 4521, the "Community Institution Mortgage Relief Act of 2014". CUNA is the largest credit union advocacy organization in the United States, representing America's state and federally chartered credit unions and their 99 million members.

When Congress enacted the Dodd-Frank Act, it conveyed to the Bureau of Consumer Financial Protection the ability to exempt credit unions and other classes of entities from its rules. The intent behind this authority was to keep the regulatory burden on community financial institutions measured while the Bureau addressed its rulemaking on the abusers of consumers. Unfortunately, the Bureau has failed to exercise this authority to the fullest extent possible, which makes legislation like H.R. 4521 necessary.

Prior to the enactment of the Dodd-Frank Act, credit unions were required to open escrow accounts for one year on higher priced, first-lien mortgages secured by borrower's principal dwelling. However, credit unions are now required to hold an escrow account open for five years. As a result, some credit unions have shied away from higher-priced mortgages because of the expertise that is required to establish and maintain escrow accounts under the requirements of the Real Estate Settlement Procedures Act (RESPA). H.R. 4521, introduced by Representative Luetkemeyer, would exempt credit unions under \$10 billion in assets from these burdensome requirements. H.R. 4521 also amends the exemption for small servicers of mortgage loans from Section 6 of the RESPA. The current law provides an exemption for servicers that annually service 5,000 or fewer mortgage loans; the bill would exempt credit unions and other community financial institutions that service 20,000 or fewer mortgage loans.

These two changes will provide important regulatory relief to credit unions and help them to continue efficiently serving their members. We strongly support this legislation and encourage its enactment.

On behalf of America's credit unions and their 99 million members, thank you for your consideration of our views.

Best regards,



Bill Cheney  
President & CEO