



May 31, 2016

The Honorable Paul Ryan
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
House Democratic Leader
United States House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Senate Majority Leader
United States Senate
Washington, DC 20510

The Honorable Harry Reid
Senate Democratic Leader
United States Senate
Washington, DC 20510

Dear Honorable Speaker Ryan, Majority Leader McConnell, Democratic Leader Pelosi and Democratic Leader Reid:

On behalf of America's credit unions and the World Council of Credit Unions (WOCCU), we are writing in response to Treasury Secretary Jack Lew's May 5th letter to House Speaker Paul Ryan requesting new legislation to increase the Foreign Account Tax Compliance Act (FATCA) reporting requirements on U.S.-based banks and credit unions. The Credit Union National Association (CUNA) represents America's credit unions and their more than 100 million members. The World Council of Credit Unions is the leading international trade association and development agency for credit unions.

We are writing to urge you to oppose any increase in the Foreign Account Tax Compliance Act (FATCA) reporting requirements on U.S.-based credit unions and banks. We urge you to oppose further domestic expansion of FATCA because it would increase regulatory burdens on American credit unions and banks without resulting in a single dollar of new tax revenue to the Treasury.

FATCA already limits the ability of U.S. citizens to evade taxes through offshore banking by requiring foreign banks to report such accounts to the U.S. government, either directly or pursuant to a FATCA Intergovernmental Agreement. U.S.-based banks and credit unions also already report interest income earned by non-resident aliens to the Internal Revenue Service (IRS). This information is currently shared with many foreign governments pursuant to FATCA reciprocity.

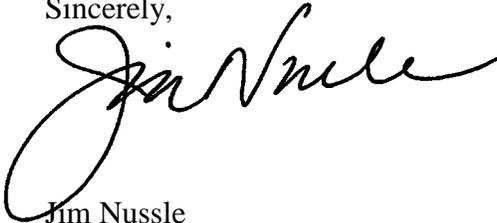
Secretary Lew has asked for new legislation to expand domestic application of FATCA further so that U.S.-based banks and credit unions are required to report non-resident aliens' account balances to the IRS even when the accounts do not earn interest or dividends. The IRS would

share this information with foreign governments, including foreign governments that are hostile to the United States, even though non-interest-bearing accounts do not generate taxable income.

The compliance burdens on American banks and credit unions from domestic expansion of FATCA, however, would be significant because every bank and credit union in the United States would be expected to review their accounts on a regular basis and make reports to the IRS even if they do not hold any non-resident-alien accounts. The result will be a diversion of resources at credit unions and banks that otherwise would have been used to provide loans and other financial services.

Domestic expansion of FATCA reporting requirements would significantly increase regulatory burdens on American financial institutions and make affordable financial services less available and more expensive, without resulting in any new tax revenue to the Treasury. We ask you to oppose this proposed legislation. On behalf of America's credit unions and their more than 100 million members, thank you for your attention to this issue.

Sincerely,



Jim Nussle
CUNA
President & CEO



Brian Branch
WOCCU
President & CEO

cc:

The Honorable Orrin G. Hatch, Chairman, Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance
The Honorable Kevin Brady, Chairman, House Committee on Ways and Means
The Honorable Sander M. Levin, Ranking Member, House Committee on Ways and Means
The Honorable Richard Shelby, Chairman, Senate Committee on Banking, Housing, and Urban Affairs
The Honorable Sherrod Brown, Ranking Member, Senate Committee on Banking, Housing, and Urban Affairs
The Honorable Jeb Hensarling, Chairman, House Committee on Financial Services
The Honorable Maxine Waters, Ranking Member, House Committee on Financial Services