



National Credit Union Administration

Office of the Chairman

BILL CHENEY
President & CEO

November 22, 2010

NOV 29 2010

FWD TO: _____

ACTION: _____

Mr. Bill Cheney
President and CEO
Credit Union National Association
601 Pennsylvania Avenue, NW
South Building, Suite 600
Washington, DC 20004-2601

Dear Bill:

Thank you for forwarding a copy of your November 12 correspondence to Chairmen Alan Simpson and Erskine Bowles of the National Commission on Fiscal Responsibility and Reform regarding the possible elimination of the credit union tax exemption.

As Chairman of the National Credit Union Administration, I would be very concerned if the exemption from federal taxation for credit unions would be repealed. Not only would there be a tangible and negative effect on the safety and soundness of credit unions, but I also believe such a change would necessitate a significant re-examination of the not-for-profit cooperative business model currently employed by credit unions.

I appreciate your keeping me apprised of CUNA's position on the matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Debbie Matz".

Debbie Matz
Chairman