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Chairman Jeb Hensarling
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Ranking Member Maxine Waters
Committee on Financial Services
U.S. 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 advance of the Financial Services Committee markup to be held on October 11, 2017. CUNA represents America's credit unions and their 110 million members. Thank you for your commitment to considering legislation that allows credit unions to efficiently serve their members.

America's credit unions support several of the bills under consideration including, H.R. 1116, the TAILOR Act of 2017; H.R. 2396, the Privacy Notification Technical Clarification Act; H.R. 2706, the Financial Institution Customer Protection Act of 2017; H.R. 2954, the Home Mortgage Disclosure Adjustment Act; H.R. 3072, the Bureau of Consumer Financial Protection Examination and Reporting Threshold Act of 2017; H.R. 3758, the Senior Safe Act of 2017; H.R. 3911, the Risk-Based Credit Examination Act; and H.R. 3971, the Community Institution Mortgage Relief Act of 2017.

Credit unions appreciate the opportunity to share their views on the legislation as outlined below.

H.R. 1116, the TAILOR Act of 2017, would reduce regulatory burden for financial institutions with lower risk profiles relative to systematically significant institutions by requiring financial regulators to take risk into account when promulgating regulations. Constant regulatory changes present a challenge for credit unions because the fixed costs of compliance are proportionately higher for credit unions and small banks than for Wall Street banks.

H.R. 2396, the Privacy Notification Technical Clarification Act, would provide credit unions sufficient flexibility to ensure that members have access to the privacy policy pertinent to their relationship with the credit union. This legislation would provide a technical correction to recently enacted amendments to privacy notification requirements that no longer require credit unions to mail disclosures to members annually.

H.R. 2706, the Financial Institution Customer Protection Act of 2017, would impose certain limits on the Federal government's Operation Choke Point, by limiting Federal bank regulators' ability to discourage or restrict depository institutions from entering into or maintaining a financial services relationship with specific customers unless certain criteria are met. While CUNA strongly supports the government's role in ensuring the integrity of financial markets

and eliminating fraud, the program's overly broad enforcement tactics provide financial institutions with no due process and arbitrarily limit consumer's options.

CUNA supports H.R. 2954, the Home Mortgage Disclosure Adjustment Act. In October 2015, the Consumer Financial Protection Bureau (CFPB) finalized amendments to Regulation C, effective January 2018, that significantly increase the amount of data mortgage lenders, including credit unions, will have to provide. The CFPB will now require credit unions that have originated 25 or more closed-end mortgage loans in the prior year to report dozens of data points in addition to what is required under the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act. Further, the CFPB has extended these reporting requirements to home equity lines of credit. H.R. 2954 would provide much needed relief, particularly to smaller credit unions, by raising the threshold that triggers Home Mortgage Disclosure Act reporting requirements to 1,000 closed-end and 2,000 open-end mortgages.

H.R. 3072, the Bureau of Consumer Financial Protection Examination and Reporting Threshold Act of 2017, would increase the threshold figure at which credit unions and banks are subject to direct examination and reporting requirements of the Consumer Financial Protection Bureau from \$10 billion to \$50 billion. America's credit unions strongly support this legislation. Simply put, the CFPB should focus on Wall Street and get out of the way of Main Street, and that's exactly what this legislation would do. Wall Street banks and other abusers of consumers are not concerned by or deterred by rules that are already in place, because the CFPB does not narrowly address the specific harm they are causing for consumers in a timely way as evidenced by the recent behavior of Wells Fargo. One key reason that the CFPB is not focusing on problem actors is because they are spread thin as a result of requirements to supervise credit unions and small banks with more than \$10 billion in assets. These institutions have been sufficiently supervised for consumer protection regulation by their prudential regulators in the past and can be again. Enacting H.R. 3072 would direct the CFPB to apply its supervisory resources to the institutions with a history of causing consumers the most problems and abuses. We strongly support this legislation.

H.R. 3758, the Senior Safe Act of 2017, represents an important step toward improving the ability of credit unions to protect seniors from unscrupulous activity by providing legal immunity for properly trained financial services employees who disclose concerns about financial exploitation of senior citizens. This is a common-sense clarification that can protect one of our most vulnerable populations from financial abuse. America's credit unions strongly support this legislation.

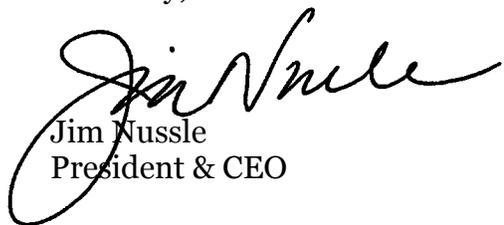
H.R. 3857, the PASS: Protecting Advice for Small Savers Act, would repeal the fiduciary rule and preempt state law avoiding a patchwork of standards. We agree with the DOL's intent that credit union members, and all consumers, deserve the best possible service when seeking information about financial or retirement plans, or Individual Retirement Accounts (IRA). However, it is important to have rules that encourage and promote retirement savings rather than potentially chill the ability of credit unions, or other financial institutions, to provide these products and services. CUNA appreciates the additional efforts to improve upon the rule and provide necessary compliance clarifications for credit unions and credit union service organizations.

H.R. 3971, the Community Institution Mortgage Relief Act of 2017, would make important changes to both the Truth In Lending Act (TILA) and the Real Estate Settlements Procedures Act (RESPA) to reduce the burden on small financial institutions. The proposal would exempt mortgage loans made by financial institutions under \$25 billion in assets from TILA's escrow requirements; and, the legislation would also exempt mortgage servicers that service fewer than 30,000 mortgages annually from the requirements of Section 6 of RESPA. The two changes made by this proposal would provide important regulatory relief to credit unions and help them to continue efficiently serving their members.

We strongly support the abovementioned bills and encourage their enactment. Moreover, we appreciate the Committee's consideration of legislation that helps credit unions more fully serve their members. This type of targeted regulatory relief is much needed and will help keep credit unions and small banks continue to support the communities they serve.

On behalf of America's credit unions and their 110 million credit union members, thank you for your leadership on these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle", written in a cursive style. The signature is positioned above the printed name and title.

Jim Nussle
President & CEO