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September 27, 2018

The Honorable Blaine Luetkemeyer
Chairman
Subcommittee on Financial Institutions
and Consumer Credit
Committee on Financial Services
House of Representatives
Washington, DC 20515

The Honorable William Lacy Clay
Ranking Member
Subcommittee on Financial Institutions
and Consumer Credit
Committee on Financial Services
House of Representatives
Washington, DC 20515

Dear Chairman Luetkemeyer and Ranking Member Clay:

On behalf of America's credit unions, I am writing to express credit unions views ahead of the hearing entitled "Examining Opportunities for Financial Markets in the Digital Era." The Credit Union National Association (CUNA) represents America's credit unions and their 110 million members.

Technology has enhanced financial institutions' ability to deliver financial services to consumers. For many years, credit unions have embraced and developed technology to deliver essential services to credit union members. One example of this technology is the shared branch network that enables credit union members to obtain banking services at thousands of credit union branches that are not owned and operated by the credit union at which they are a member. To provide this service, credit unions developed technology that allowed credit unions' computer systems to work together.

Credit unions also embrace technological innovation brought by businesses normally operating outside of the financial services arena. Consumers can benefit from fresh ideas and new ways to deliver financial services. Credit unions are partnering with financial technology (fintech) companies to ensure that they continue to offer essential financial services in the most efficient and modern way possible. When credit unions and other financial services organizations offer tools and resources they do so under the supervision of federal and state regulators and also are required to follow many different laws that ensure protection of consumers.

Although CUNA supports the innovations developed and brought into the marketplace by fintech, we remain concerned the regulatory environment might create an environment in which consumers do not receive the same protections from unregulated businesses that offer services traditionally offered by credit unions and banks. A regulatory scheme that ensures consumers receive the same protections and those offering these services are subject to similar regulations and supervision credit unions and banks is important to safeguard consumers and the banking system.

We look forward to the testimony from the various technology companies and hope it sheds light on their view as to whether a regulatory environment is necessary for fintech.

On behalf of America's credit unions and their 110 million members, we look forward to further discussing privacy issues with you and the members of this committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle", is written over a printed name and title.

Jim Nussle
President & CEO