March 7, 2018

The Honorable Steve Chabot  
Chairman  
House Committee on Small Business  
Washington, D.C. 20515

The Honorable Nydia Velázquez  
Ranking Member  
House Committee on Small Business  
Washington, D.C. 20515

Dear Chairman Chabot and Ranking Member Velazquez:

On behalf of America's credit unions, I am writing to express support for your hearing entitled “Regulatory Reform and Rollback: The Effects on Small Businesses.” The Credit Union National Association (CUNA) represents America’s credit unions and their 110 million members.

The current regulatory environment, created under Dodd-Frank, favors the largest banks and non-bank financial services providers. These large entities can afford to absorb the significant regulatory and compliance costs from the thousands of pages of new rules and regulations. It has made it significantly more difficult for credit unions to provide the affordable financial services that our members depend on and deserve.

A recent study entitled, “2017 Regulatory Burden Financial Impact Study: An Elevated New Normal,” shows that credit union regulatory costs have increased significantly. The regulatory burden for credit unions has increased to an “elevated new normal,” totaling an estimated $6.1 billion in 2016. Costs are up more than $800 million compared with 2014. That is a 15.1 percent increase, which far exceeds the 2.8 percent inflation rate over the two-year period. In total, the credit union regulatory burden costs for 2016 translate to $115 per credit union household.

Congress is currently considering S. 2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act. This bipartisan legislation includes a number of provisions which would provide much needed regulatory relief and give credit union members more access to credit. The bill would allow loans held in portfolio by credit unions and other small financial institutions with less than $10 billion in assets to be considered qualified mortgages for the purposes of the CFPB’s Ability to Repay rule. It would also change the credit unions’ residential mortgage lending practices. This provision is based on parity with other financial services providers and would significantly reduce constraints and free up billions in capital for economic development. The legislation includes important provisions to address burdens imposed on small credit unions as a result of the Home Mortgage Disclosure Act. It also provides important new protections against elder financial abuse. If enacted, these commonsense proposals would help credit unions and other small financial institutions manage the regulatory burden.

Thank you for your leadership in highlighting the burdens of overregulation on credit unions and other small businesses. We look forward to working with you on these issues.

On behalf of America’s Credit Unions and their 110 million members, thank you for the opportunity to share our views.

Sincerely,

Jim Nussle
President & CEO