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May 16, 2019

The Honorable Jerrold Nadler  
Chairman  
House Committee on the Judiciary  
Washington, DC 20515

The Honorable Doug Collins  
Ranking Member  
House Committee on the Judiciary  
Washington, DC 20515

Dear Chairman Nadler and Ranking Member Collins:

On behalf of America's credit unions, I am writing regarding the Committee's hearing on "Justice Denied: Forced Arbitration and the Erosion of Our Legal System." The Credit Union National Association represents America's credit unions and their 115 million members. I respectfully request that this letter be made part of the official hearing record.

As one of the only consumer-owned cooperatives in the financial marketplace, credit unions have a long tradition of protecting their members' interests. Among the many consumer protections associated with the mission of credit unions is the high-quality service they provide to their members, which has prompted a successful system for quickly and amicably resolving disputes in the limited instances where they arise. Credit unions have achieved this great success as consumer protectors without the intervention of unscrupulous plaintiff's attorneys, who often do not know the credit union's members nearly as well as the credit union does.

Arbitration can be an efficient means to resolve legal disputes between parties and the choice to use arbitration is highly dependent on each credit union's internal policies, priorities, and resources. As arbitration is merely one tool amongst many, CUNA would be concerned with any legislation attempting to arbitrarily restrict the availability of arbitration to resolve disputes. Although arbitration may not an appropriate forum in *every* dispute, it certainly can be the appropriate forum to resolve some disputes.

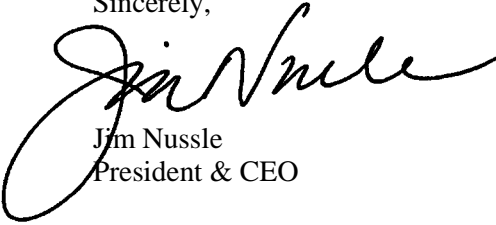
Notably, credit unions are less likely to have or to enforce arbitration clauses than many others in the financial services marketplace; however, there are credit unions that have them as part of their agreements and believe it is important to preserve options for limiting class action litigation. Particularly, because of the unique size and structure of credit unions, class action litigation is far from the most efficient and effective way to resolve a dispute, since it essentially puts member-owners in a position of having to sue themselves and deplete the resources of the membership as a whole. Furthermore, in the rare situation that a group of credit union members feels a credit union is in the wrong, the group, as member-owners, already have direct recourse through their voting power.

Credit unions frequently work with members to provide refunds, work out payment plans, and find other solutions to resolve a legitimate dispute. Litigation, on the other hand, is a gamble for all parties, and often leads to minimal relief at the highest cost. It is important, when considering laws that would ultimately limit options to resolve disputes, for Congress to recognize the harm that costly, protracted litigation can cause to credit unions and their members.

Consumers' ability to access the high-quality, safe, and affordable products that credit unions provide is also put in jeopardy if credit unions are forced to reallocate resources to the high cost of litigation.

On behalf of America's credit unions and their 115 million members, thank you for the opportunity to share our thoughts.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with a large loop at the beginning and end.

Jim Nussle  
President & CEO