

November 2, 2015

The Honorable Jeb Hensarling  
Chairman  
Committee on Financial Services  
United States House of Representatives  
Washington, DC 20515

The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
United States 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 to oppose H.R. 1660, the Federal Savings Association Charter Flexibility Act. CUNA represents America's credit unions and their more than 100 million members.

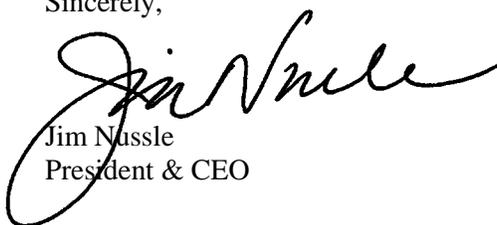
H.R. 1660 would amend the Home Owners' Loan Act to permit federal savings associations (S&Ls) to elect to operate with the rights and duties of national banks. This legislation represents a broad expansion of the S&L charter. During the past two financial crises, S&Ls have not exhibited the ability to take on additional lending powers, unlike the strong performance of credit unions.

It is worth noting that we have encouraged Congress for the better part of the last twelve years to provide a modest increase in the credit union member business lending cap. These efforts have been met with opposition from the same organizations that support H.R. 1660. We strongly object to the Committee's consideration of this legislation in absence of similar legislation affecting the flexibility of the credit union charter.

While S&Ls were chartered for the specific purpose of mortgage lending, credit unions have been offering business purpose loans to their members since they were founded in the United States more than 100 years ago. Since the beginning of the financial crisis, business loans have been the fastest growing loan type at credit unions; during this same period of time, commercial lending by S&Ls has decreased more than 17%. Further, credit unions have demonstrated a history of providing this credit safely and soundly; however, since 2007, S&L charge-offs on commercial loans have been more than four times greater than charge-offs of credit union business loans. Sound public policy would suggest that if Congress is going to remove the impediment S&Ls face to commercial lending, Congress also should provide similar flexibility for credit unions.

Again, we urge all Members of the Committee to vote NO on this bill and we consider this a key vote. On behalf of America's credit unions and their more than 100 million members, thank you for your consideration of our views.

Sincerely,



Jim Nussle  
President & CEO