

March 3, 2015

The Honorable Ed Royce
Member of Congress
United States House of Representatives
Washington, DC 20515

The Honorable Gregory Meeks
Member of Congress
United States House of Representatives
Washington, DC 20515

Dear Representatives Royce and Meeks:

On behalf of the Credit Union National Association (CUNA), I am writing to thank you for introducing H.R. 1188, the “*Credit Union Small Business Job Creation Act*,” legislation which would permit credit unions to more fully meet the credit needs of America’s Small Businesses by increasing the statutory credit union member business lending cap. CUNA is the largest credit union advocacy organization in the United States, representing America’s state and federally chartered credit unions and their 102 million members.

H.R. 1188 is a commonsense economic recovery and job creation measure that would permit credit unions with experience in business lending to continue to lend to their small business members, without increasing the size of government. If enacted, we estimate that credit unions could lend an additional \$16 billion to small businesses in the first year, helping them to create more than 150,000 new jobs.

The *Credit Union Small Business Job Creation Act* is fully consistent with both the history and mission of credit unions. Credit unions exist to promote thrift and provide access to credit to their members. Since their founding in the United States more than 100 years ago, credit unions have been serving the credit needs of their small business-owning members. While not the largest portion of credit union lending, small business lending is the fastest growing segment of credit union lending by a significant margin.

Unfortunately, since 1998, credit unions have been subject to an arbitrary statutory cap on business lending of 12.25% of a credit union’s total assets; as a result, today, many credit unions are rapidly approaching the cap while others choose not to engage in business lending because of the cap. If the cap is not increased, the ability of many business-lending credit unions to help small businesses will be jeopardized. This legislation is targeted toward those credit unions with business lending experience, and only permits credit unions which are well capitalized, close to the current cap and with a history of safe and sound business lending to apply for authorization to lend above the current cap level.

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Page Two

Your legislation is important because it would allow those credit unions approaching the cap to apply to the National Credit Union Administration (NCUA) for authority to lend beyond the cap – up to 27.5% of total assets. This approach is supported by the Obama administration, which worked with NCUA to help develop this legislation.

Credit unions understand that in order for the economy to fully recover, small businesses need access to credit, which will help their businesses grow. Credit unions have capital to lend, a history of prudent and safe small business lending, and a mission to help provide access to credit to their members—including their small business-owning members. They just need Congress to enact your legislation.

America's credit unions and their 102 million members stand ready to continue to be part of the solution to the economic problems our nation faces. To that end, we are encouraged by and appreciate your support for increasing the credit union member business lending cap. We encourage all Representatives to cosponsor this legislation, and hope the House will act quickly to pass your bill.

Sincerely,



Jim Nussle
President & CEO