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President & CEO

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March 5, 2017

The Honorable Roger Williams  
1323 Longworth House Office Building  
House of Representatives  
Washington, DC 20015

Dear Representative Williams:

On behalf of America's credit unions, I am writing in support of your legislation, H.R. 1264, to provide an exemption from rules and regulations from the Consumer Financial Protection Bureau (CFPB) for community financial institutions. The Credit Union National Association (CUNA) represents America's state and federally chartered credit unions and their more than 100 million members.

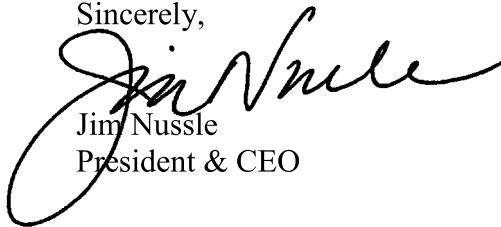
Thank you for your leadership to provide additional clarity to the CFPB that it has the authority to exempt credit unions and other community financial institutions from onerous one-size fits all rulemakings that limit their ability to provide safe and affordable financial products and services. Section 1022 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and several of the enumerated consumer laws already expressly authorize the Bureau to provide exemptions from the requirements of statutes or implementing regulations generally or the requirements of certain provisions specifically. These various statutory provisions individually and together grant broad authority to the Bureau and constitute a strong legal framework to support the agency's reasonable use of its exemption authority. We greatly appreciate that you and 398 other Members of Congress have called on the CFPB to use this authority to better protect consumers from the unintended consequences of rules that favor the largest banks and nonbank providers, creating a rigged system that disfavors credit unions and community banks.

Your legislation is important because the Bureau has not adequately used its authority and, as a result, it has created a rigged regulatory system that favors Wall Street banks and other abusers of consumers. The largest financial institutions can spread the cost of compliance with these new rules over large economies of scale; but small financial institutions must comply with the same rules using a smaller base of resources. To make matters worse, the rules are, in large part, implemented to address abuses perpetrated by the large institutions and other previously nonregulated providers, and not small institutions like credit unions and small banks. Consumers are harmed by this rigged system when the rules prompt any credit union to reduce or revoke services because they are robbed of safe and affordable financial services provided by a cooperative financial institution that they own.

While we believe that the statute presently provides the CFPB authority to exempt credit unions under \$50 billion from its rulemaking, the Bureau has been unwilling to effectively use the exemption authority. Although we have a few technical concerns with the bill, we support what it is trying to do and we commit ourselves to working with you and your staff as it moves through the legislative process. Further, CFPB leadership has indicated to credit unions on several occasions, mostly recently last week, that it would embrace legislation providing further clarity on the Bureau's exemption authority. Therefore, we hope they will support your effort as we do.

On behalf of America's credit unions, thank you very much for sponsoring this legislation. We look forward to continuing to work with you as this legislation moves forward, and appreciate your efforts to find meaningful regulatory relief for credit unions and their members.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle", written in a cursive style. The signature is positioned above the printed name and title.

Jim Nussle  
President & CEO