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June 15, 2023

The Honorable John Kennedy
Ranking Member
Committee on Banking, Housing, and Urban Affairs
Subcommittee on Economic Policy
United States Senate
Washington, DC 20510

Dear Ranking Member Kennedy:

On behalf of the Credit Union National Association (CUNA), I am writing in support of a resolution you sponsored, S. J. Res. 32, a joint resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Consumer Financial Protection Bureau (CFPB) relating to Small Business Lending Under the Equal Credit Opportunity Act (Regulation B). CUNA represents America's credit unions and their more than 135 million members.

Credit unions support the goals of section 1071 and seek to provide all members with fair and equitable financial opportunities. That said, it remains important for the CFPB to not harm small businesses or small financial institutions, such as community credit unions, in the process. There is widespread concern that Section 1071's complexity and significant costs will weigh disproportionately on credit unions in ways that ultimately lead to fewer and less favorable outcomes for all small business borrowers.

The overly broad scope of the CFPB's rule will substantially raise the cost of small business borrowing and require covered financial institutions to collect data on businesses that are not "small businesses" by any traditional metric. Section 1071 should be appropriately tailored to ensure the health and financial needs of truly small businesses can continue to be met.

Furthermore, the tiered compliance schedule established by CFPB is aggressive even for the largest, most technologically savvy commercial lenders. We support efforts to establish an appropriate compliance timeline for Section 1071 so that credit unions and their vendors have sufficient time to effectively implement these complex changes. CUNA fully supports your efforts to rein in the CFPB and its imposition of this burdensome regulation on credit unions and other community financial institutions.

On behalf of America's credit unions and their more than 135 million members, thank you for your leadership on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Jim Nussle".

Jim Nussle
President and CEO