

December 2, 2019

The Honorable Rodney Hood
Chairman
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Re: NCUA 2020-2021 Budget

Dear Chairman Hood:

On behalf of the more than 600 members of the National Community Reinvestment Coalition (NCRC), I am writing to express our strong support for the National Credit Union Administration's (NCUA) proposal to fund a dedicated consumer compliance exam program for large, complex credit unions as part of your 2020-2021 Budget. As of today, NCUA does not currently prioritize consumer protection examinations. The lack of change implies that the NCUA is not keeping pace with the growing number of large credit unions and the changing dynamic of the industry that it regulates.

In recent years, credit union membership has grown to large members with approximately 117 million members across the United States and 5,335 credit unions in total.¹ NCUA Board Member Todd M. Harper noted in his recent remarks proposing this policy change that NCUA's current compliance policy "worked well when NCUA oversaw a large number of small credit unions serving a limited field of membership with only a few basic financial products, but today's credit unions are larger and more complex, with 317 credit unions exceeding \$1 billion in assets having 71.7 million members."²

This growth has naturally led to an increase in consumer complaints, from 3,480 complaints in 2013, to 53,337 complaints in 2018.³ ⁴ NCUA only conducted 66 fair lending exams and supervisory contacts in 2018, a decrease from the 70 exams conducted in 2013. ⁵ NCUA's oversight of the industry should not remain stagnant in the face of substantial increases in membership. In any change in their compliance policy, NCUA needs to

¹ "Industry at a Glance." (2019, March 31). Retrieved from <https://www.ncua.gov/files/publications/analysis/industry-at-a-glance-march-2019.pdf>

² Harper Calls for Dedicated Consumer Compliance Exams of Large Credit Unions. (2019, October 1). Retrieved from <https://www.ncua.gov/newsroom/press-release/2019/harper-calls-dedicated-consumer-compliance-exams-large-credit-unions>.

³ National Credit Union Administration: Annual Report. (2014, May 15). Retrieved from <https://www.ncua.gov/files/annual-reports/AR2013.pdf>

⁴ National Credit Union Administration: Annual Report. (2019, February 15). Retrieved from <https://www.ncua.gov/files/annual-reports/annual-report-2018.pdf>.

⁵ Ibid, pg 60

prioritize the protection of consumers and strive to match the efforts of the federal banking regulators.

NCRC appreciates the opportunity to share our views. If you have any questions or need additional information regarding our comment, please do not hesitate to contact Gerron Levi, Director of Government Affairs at 202-464-2708.

Sincerely,

A handwritten signature in blue ink that reads "Jesse Van Tol". The signature is fluid and cursive, with the first name "Jesse" being the most prominent.

Jesse Van Tol
Chief Executive Officer
National Community Reinvestment Coalition

cc: The Honorable Todd Harper, NCUA Board Member