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To: The Honorable Todd M. Harper, National Credit Union Administration

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From: Lisa Ginter on behalf of CommunityAmerica Credit Union

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Date: December 2, 2019

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RE: Request for Comments during 2020-2021 Budget Consideration: proposal to create a dedicated consumer compliance exam program for large, complex credit unions.

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Dear Mr. Harper,

CommunityAmerica Credit Union appreciates the opportunity to provide comment on the proposal for a dedicated consumer compliance program for large, complex credit unions. We oppose this change since it runs counter to the NCUA's own expressed intention to reduce regulatory burden on the nation's credit unions, and because there is no indication that increased regulation of credit unions will benefit either credit union members or the communities that our industry serves. In fact, we believe that the burden of increased, unnecessary regulation would harm our members by increasing costs of operation and reducing the ability of the largest credit unions to serve members.

CommunityAmerica Credit Union is the largest credit union in the greater Kansas City area. We serve more than 240,000 members throughout our field of membership, which includes 11 counties in both Missouri and Kansas. With nearly \$3 billion in assets and more than 30 branches, we have earned the loyalty of our members and the respect of our community by doing the right thing for our members and supporting community initiatives whenever we can. For example, we recently provided zero-interest loans during work stoppages that effected both federal government workers as well as employees of our local GM plant. As a credit union, we believe this is part of our mission; we know of no for-profit bank that provided any similar program.

We oppose the effort to expand consumer compliance examinations at credit unions for several reasons, each of which are addressed below.

First, there is no evidence that credit union consumer compliance programs represent an elevated risk to consumers that would justify focus by the NCUA. In fact, credit unions comply with applicable regulations consistently while continuing to provide support to consumers through beneficial products, member-focused education and transparent disclosure of costs and benefits. Without evidence that increased regulation is needed, the added burden to credit unions and their members is unwarranted.



Second, credit unions operate very differently than banks and the NCUA should resist the idea that the regulatory framework and examination priorities should be the same. Regardless of the size of the credit union, all credit unions operate for the benefit of their member-owners and their communities. Consequently, the motivation to do the right thing for members is always paramount, and compliance with consumer protection law is fully aligned with that goal. Bank regulators have a different mission, since banks operate to serve shareholders and may feel pressure to take action that harms consumers in pursuit of investor return.

Lastly, the NCUA is already committed to modernizing the examination process, an effort that is still in process. We encourage the NCUA to focus resources and attention on modernizing the current examination process rather than adding unnecessary examination requirements. While CommunityAmerica's own experience with the examination process has been positive, we are aware that credit unions of all sizes are experiencing inconsistent results as a result of examiner training gaps and inefficiencies in the examination process itself. These issues would only be exacerbated by the proposed compliance examination process.

Furthermore, we believe that the 2020 budget significantly understates the actual cost of implementing the proposed dedicated consumer compliance examination process. If this proposal moves forward, proper implementation would require spending that goes well beyond the addition of three examiners. Before any proposal is considered, the NCUA should evaluate and disclose the true cost of fully implementing the proposal, including at least the following: training for all NCUA staff involved in onsite or offsite examinations; development and publication of new examination procedures; and implementation of data analytics that would be needed to support a valid examination process. Given that the NCUA has yet to complete its current effort to modernize the examination process, diverting resources to a consumer compliance initiative would only further delay progress toward achieving the NCUA's current goals.

We encourage the NCUA to prioritize its current modernization initiative to leverage scarce NCUA and credit union resources. We also suggest a focus on examiner training and development of resources for credit unions in Cybersecurity, an area where investment of resources will benefit all credit union members. We applaud all efforts by the NCUA to ensure that the examination process itself becomes more efficient, less invasive, and therefore more helpful to the credit union industry as a whole.