



November 2, 2016

Dear Chairman Metsger:

On behalf of the National Treasury Employees Union (NTEU), and our more than 150,000 federal workers in 31 government agencies, including the men and women at the National Credit Union Association (NCUA), I am writing to express NTEU's opposition to the additional funding cuts proposed in the NCUA Board's revised budget proposal for 2017-2018.

NTEU strongly believes additional funding reductions will undermine NCUA's ability to continue serving its critical role in our nation's financial regulatory infrastructure by regulating, chartering and supervising federal credit unions. In particular, NTEU opposes the proposed reduction of 47 examiner positions between 2017-2018. As you know, NCUA examiners conduct annual examinations of credit union loans and deposit accounts to make sure the institutions comply with the law and operate in a sound manner. The examiners' goal is to make sure credit unions operate safely so they can continue to help people with their loans and savings needs into the future. Reducing examiner staffing will simply hamper NCUA's ability to identify, measure, monitor and manage existing and potential risks.

Rather than reducing overall funding for the agency which will necessitate staffing reductions for critical positions such as examiners, NTEU believes the Board should consider reallocating existing resources currently within the contracted services budget, especially those earmarked for IT support services. We would note the Board's revised budget proposes increasing funding for contracted services by \$3.5 million, an 11.4% increase, compared to the original 2017 Board Approved Budget. Reallocating and reinvesting critical, limited resources to increase staffing rather than simply increasing funding for additional and unnecessary IT support services will strengthen NCUA's ability to continue playing a vital role along with other FIRREA agencies in ensuring the overall safety and security of our nation's financial system.

NTEU appreciates the opportunity to provide NTEU's thoughts on the Board's revised 2017-2018 budget proposal and stands ready to work with the Board to strengthen NCUA's ability to meet its stated mission to provide, through regulation and supervision, a safe and sound credit union system, which promotes confidence in the national system of cooperative credit.

Sincerely,

A handwritten signature in black ink that reads "Anthony M. Reardon". The signature is written in a cursive style with a large initial 'A'.

Anthony M. Reardon
National President