



National Association of State Credit Union Supervisors  
NASCUS Credit Union Advisory Council  
National Institute for State Credit Union Examination

September 24, 2008

The Honorable Barney Frank, Chairman  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, D.C. 20515

Dear Mr. Chairman:

The National Association of State Credit Union Supervisors (NASCUS), the professional association of state credit union regulators, is contacting you to express our support for the inclusion of credit unions in the Troubled Asset Relief Act (TARA). This action will ensure that the competitiveness of the credit union system remains strong. However, state regulators urge Congress to be deliberative in considering any proposals that would restructure the regulatory system in a way that would damage state authority, dual chartering or the state credit union system.

State regulators believe that a time of crisis is not the appropriate time for regulatory restructuring. Regulatory reform should be thoughtfully deliberated and carefully considered by Congress. The elimination of dual chartering, the removal of the separate credit union regulator or any proposal requiring federal supervision of state-chartered institutions are of serious concern to NASCUS state regulators and other supporters of dual chartering. NASCUS would oppose any such action.

Please consider the following as you and your colleagues work with the Treasury, the Administration and U.S. Senate in order to preserve the state credit union system and dual chartering.

1. Any solutions should be temporary to allow Congress more time to address these important issues more thoroughly.
2. While historically credit unions have not been nor are they expected to be the recipients of any federal bailout, we believe credit unions should be offered the same options to sell problem loans to the government as other financial institutions.
3. Flexibility with regard to prompt corrective action should be provided to credit unions insured by the share insurance fund, the National Credit Union Share Insurance Fund (NCUSIF).

We would be pleased to provide any information you deem appropriate as you work through these matters. Thank you for your attention.

Sincerely,

A handwritten signature in black ink that reads "Mary Martha Fortney". The signature is written in a cursive, flowing style.

Mary Martha Fortney  
NASCUS President and CEO