



# ***NEWS RELEASE***

NATIONAL ASSOCIATION OF FEDERAL CREDIT UNIONS • 3138 N. 10th Street, Arlington, VA 22201

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## **NAFCU URGES NCUA TO WITHDRAW SURVEY**

*Washington, DC* - NAFCU is urging the NCUA Board to reconsider its plan to survey federal credit unions on service to low-income people.

“We believe it is inappropriate, biased, a waste of both NCUA and credit union staff time and resources and should be withdrawn before credit unions’ confidence in the federal charter as well as in their federal regulator is eroded further,” NAFCU stated in a letter from NAFCU Chairman Ron Keeler to all three members of the NCUA Board.

“Whether this initiative is cast as a regulation, a survey, a requirement in the business plan or any variation thereof, NAFCU cannot support it,” adds Keeler.

NAFCU’s position was not made in haste nor in a vacuum, Keeler stated. “This conclusion is not simply a reaction to the proposal – but comes after we have taken the time to deliberate on the pros and cons of the survey itself and the comments that our members have provided to us after having been afforded an opportunity to review the substance of the survey.”

NAFCU, in the letter, delineated a wide range of concerns that arise in connection with the survey, including implications for those credit unions whose membership fields generally include

only financially well-off groups. It also questioned the motivation behind the survey given previous statements by the agency board chairman—and Congress—that credit unions are fulfilling their statutory role.

The letter conveys opposition to dividing credit unions and going down a path of new regulations. “NAFCU believes that the survey serves no purpose other than to divide credit unions and potentially serve as the vehicle for the introduction of yet more unnecessary regulations. Because it will only be distributed to federally-chartered credit unions, the survey has the effect of dividing credit unions along charter lines. If, as NCUA states, its ultimate goal is to bring credit union services to more low-income individuals, the distinction between federal and state charter should be irrelevant. After all, it does not matter to a consumer whether it is a federally-chartered credit union that grants the loan - what matters is that the loan is fair.”

While it opposes the survey, NAFCU stated it would support regulations not unlike NCUA Board Member Dennis Dollar’s “Reg Flex” proposal to relieve regulatory burden. In the meantime, the association recommended the following steps be taken by NCUA in furthering the goal of bringing services to low-income people:

- dedicate existing resources to Board Member Yolanda Wheat’s project to identify underserved communities across the country;
- draft definitions for “low-income occupational” and “low-income associational” groups to be included in the agency’s field-of-membership rule (currently, no such definitions are included);
- devote existing resources to working with the Small Business Administration to repeal regulations that are biased against credit unions; and
- use the Office of Community Development Credit Unions more efficiently to bring about a greater use of credit union services in low-income areas.

NAFCU is a national trade group which represents credit unions before the federal government and the public as well as providing information, education and assistance.

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