

May 31, 2018

Monica Jackson
Office of the Executive Secretary
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552

RE: Request for Information Regarding Bureau External Engagements (Docket No. CFPB-2018-0005)

Dear Ms. Jackson:

As members of the Credit Union Advisory Council (CUAC), we are writing in response to the Bureau of Consumer Financial Protection's (Bureau) request for information regarding external engagements.

We appreciate the Bureau's interest in assessing its external engagements and would like to emphasize the importance of the CUAC. Credit unions as non-profit, member-owned institutions have a unique perspective from other financial institutions in that our inherent goal is to serve our members and their interests, and not to maximize profit or return for shareholders. The CUAC bridges the gap between the Bureau's strong policy knowledge and the practical realities and experience and philosophical differences as compared to other players in the financial services industry.

While our views and opinions from a regulatory standpoint are more in line with the current Bureau leadership, we can still be a valuable resource to provide real life experience and feedback. The CUAC can provide market information so that the Bureau can understand the implications of its rulemaking efforts.

Over the years, the CUAC has proved its importance by providing detailed and specific information on a variety of issues affecting consumers:

- International Remittance Transfers – The overhead and risk of providing this service under the Bureau's revised framework drove many credit unions out of the business, driving individuals to more expensive alternatives. After discussions with the CUAC, thresholds were revised to add some regulatory relief.
- Reliance on Vendors – Due to their size, many credit unions don't have the technical infrastructure required to comply with many of the regulatory requirements and must rely on vendors and their timelines. This has an impact when establishing mandatory compliance dates for regulatory changes.
- HMDA Issues Related to Reporting – Many credit unions utilize different systems for mortgage and home equity originations which presents a problem when aggregating the data into a single HMDA file. This resulted in the Bureau increasing the reporting threshold for open-end lines of credit from 100 to 500 loans for a temporary two-year period.
- Smaller Institution Exemptions – The CUAC assisted in establishing realistic thresholds that allowed credit unions to continue serving their members, instead of creating a situation that would drive members to predatory institutions.
- Payday Lending – The CUAC informed the Bureau of the NCUA PAL loan, which prompted the subsequent carve out issued in the final rule.

- Qualified Mortgage – Information was provided on the individual characteristics of credit unions, resulting in an increase to the low volume threshold from 500 to 2,000, excluding loans held in portfolio.

With the shared goal of making credit and services available to consumers while protecting them from abusive practices, the CUAC can continue to add value to the Bureau.

Sincerely,



Katherine A. Proefke, Chair



Gregory W. Higgins, Vice Chair