

February 27, 2014

The Honorable Dave Camp
Chairman
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

Dear Chairman Camp,

On behalf of the Credit Union National Association (CUNA), I am writing regarding your comprehensive tax reform proposal. As you know, CUNA is the largest credit union advocacy organization in the United States, representing America's 6,500 state and federally chartered credit unions and their 99 million members. We are pleased to support your proposal.

America's credit unions deeply appreciate that your proposal would retain the credit union exemption from federal income tax. This reflects what we believe is your deep understanding that the structure and mission of credit unions are the bedrock upon which the tax status is based and what makes credit unions unique within the financial services sector.

As you know, the credit union mission is to promote thrift and to provide access to credit for provident purposes to members. The tax exemption helps support the fulfillment of that mission. The benefits that Americans – those who are credit union members as well as those who use other financial institutions – receive as a result of credit unions' employment of the tax exemption are substantially greater than the cost of the exemption to the government. The credit union tax exemption is a good deal for all Americans, and one of the best investments in its citizenry that the government makes.

The need for Congress to consider comprehensive tax reform is unquestionable and the path to enacting reform will be long and challenging. Your proposal represents an important milestone in this process, and we commend your leadership on this matter. We appreciate the process in which the Committee and your staff engaged to develop this legislation and your continued willingness to listen to our concerns as we study your proposal. Thank you for affording credit unions the opportunity to reinforce the Committee's understanding of why credit unions are exempt from federal income taxation today and why that policy should continue into the future. We also appreciate your staff's quick clarification regarding your intent to also preserve federal credit unions' exemption from unrelated business income tax.

On behalf of America's credit unions and their 99 million members, thank you very much for retaining the credit union tax exemption in your proposal. We look forward to working with you as it moves forward.

Best regards,



Bill Cheney
President & CEO