

# Delaware

## Credit Unions

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Creating Cooperative Power

December 15, 2017

The Honorable Christopher Coons  
United States Senate  
127A Russell Senate Office Building  
Washington, DC 20510

Dear Senator Coons:

On behalf of the Delaware credit union community, please accept our sincere appreciation for your support of S. 2155, *Economic Growth, Regulatory Relief and Consumer Protection Act*. As you know, the Cooperative Credit Union Association, Inc. is the state credit union trade association, serving approximately 20 Delaware credit unions which further serve approximately 262,000 consumer members.

S. 2155 represents a significant breakthrough in bipartisan negotiations, and contains many provisions that would improve the operating environment for credit unions and allow them to more effectively to help their members realize their financial goals. Credit unions in Delaware are grateful that you support their commitment to offer high quality, affordable service to their members.

Of particular importance to Delaware credit unions, Section 105 will correct a disparity in the treatment of certain residential loans made by banks and credit unions, based on consistency and fairness, which would significantly reduce constraints and free up billions in capital for economic development. When a bank makes a loan to purchase a 1-4 unit non-owner occupied residential dwelling, the loan is classified as a residential real estate loan; however, if a credit union were to make the same, it would be classified as a business loan and therefore would be subject to the MBL cap on under the Federal Credit Union Act. This legislation corrects this disparity by providing consistency in classifications among banks and credit unions, thereby allowing substantially more capital investment in affordable rental housing. Including this provision, along with others, aimed at community financial institutions demonstrates recognition that credit unions play an important role in delivering economic prosperity for millions of American families.

Section 303 also contains a provision that the Association has long supported. Credit unions provide elder abuse information and additional resources to help consumers, including on the credit union's websites and with account statements. The member-owner relationship between the credit union and its members puts credit union employees in a key position to detect suspicious activity around senior accounts because often the employees know the members well. However, in some cases certain privacy laws make it difficult, or in some cases impossible, for employees to ring the alarm bell when exploitation is suspected. This legislation represents an important step toward improving protection for seniors by providing legal immunity for properly trained financial services employees who disclose concerns about financial exploitation of senior citizens.

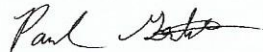
The Association is pleased that Section 501 requires the Treasury to conduct a study on the risks that cyber threats may pose to financial institutions. Particularly in light of recent data breaches, which cause tremendous disruption and impose significant costs to credit unions, we applaud this effort to try to understand those risks more fully and potentially how to mitigate them across the financial services sector.

The Association also is grateful for other provisions addressed by S. 2155, including regulatory relief on Home Mortgage Disclosure Act (HMDA) reporting, the Qualified Mortgage (QM) rule, and Property Assessed Clean Energy (PACE) Loans. In addition, removing the three-day respite period for the combined TILA/RESPA mortgage disclosure if a creditor extends a second offer with a lower annual percentage rate to the consumer will provide a more efficient application process for consumers.

The Delaware credit union community respectfully and sincerely thanks you for your assistance in supporting S. 2155, and advancing efforts on regulatory reform at any opportunity in the current session to further help stabilize our economy, and assist credit unions in meeting the financial needs of members. I remain available to address any questions or concern you or your staff has in supporting this request.

Thank you for your support. We look forward to working with you on these important issues for the working families of Delaware.

Sincerely,



Paul C. Gentile  
President/CEO

PCG/cal/kb