

Monica Jackson  
Office of the Executive Secretary  
Consumer Financial Protection Bureau  
1275 First Street, NE  
Washington, DC 20002

Re: Request for Information Regarding the Bureau's Adopted Regulations and New Rulemaking Authorities Docket No. CFPB-2018-0011

Dear Ms. Jackson:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit comments on the Consumer Financial Protection Bureau's (CFPB) Request for Information Regarding the Bureau's Adopted Regulations and New Rulemaking Authorities. The ICUL member credit unions represent 98% of assets and members of Indiana's credit unions, with those memberships totaling more than two million consumers.

#### **CFPB's Exemption Authority**

Historically, the CFPB has adopted one-size-fits-all regulations in an effort to end abusive practices by the largest financial institutions. The intent of these rules is understandable, but when they are applied to institutions such as credit unions that did not utilize these abusive practices or create the resulting financial crisis that resulted in the CFPB being created, the end result is less options for offering credit and other services at lower costs to the consumer. The Dodd-Frank Act anticipated the need to treat financial institutions differently within regulations and provided the authority for the CFPB to exempt institutions from unnecessary regulations and the cost burdens that compliance with these regulations includes.

Congress reinforced the authority and clarified its intent regarding the CFPB's exemption authority in letters sent to the CFPB by 329 Members of the House of Representatives, including Acting Director Mulvaney, and 70 Senators. In these letters Congressional members urged the CFPB to use its exemption authority to protect credit unions and their members from burdensome regulations.

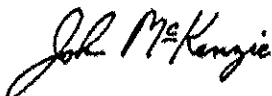
The CFPB has repeatedly stated that credit unions did not cause the problems the regulations are designed to correct, and that it is not the CFPB's intent to negatively impact credit union lending and the ability to provide services to the members. By exempting credit unions and CUSOs from certain regulatory requirements entirely, the CFPB would be putting its actions behind its words. We ask that the CFPB review all previously approved regulations and add the exemption for credit unions where appropriate, and not rely on Congressional action to reverse these regulations. Furthermore, we ask the CFPB to utilize the exemption authority whenever appropriate in future regulatory changes in order to minimize the negative, unnecessary impact on credit unions and their members.

#### **Data Use & Transparency**

Often in its explanation of the need for a new or revised regulation, the CFPB references data collected, some of which comes from complaints received, some from financial institutions, and some from other third-party sources. We believe that the CFPB needs to do a more thorough job of explaining the data utilized (source, quantity, purpose), and how the data truly justifies the need for the regulation. We believe that the data justification is quite often insufficient to support the assertions made about why the regulation is needed. The CFPB needs to do a better job demonstrating that it is making policy and regulatory decisions that are supported by relevant, timely, and representative data.

On behalf of Indiana credit unions, we appreciate the opportunity to comment and we urge the CFPB to revisit its approach to exempting credit unions from certain regulations, adding an exemption to previously approved rules, and improving the data and/or explanation of the data used to justify promulgating rules. If you have any questions about our letter, I would welcome the opportunity to discuss them. Please do not hesitate to give me a call at (317) 594-5320.

Sincerely,



John McKenzie  
President, Indiana Credit Union League