



April 24, 2017

The Honorable Mark Meadows
United States House of Representatives
1024 Longworth House Office Building
Washington, DC 20515

Dear Chairman Meadows:

On behalf of the Credit Union National Association (CUNA) and the World Council of Credit Unions (World Council), we are writing in full support of S. 869 and its House companion, H.R. 2054. This important legislation will repeal the obtrusive and burdensome requirements on financial institutions that are a result of the Foreign Account Tax Compliance Act. The Credit Union National Association represents America's credit unions and their more than 110 million members. World Council is the leading trade association and development organization for the international credit union movement. Worldwide, there are over 60,000 credit unions in 109 countries with USD 1.8 trillion in total assets serving 223 million natural person members.

The Foreign Account Tax Compliance Act (FATCA) placed new and significant compliance costs on U.S. credit unions, especially those that engage in remittances and/or have members who are not U.S. citizens. Under FATCA, U.S. credit unions are classified as "withholding agents" and are required to perform due diligence and withhold a 30% tax on some cross-border payments.

This important legislation will repeal FATCA and put a stop to the law's increasing regulatory burdens on U.S. credit unions and banks, and help expatriate Americans maintain access to financial services. FATCA has also caused a significant number of Americans living overseas to renounce their US citizenship in order to maintain access to financial services. The additional due diligence and tax withholding requirements from FATCA necessitate additional credit union and bank staff resources.

At its core, FATCA runs afoul of basic privacy rights enshrined in the Bill of Rights by requiring financial institutions to report account information to the Internal Revenue Service, even if the IRS has no reason to suspect an account holder of violating any law.

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The enforcement of FATCA requires a network of intergovernmental agreements (IGAs). These IGAs are essentially treaties but do not require Senate ratification. As a result, many Americans living and working abroad have had their bank accounts closed, as well as loans and mortgages recalled and denied. Many financial institutions simply cannot justify serving these members and customers when the FATCA compliance costs are so high. Financial institutions that fail to comply, either knowingly or not, face heavy fines and a ban on operating within the US banking system.

On behalf of America's credit unions and their 110 million members, thank you for introducing this needed legislation and hope that it will quickly pass Congress or be enacted as part of the ongoing comprehensive tax reform effort in Congress.

Sincerely,



Jim Nussle
CUNA
President & CEO



Brian Branch
WOCCU
President & CEO