

**Sample Letter to Pennsylvania Congressional Delegation  
On H.R. 3579 (Credit Union Commercial Lending)**

The Honorable (Full Name)  
House of Representatives  
Washington, D.C. 20515

Re: Opposition to H.R. 3579

Dear Congressman/Congresswoman (Last Name):

As a community banker, I write in opposition to H.R. 3579, introduced by Congressman Ed Royce (R-CA) and Congressman Paul Kanjorski (D-PA).

This legislation would exacerbate the already unfair competition credit unions enjoy compared to taxpaying, community banks. As you know, credit unions are exempt from taxation costing the U.S. Treasury \$1.36 billion in the coming fiscal year and \$7.88 billion cumulatively through 2009 (according to the fiscal year 2005 budget).

H.R. 3579 would double credit unions commercial lending authority to 20% of assets. Loans written for under \$100,000 as well as loans made to non-profit religious organizations would not be counted toward the 20% cap.

Credit unions should not be granted additional business lending powers. Through their tax exemption advantage and the blurring of their original purposes, they compete unfairly with community banks. If credit unions wish to engage in what has traditionally been services offered by community banks, our position is that they should be subject to corporate income taxes or take advantage of the ability to convert to mutual savings institutions which is available at the state and federal levels.

We are proud of the service we offer to our communities and welcome competition among financial institutions as long as it is fair competition. H.R. 3579 would further subvert the original purposes of credit unions at a time when they are aggressively expanding their memberships beyond any semblance of a common bond.

We request that you oppose H.R. 3579 and any other proposals that would permit additional commercial lending authority for credit unions.

Please do not hesitate to call upon the Pennsylvania Association of Community Bankers as a resource or certainly our community bank. Thank you for your consideration.