

REGULATORY RELIEF

It's time to

right size

Regulations

One-size-fits-all financial regulations lump credit unions with bad actors – punishing all for the misdeeds of a few. Credit unions have a strong history of delivering safe services and fair access to credit. Yet, credit union members are hurt by the ever-increasing cost to comply with regulations meant to solve problems their financial institutions didn't cause.

Credit union members miss out

The full cost of wrong-sized regulations isn't just a dollar figure. It's the negative impact on benefits to members. Research shows that credit union CEOs would put the dollars towards better deposit and loan rates, mobile access and other enhancements, if the cost of compliance was reduced.

One-size-fits-all regulations cost
\$6.1 billion

or an average of
**\$115 per credit union
member-household
each year**

Fast-rising costs are overwhelming

The cost of over-regulation to credit unions – and ultimately credit union members – is increasing more than three times faster than inflation. The weight of that burden is even heavier for smaller institutions (and the majority of credit unions) – threatening their ability to remain viable in the marketplace.

The cost to
comply is
rising **3X** faster than
inflation

Credit unions want to do more for members

One-size-fits-all regulation burdens credit unions with greater costs, reduced productivity and reduced revenues. Instead of serving more members and helping existing members through new products and updated technology, credit unions spend time and money on complicated, over-sized compliance.

1 in 5 employees' time
is spent on regulatory
compliance

75% of regulatory
expense is on
staff cost

Source: Cornerstone Advisors Biennial Credit Union Regulatory Burden report

THE BOTTOM LINE

— Don't punish consumers for the deeds of bad actors. **TAILOR REGULATIONS** so credit unions can bring responsible financial services to more Americans.



Use the CFPB

exemption authority

Credit unions are often swept into regulations meant for bad actors. This greatly increases the cost of providing high-quality financial services to members and forces some credit unions to limit product offerings or cut down on services.

The CFPB has statutory authority to set a different standard for credit unions by exempting them from new regulations designed to address abuses in the marketplace.

Prior to issuing rules, the CFPB should consult on rules with the NCUA, which has regulated credit unions for decades and understands their unique structure and mission.

Consumers lose when...



THE BOTTOM LINE

CFPB should exempt credit unions from future rule making.