

The Honorable Charles E. Schumer
313 Hart Office Building
Washington, DC 20510

Dear Senator Schumer,

On behalf of Bethpage Federal Credit Union, and our 154,557 members, we would like to thank you for introducing legislation that would permanently eliminate a statutory limit on the volume of business loans that can be made by the country's 8,000 credit unions.

As you know, as a result of the Credit Union Membership Access Act of 1998, credit unions can lend to small businesses at just 12.25 percent of their total assets. While this important measure resolved some very important issues, the past eight years have provided an opportunity to clearly identify burdensome restrictions that have been unintentionally imposed on credit unions in the area of small business lending, as well as a chance to recommend common sense improvements and eliminate these unnecessary and outdated provisions.

This is why we so appreciate your efforts to further help credit unions fulfill their mission of people helping people by allowing us to provide an estimated \$10 billion to small businesses members in the first year after cap is lifted. This will enable small businesses in our communities to survive during these difficult economic times when other lenders are turning them away.

With so many large banks in bad shape, credit unions are becoming increasingly important, especially with regard to small businesses that need relatively small lines of credit. Due in large part to the fact that they are not-for-profit, membership-based institutions, credit unions have not been exposed to the same losses that major banks have seen in their lending and investment operations. Credit unions also have a long track record of scrutinizing borrowers, and low delinquencies as a result. Because deposits have been on the rise as people move their savings from the stock market to savings accounts, credit unions have cash on hand to jumpstart lending to small businesses which are backbone and engine of growth of the US economy.

Again, we thank you for your sponsorship of this legislation important to credit unions, their small business members, and the communities in which these small businesses reside, and look forward to working with you throughout the 111th Congress.

Sincerely,

Kirk Kodeleski
President and CEO
Bethpage Federal Credit Union

CC: Governmental Affairs, Credit Union Association of New York