

**Congress of the United States**  
**Washington, DC 20515**

President Barack Obama  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

September 7, 2011

Dear Mr. President:

As you prepare to release a proposal intended to spur economic growth and job creation, we encourage you to include an increase in the member business lending (MBL) cap on our nation's credit unions. During this difficult period in our economy, many small businesses require capital to stay afloat, remain competitive, and ramp-up hiring. By increasing the credit union cap we can help fill this void and stimulate job creation without spending additional tax dollars.

Currently credit unions are restricted from lending beyond 12.25% of their assets to member businesses. As a result, they are prevented from extending loans to many of the small businesses looking for affordable, reliable access to credit. According to economists, by increasing the MBL cap to 27.5% credit unions would be able to lend an additional \$13 billion to small businesses, which could create 140,000 new jobs within a year.

We have introduced this proposal in the House and Senators Mark Udall (CO) and Olympia Snowe (ME) have introduced companion legislation in the Senate. In total, 85 members of Congress have signed onto these bills. The Small Business Lending Enhancement Act (H.R. 1418/S. 509) would lift the current cap from 12.25% to 27.5% for those credit unions that meet the following requirements: be well capitalized, have a history of MBL experience, be operating near the lower cap for at least one year, and receive approval by their regulator, the National Credit Union Administration (NCUA).

With this year's budget deficit expected to reach \$1.3 trillion, now is the time to think outside the box when it comes to spurring job creation. We believe this bipartisan, bicameral proposal should be a part of any comprehensive strategy to promote economic growth. Again, we urge you to include it in your proposal intended to spur job creation.

Sincerely,



EDWARD R. ROYCE  
Member of Congress



CAROLYN MCCARTHY  
Member of Congress