



June 19, 2012

E-Mail: CFPB_Public_PRA@cfpb.gov

Consumer Financial Protection Bureau
Attention: PRA Office
1700 G Street, NW
Washington, DC 20552

RE: Comments on CFPB Collection of Information – Compliance Costs and Other Effects of Regulations

The Ohio Credit Union League (OCUL) appreciates the opportunity to comment on the Consumer Financial Protection Bureau (CFPB) notice and request for comments regarding its plans to collect information on compliance costs and other effects of its potential new regulations.

OCUL is the trade association for credit unions in Ohio and advocates on behalf of Ohio's 375 federal- and state-chartered credit unions, serving their 2.7 million members. The comments reflected in this letter represent the recommendations and suggestions that OCUL believes would be in the best interests of Ohio credit unions.

Background and Commentary

The CFPB plans to collect information on potential implementation and ongoing compliance costs, as well as other associated costs and effects of its potential new regulations on financial institutions and consumers. The Bureau seeks to consider the compliance burdens and costs before completing a rule-making action, and to determine if its proposed rules may have unnecessary costs for providers or consumers.

A number of Federal laws require CFPB to consider the benefits, costs, and impacts of its rulemaking actions, including the Regulatory Flexibility Act and Paperwork Reduction Act. Section 1022(b)(2)(A) of the Dodd-Frank Act requires the Bureau to consider benefits and costs of certain rules to providers and consumers, including consumers in rural areas and depository institutions, including credit unions, with total assets of \$10 billion or less.

OCUL also suggests that CFPB should prepare a complete and accurate rule summary and a fiscal analysis of the rules. CFPB should also determine that the rules do not exceed the scope of the rulemaking agency's statutory authority and do not conflict with a rule of another agency. The analysis should also take into account whether the rule has an adverse impact on business and whether or not the regulatory intent of the rule justifies its potential adverse impact on business. OCUL fully supports CFPB's intentions and efforts in looking into the effects of its potential new regulations on financial institutions and consumers. In the near term,



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OCUL urges CFPB to carefully consider the full impact of all compliance costs on credit unions with regard to the Bureau's proposed mortgage, remittance transfer, and other regulations from the Bureau and other agencies. CFPB plans to collect qualitative information from mortgage and remittance industry participants regarding their potential costs to comply with the Bureau regulations. We believe relevant compliance costs information may include, but is not limited to, quantitative data, qualitative information, anticipated costs, and estimated ranges of costs.

Of particular importance are the detrimental impacts of regulatory changes on smaller credit unions. Nearly half of all U.S credit unions have five or fewer full-time employees, yet must comply with many of the same regulatory requirements as large banks. The Dodd-Frank Act contains 2,319 pages and these changes consume staff resources and require ongoing training in order to be in compliance. The changes negatively impact net earnings due to the costs of hiring consultants to conduct audits. Most importantly, compounding compliance mandates and challenges over time take the focus off serving credit union members. OCUL encourages CFPB to carve regulatory exclusions/modifications for smaller financial institutions whenever possible.

OCUL supports CFPB plans to collect information on compliance costs using structured interviews, focus groups, conference calls, written questionnaires, and online surveys. The notice does not mention if the Bureau plans to share the details and results on the information collection. We believe that sharing feedback would be meaningful to both providers and consumers.

CFPB estimates the average time per response to be 90 minutes for questions administered via focus groups, structured interviews, and conference calls and an average of 60 minutes for questions delivered by via email or administered through an online survey. We believe the responses will consume more time than the time estimated by the Bureau and this may prevent some smaller credit unions that have limited resources from participating in the program. We urge CFPB to develop limited, precise questions that will take respondents less time to respond. In addition, the Bureau should provide additional resources to assist participants' understanding of the regulations so they are well informed when responding to the questions.

Conclusion

OCUL fully supports CFPB's endeavors to capture and consider the compliance costs impacting credit unions and other financial institutions. As stated above, OCUL asks CFPB to structure survey questions in a manner most respondents will understand as well provide additional resources. We also ask the Bureau to collect more than qualitative information in order to obtain a clearer picture of real overall compliance costs and burdens and their true impact on credit union earnings and operations.

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The Ohio Credit Union League appreciates the opportunity to provide comments on CFPB notice of the Bureau's plans to collect information on compliance costs and other effects of its potential new regulations. OCUL is available to provide additional comments or information on this proposal if so requested. If you have any questions, please do not hesitate to contact me at (800) 486-2917 or jkozlowski@ohiocul.org.

Respectfully submitted,



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Tim Boellner, OCUL Chair
OCUL Board of Directors
Ohio Governmental Affairs Committee
Paul Mercer, OCUL President