



July 18, 2014

Solomon Yue
Vice Chairman and CEO
Republicans Overseas, Inc.
Solomon@fatcalegalaction.com

Re: Residence Based Taxation and the Foreign Account Tax Compliance Act (FATCA)

Dear Mr. Yue:

On behalf of the Credit Union National Association (CUNA) and the World Council of Credit Unions (World Council), we are writing to endorse your proposal for a Republican National Committee (RNC) resolution supporting an end to double taxation and the Foreign Account Tax Compliance Act (FATCA) for 7.6 million overseas Americans. CUNA is the largest credit union advocacy organization in the United States, representing America's state and federally chartered credit unions and their 99 million members. World Council is the leading trade association and development organization for the international credit union movement. Worldwide, there are nearly 56,000 cooperatively owned credit unions in 101 countries with approximately \$1.7 trillion in total assets and 200 million credit union members.

The FATCA statute passed by Congress in 2010 was implemented as a result of the United States' citizenship-based tax system and requires foreign financial institutions to register with the Internal Revenue Service (IRS) and report taxable account activity by U.S. citizens in foreign countries.

These FATCA requirements have caused banks, both U.S. and foreign, to deny access to banking and other financial services to the 7.6 million Americans overseas, which effectively excludes them from employment opportunities and forces them to choose between U.S. citizenship and their livelihood. An increasing number of expatriate Americans—including music legend Tina Turner—have renounced their U.S. citizenship because of FATCA.

The IRS's FATCA regulation requires U.S.-based financial institutions, including U.S. credit unions, to conduct due diligence and tax withholding on international funds transfers even though the FATCA statute passed by Congress made no mention of U.S.-based credit unions or banks. Although U.S. credit unions continue to serve their natural person member-owners who live overseas, FATCA's requirements impose regulatory burdens on U.S. credit unions that make it more difficult and expensive for credit unions to serve their members living abroad as well as to serve their members who live in the United States and send cross-border wire transfers.

On behalf of America's credit unions and their members living around the globe, thank you for offering this resolution. We look forward to its consideration and passage.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Hampel".

Bill Hampel
President & CEO
Credit Union National Association, Inc.

A handwritten signature in black ink, appearing to read "Brian Branch".

Brian Branch
President & CEO
World Council of Credit Unions, Inc.