

June 18, 2010

Dear Conferees:

As the House and Senate reconcile the differences between their respective versions of the financial regulatory reform legislation (H.R. 4173), we, the undersigned organizations, urge you to continue to ensure that nonprofit organizations and the people they serve are not inadvertently harmed by this legislation.

As you may know, in the early versions of this legislation, the Consumer Financial Protection Agency (CFPA) would have been authorized to regulate, and impose fees on, the activities of nonprofit organizations that were simply seeking contributions to support their missions, or by working to promote financial literacy as part of those missions. Affected organizations under CFPA authority would have been subject to potential certification, registration, or examination processes and fees, leaving cash-strapped nonprofits with even fewer resources to carry out their missions.

Fortunately, thanks to many of those on this conference committee, as well as other concerned Representatives and Senators, the majority of these concerns for the nonprofit community have been successfully addressed in either the House or Senate bills and these changes are included in the discussion draft legislative text just released by the conference committee. We are writing to encourage you to ensure that these provisions remain in the bill.

First, we respectfully ask that you retain the provision, added to the House bill under the leadership of House Banking Committee Chairman Barney Frank, and Representatives Ed Perlmutter and Erik Paulsen, and also included in the Senate bill, that charitable giving activities not be covered, and that nonprofit organizations not be subject to the CFPA's regulatory authority for merely soliciting, communicating or planning with donors about their contributions (see page 1467, section 1027 (I) of discussion text).

Additionally, we ask that the conference committee preserve the portions in the discussion text that significantly narrow and focus the definition of "financial activity," and removed an earlier definition that included "educational courses and instructional materials," (see page 1365, section 1002 (15) of discussion text). These improvements upon earlier drafts, and language indicating that the CFPA will limit its supervision to nondepository institutions engaged in specific activities that pose the greatest risk to the financial system (see page 1425, section 1024 of discussion text), were included under the direction of Senator Chris Dodd. This language effectively ensures that nonprofit institutions that engage in group financial education activities are not subjected to regulation under the CFPA.

We encourage the conference committee to retain the referenced provisions that are so important for the nonprofit community.

The recent economic crisis has hit the charitable sector especially hard, and they are seeing unprecedented need for their services, while simultaneously experiencing the steepest drop in charitable contributions in the past four decades. Thus, it is particularly important that nonprofit organizations are not unduly hindered in their ability to reach current and potential donors during this difficult economic period. Any increased fees and burdens imposed on these struggling, and important, organizations would have to be paid at the expense of reducing much-needed relief services.

Given the work Congress has done so far in ensuring that nonprofits are not damaged by the financial reform legislation, we are confident that Congress did not intend to cover nonprofits such as food banks for seeking donations, schools for teaching our children how to save, gospel rescue missions for offering

the homeless a way to find self-sufficiency or local churches for providing budget balancing workshops in low-income communities. As such, we call upon Congress to ensure that these provisions are retained during the conference process, to make sure that these nonprofit organizations, still reeling from the economic crisis, are not hampered even more as they fight to fulfill their missions of researching cures, housing the homeless, and feeding the hungry, and helping people learn to be effective managers of the money they earn.

Sincerely,

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