

ABA Washington Perspective

From: ABA Washington Perspective

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To: Pollard, Alfred

Subject: Report: CU Tax Exemption 'Unjustifiable,' ABA Advocacy Wins on CU Advertising & More



Washington
Perspective



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News Highlights

The following highlights are brought to you by ABA Daily Newsbytes.

Credit Unions' Tax Exemption 'Unjustifiable.' The credit union industry's tax exemption is an "unjustifiable \$10 billion tax expenditure" that should be repealed, Kenneth Kies and Bert Ely said in a [paper](#) released this week. They reviewed how credit unions have evolved and now closely resemble banks, and they cited several bipartisan precedents for eliminating credit unions' tax exemption.

ABA Advocacy Scores Win on CU Advertising. The NCUA has called on federal credit unions to stop advertising that anyone can join a credit union. The agency's [letter](#) came after ABA advocacy efforts [urging](#) the NCUA to inform credit unions that such advertising is impermissible.

ABA Nominates Officers, New Board Members The ABA nominating committee announced its slate of candidates for association officer positions and for the board of directors. The election will be held during the [ABA Annual Convention](#), Oct. 19-22 in New Orleans.

Supreme Court Disparate Impact Case. Disparate impact claims are not permissible under the Fair Housing Act, ABA said in a friend of the court [brief](#) filed Tuesday in *Mount Holly, N.J. v. Mt. Holly Gardens Citizens in Action*. The case, to be heard by the Supreme Court in the term beginning next month, centers around Mount Holly's plan to redevelop a heavily low-income and minority neighborhood that the town said was blighted. Opponents said the plan would leave little affordable housing in the area and that because of the plan's "disparate impact" on minorities, runs afoul of the Fair Housing Act.

ABA's Abernathy Questions 'Peer Review' of Regulators. Subjecting U.S. bank regulation to "peer review" is "a bit rich to swallow," ABA EVP Wayne Abernathy said in an [op-ed](#) this week in the American Banker newspaper. Commenting on a review recently published by the Financial Stability Board, a Basel, Switzerland-based group of international financial regulators from developed economies, Abernathy wondered how to compare U.S. regulators with their foreign counterparts.

Nevada City Drops Eminent Domain Plan. The city council of North Las Vegas, Nev., on Wednesday voted unanimously to terminate its relationship with a firm that seeks to use eminent domain to restructure underwater mortgages. "The home foreclosure crisis hit our town particularly hard and although I believe government has a role in helping, it is important the cure does not become worse than the disease," said North Las Vegas Mayor John Lee. ABA and other trade groups have strongly [opposed](#) using eminent domain to restructure underwater mortgages.

IRS Delays Penalty Notice Issuance. The Internal Revenue Service this week [granted](#) an ABA [request](#) to delay issuing penalty notices for Form 1099K reporting. The IRS said it would wait until January 2014 before issuing these notices, in line with informal indications it had made earlier.

FBI Warns of OpUSA Cyber Attacks. The FBI has warned financial institutions to take precautionary measures in anticipation of distributed denial of service attacks, or DDoS, that criminal hackers have planned for this month. Most of the targets of the attacks, which are expected to comprise Phase I of an effort known as "OpUSA," are U.S. government agencies and financial institutions.

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