

LEGISLATIVE REPORT



FEBRUARY 2017

Hot Topics

- Campaign for Common Sense Regulation through MAP
- Court rules to dismiss MBL lawsuit against NCUA
- State Legislative Initiatives
- 2016 Chapter Competition Winners Announced
- Yearly CUPAC Forms and Individual Contributions Due

Federal Update



McWatters Named NCUA Chairman

J. Mark McWatters was named acting chairman of the NCUA board by President Donald Trump. McWatters has served as a board member since August 2014.

ICUL and CUNA congratulate J. Mark McWatters on his appointment by President Trump as acting chairman of the NCUA Board. We look forward to working with Chairman McWatters on his agenda of improving the efficiency of the agency and increasing flexibility for well-managed credit unions while maintaining principles of safety and soundness.

We further welcome a continuation of the collegial and professional approach taken by him and Mr. [Rick] Metsger over the past year that has resulted in significant positive changes at the agency.

Metsger, outgoing NCUA chairman, will remain a board member. The third seat on the board is currently vacant.

Campaign for Common Sense Regulation through MAP

ICUL's federal advocacy efforts are focused on encouraging credit unions to participate in the Campaign for Common Sense Regulation. One facet of that campaign is to utilize the MAP program. ICUL has often told credit unions that if we can tap into the resource of our 3 million members, our

advocacy potential is truly unlimited! [The Member Activation Program \(MAP\)](#), which began in 2013, serves that purpose.

The program has been a remarkable success so far, with more than 90 credit unions nationwide reaching out to nearly 4 million members on several MAP campaigns to date. Thanks to all the credit unions that participated.

Campaign for Common-Sense Regulation

Now it's time to launch the next effort: [The Campaign for Common-Sense Regulation](#). Many of you already know about this campaign through either CUNA News' [four-part series](#) or the introductory [webinar](#).

Washington is squeezing an already-burdened American Middle Class with excessive regulations that don't work for America's credit unions and the members they serve. But, in 2017, a new Congress and administration – aligned on many key regulatory relief measures -- present a unique opportunity for credit union advocacy victories. We must capitalize.

With CUNA, the Leagues and credit unions joining forces on this campaign, we can be even more influential. With MAP, not only can credit unions educate and activate members, but they can also inform employees, schedule district meetings and branch visits with your Representatives and Senators, and contact these elected officials on social media.

While the problems caused by regulatory burden are clear to us, members might need more information. Now is a great opportunity to both let them know about these burdens, and also to remind members that credit unions are not-for-profit financial cooperatives that provide high-quality and affordable products and services. We need to remind our members at every opportunity that **credit unions are different**.

Campaign-specific emails will inform members that excessive regulations intended for Wall Street banks actually cost credit unions \$7.2 billion per year — an average of \$71 for each of the nation's 105 million credit union members. Messages also will ask members to tell their members of Congress that:

- One-size-fits all regulations do not work for Main Street
- Big government regulations favor Wall Street banks, creating a rigged system that limits consumer options
- Local, member-owned credit unions know their members better than Washington regulators

What We Need From You

As a MAP credit union leader we need you to reach out to your members to help us jumpstart the effort. [Click here](#) to view a sample email you can send to members. We have two versions for this campaign, a [long version](#) that contains more education about the issue and a [shorter version](#) with less education and more links to activation.

We ask that you download, customize, and distribute one of the sample emails to your membership with one of the recommended subject lines. As with any MAP template, you can alter the language as you see fit! To maximize open rates, our analysis suggests that the sender of the email should either be the CEO, or another individual clearly associated with the credit union (ex: John Doe, ABC Credit Union). Once you send the email, please upload whatever results you can track on the [toolkit](#). The specific ask of this campaign will be to urge your members to send letters to their

Representatives and Senators.

New Member Template and Webinar

If you haven't reached out to your members previously and don't feel comfortable reaching out on a specific campaign first, we developed an [educational template](#) just for you! This email educates the credit union member about the credit union difference and also alerts them that they will begin to periodically receive emails that show them how they can support the credit union movement.

If you still have questions or require additional information please don't hesitate to contact [Keith Sias](#) or [Pat Huffman](#) . Thank you for all you do and your consideration on participating in this new and exciting campaign!

Court rules to dismiss MBL lawsuit against NCUA

The U.S. District Court of the Eastern District of Virginia granted the NCUA's motion to dismiss an Independent Community Bankers of America (ICBA) lawsuit against the agency and its member business lending (MBL) rule on January 24, 2017. CUNA, along with National Association of Federal Credit Unions (NAFCU), filed an amicus brief in support of dismissal.

The NCUA finalized its MBL rule last year, eliminating most requirements not present in the Federal Credit Union Act. The ICBA sued the agency in September, and CUNA filed its amicus brief in support of the rule in November.

ICUL and CUNA strongly support the MBL rule, which became effective Jan. 1.



Governor Rauner issues State of the State Address

The highlight of recent session activity was the Governor's presentation of his annual State of the State Address. In his remarks, Governor Rauner called for bipartisanship and made mention of his administrative accomplishments. He spoke of items on his "Turnaround Agenda" and praised Senate members for their work toward a budget deal.

Reacting to the speech, Speaker Madigan noted that the House will begin vetting proposals to create jobs and help the state's middle class. Leader Lou Lang said that House members will propose a capital bill as well as promoting the Speaker's economic reforms.

Governor Rauner will deliver his annual Budget Address on February 15, 2017.

Budget negotiations continue

Senate discussions continue among members in an effort to reach a budget deal to break the ongoing stalemate. A budget package was put together, however, after receiving opposition and feedback from interested parties, senators continue to work on improving the proposal. ICUL is monitoring budget proposals for any effect on credit unions. To date, no proposal has suggested the taxation of credit unions.

100th General Action Assembly

The Senate returns on February 7 and the House on February 8, just prior to the bill filing deadline of February 10. ICUL is working with the Legislative Reference Bureau to have bill drafts finalized, and bill sponsors will file bills as they are ready.

ICUL plans to re-file measures from last session that did not fully make it through the legislative process. We will work on a coalition basis with other financial institution groups to work toward the passage of bills related to: information sharing with the Federal Home Loan Bank System; a clarification that financial institutions and their employees need not be licensed in order to enroll borrowers in credit insurance policies they market and in connection to which they provide administrative support services (SB 692/ HB 759); an update to add enforcement mechanisms to the legislation passed last year requiring tow companies and repair shops to notify lienholders of the accrual of storage fees; and legislation requiring insurance companies making claim payments to issue claim checks to the repair shop working on the vehicle, or jointly to the vehicle owner and lienholder.

Additionally, ICUL will file a bill to update the definition of "financial institution" in the Municipal Code (SB 734 / HB 777).

We will pursue an amendment to the Illinois Credit Union Act which will be HB 1792 sponsored by Representative Lang. The amendment makes multiple edits to update the Credit Union Act, including:

1. Corporate bond investment authority (§59).
2. Authority to purchase an investment interest in pools of loans, in whole or in part, from other depository institutions (§13 and §59).
3. Reduction of statutory minimum for value of membership share (§2(c)).
4. Compliance Review Committee appointment authority (§34.1(a)).
5. Network credit union language revisions (§64.7) and add CU branding reference to the Act (§42.5).
6. Amending the number of required meetings of the Governor's Advisory Board (§11)
7. Update statutory language relating to bylaw lending limit references (§48 & §53)
8. Authorize member electronic voting (§19 and §20).

We will provide further updates on legislation of interest in our Weekly Government News updates, as well as future LFRs.

Save the Date!

Please plan to join us in Springfield for ICUL's State Legislative Summit on May 9, 2017!



3rd Annual CUPAC Wine Pull & Auction Fundraiser

Thursday, April 6, 2017, 4:00 pm – 6:00 pm

ICUL Convention Exhibit Hall (all convention attendees invited to participate)

Renaissance Schaumburg

Donations of bottles of wine, sponsors, and auction items being accepted. Contact Pat Huffman

2016 Chapter Competition Winners Announced

The 2016 Chapter Competition generated over \$116,500 for CUPAC. Chapters continue to recognize the importance of an on-going successful political action program by making CUPAC fundraising a priority.

The top 3 contributing chapters raised \$63,670 for CUPAC in 2016! Winners of the 2016 Chapter Competition program are:

1st – Burnett	\$22,070.00
2nd – Southern	\$21,600.00
3rd – Doig	\$20,000.00

The “most improved” chapter award was introduced in 2011, and recognizes the chapter that had the highest percentage increase in their fundraising from the prior year (prior year amount must be more than zero). Rockford Chapter of Credit Unions increased fundraising by 323.24%!

These chapters will be honored during the August Chapter Leaders Conference.

Additional Honorable Mentions go to the following chapters for raising \$1,000 or more for CUPAC during 2016:

Bloomington
Central Illinois
Danville Area
Fox Valley
Greater Chicagoland
Greater Decatur
Illinois Quad
Kankakee Valley
Kelly
Northwest Illinois
Rockford
Sangamon
Tri County

A special thank you to all chapters that have coordinated fundraisers and made donations to CUPAC. We know you have many choices when deciding how to donate funds, and we appreciate the fact that you recognize the importance of donating to CUPAC. Please express our gratitude to your board and chapter meeting participants.

New Chapter LFRs/LFR Memberships/Voting Rights

In accordance with CUPAC bylaws, the CUPAC Board of Directors are elected by the chapter Legislative Forum Representatives (LFRs). However, in order for an LFR to be eligible to vote, he or she must be a member of CUPAC and a member of a credit union affiliated with the Illinois Credit Union System. Ballots will be distributed in March. In order for your vote to count, please be sure to renew your [CUPAC membership](http://2017cupacmemberships.whindo.com). **Join and pay online with credit card**
<http://2017cupacmemberships.whindo.com>.

Many chapters elect new officials/ reps in January or February. If your chapter elects a new LFR, please contact Pat Huffman as soon as possible to inform her of the change.

2017 ICUL Dues Invoice includes option for CUPAC Corporate Contribution

State-chartered credit unions now have the opportunity to make their annual corporate donation to CUPAC at the same time ICUL dues are paid. To assist in determining a donation amount, a recommended contribution, based on asset size, was included. Of course, contributions to CUPAC are accepted at any time of year. If your credit union would rather contribute mid-year, CUPAC will send a donation request at that time.

2017 Credit Union and Chapter Forms Requested

Honor Roll: Enrollment forms soliciting membership for the 2017 Honor Roll program have been sent to chapter chairman and all credit unions. [Honor roll credit unions and chapters](#) are those in which the entire board of directors, as well as the CEO, enroll as members of CUPAC. Honor Roll credit unions & chapters will be recognized during the Keynote & Awards Ceremony held in conjunction with the League's annual convention. [Honor roll applications](#) **should be submitted no later than February 17**, to ensure recognition during the Keynote & Awards program.

Chapter Competition & Disbursements to CUPAC: Chapter Chairmen have received a [pledge form](#) for the 2017 CUPAC Chapter Competition program. The form asks chapters to designate a dollar amount it expects to raise for 2017. Chapters are not responsible for pledge amounts not raised; pledges serve as a fundraising goal. **Forms should be returned no later than March 15th.**

The top three contributors will be recognized during the Chapter Leaders' Conference. Additionally, Chapter Chairmen receive a [chapter disbursement to CUPAC form](#). A return of this form allows CUPAC to use funds raised at chapter fundraising events for donation to legislative candidates. Our goal is to have 100% returned. We ask that you help us reach that goal in 2017. These forms are requested each year.

Individual Donations: CUPAC's individual membership program kicked off January 1. Renewals were mailed to all current members of CUPAC. CEOs who are not presently CUPAC members will receive a separate mailing. If you do not receive a mailing, and would like to enroll, please contact Pat Huffman. [Click here for suggested giving levels and donation form](#)

2017 Chapter Legislative Forum Representative (LFR) Dialogue: May 10, 2017

Chapter LFRs (those elected or appointed for 2017), please plan to attend the annual LFR Dialogue session to be held Wednesday morning, May 10, 2017 in Springfield. Invitations will be sent in early 2017.

Upcoming Events

- Feb. 26-March 2, 2017: CUNA GAC, Washington, D.C.
- April 6-8, 2017: ICUL Annual Convention. Schaumburg, IL
- May 8, 2017: CUPAC Spring Golf Outing, Auburn (South of Springfield), IL
- May 9, 2017: ICUL State Legislative Day – Springfield, IL
- June 13, 2017: CUPAC Summer Golf Outing, Bloomingdale, IL
- Sept. 13-14, 2017: Hike-the-Hill, Washington, D.C

For further information about items in this LFR Report, please contact ICUL's Governmental Affairs Staff:
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Contributions are not deductible as charitable contributions for federal income tax purposes. A copy of our report filed with the State Board of Elections is (or will be) available on the Board's official website (www.elections.il.gov) or for purchase from the State Board of Elections in Springfield, Illinois. Contributions are strictly voluntary and will be used for political purposes. You have the right to refuse to contribute without reprisal. The above amounts are suggested giving levels. More or less may be contributed. Contributor will not be favored or disadvantaged by reason of the amount contributed or decision not to contribute. A portion or this entire donation may be forwarded to CULAC, the federal political action committee of the Credit Union National Association.