

LEGISLATIVE REPORT



September 2017

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Federal Update



In-District Meetings

Credit Union Magazine has published the article featuring the importance of in-district visits with federal lawmakers. Here is the article link that has been uploaded to Illinois Credit Union League website and will be shared to our social pages as well: [Click here to read article.](#)

Illinois CUs meet with Sen. Duckworth

Credit unions and Leagues continue to step up during August recess to urge lawmakers to back our industry's priorities. This week, Illinois credit unions met with Democratic Sen. Tammy Duckworth to illustrate the need for regulatory relief and to thank the senator for her support of the credit union tax status. We've turned the focus of our [Campaign for Common-Sense Regulation](#) squarely on the Senate to pass meaningful regulatory relief legislation this fall. Meetings like these are simply crucial to that effort. Thank you to Hal Coxon, corporate consultant, Consumers CU, Gurnee, Ill., Keith Sias, Illinois League SVP of governmental affairs, Illinois League President Tom Kane and everyone who made this meeting happen.



[CHOICE Act \(Nussle, Kane, Meyer discuss reg burden in Ill. Biz Journal\)](#)

Credit union leaders from the national, state, and local stages shared the challenges of the regulatory burden on credit unions in a recent interview with the [Illinois Business Journal](#).

Jim Nussle, CUNA President/CEO; Tom Kane, Illinois Credit Union League President/CEO; and Alan Meyer, CEO of 1st MidAmerica CU, Bethalto, Ill., detailed the effects of the Dodd-Frank Act.

Nussle explained that when Congress passed the Dodd-Frank Act it provided exemption authority, which fell to the Consumer Financial Protection Bureau (CFPB).

"It's \$76 per member and we have 61,000 members," Meyer said. "Do the math. That's \$4.6 million. For the sake of conversation, let's say we agree that 75% of the regulation is needed. If 25% of it doesn't protect or benefit members, there is \$1 million we would save. In credit unions that money goes back to the members."

Nussle said CUNA and America's credit unions have been working with Congress to try to reform Dodd-Frank. Credit unions scored a big victory in June when the House of Representatives passed the CHOICE Act. The legislation includes several provisions that would make it easier for not-for-profit credit unions to more fully serve their members by reducing regulatory burden and balancing the regulatory scheme.

The CHOICE Act now goes to the Senate. Additionally, as noted in the above section, the FSGG Appropriations bill also contains many regulatory relief provisions. "We're not advocating for the complete abolition of the CFPB but one of the key things we're looking is giving the president the ability to remove the head of the CFPB. It is the only agency with a single, unaccountable administrator," Kane said. "They get their money without congressional appropriation because they are allocated a percentage of the Federal Reserve's budget every year, which we would like to change to give Congress control over the CFPB's funding."

Nussle stressed that CUNA is not calling for the elimination of Dodd-Frank. He cited CUNA's [Campaign for Common-Sense Regulation](#), which calls for communicating directly with both members and lawmakers about the regulatory burden and the need for relief. "We believe there should be standards and regulations regarding financial services when people's money is involved," Nussle said.

[CUNA Keeps Working for CU Exemption as HELOC Threshold Finalized](#)

The Consumer Financial Protection Bureau finalized its temporary increase of the reporting threshold for data required under the Home Mortgage Disclosure Act (HMDA). CUNA strongly advocated for the increased threshold, which applies to credit unions and community banks originating 500 or less home equity lines of credit through calendar years 2018 and 2019.

"Today's changes are a direct result of the combined efforts of CUNA, the Leagues and credit unions' strong advocacy. While this is a step in the right direction, CUNA will keep working toward a complete exemption from the HELOC reporting requirement," said CUNA President/CEO Jim Nussle. "An expanded exemption for credit unions makes more sense given there has been no evidence of wrongful conduct and credit union HELOC data would ultimately be inconclusive because of their field of membership requirements."

According to the CFPB, the temporary increase in the threshold will provide time for it to consider whether to permanently adjust the threshold for data collected beginning January 1, 2020.

In addition to finalizing the rule, the bureau issued new [HMDA implementation materials](#), including an executive summary of the changes updates to technical filing instructions.

State Update

Legislators Convene for Special Session Days

Illinois legislators have convened in Springfield over the past several weeks to take action on budgetary items, including school funding reform proposals. Governor Rauner vetoed initial budget bills, but on July 6 his vetoes were overridden, ending the state's budget impasse through

a combination of reductions in spending and an increase in tax rates. During that time, a minor fund sweep of \$176,200 from the Credit Union Fund occurred. ICUL believes that the fund continues to retain a healthy balance and the sweep will not adversely affect overall operations of the credit union division.

Additionally, as part of the budget deal, a rewrite of the Uniform Unclaimed Property Act was passed. ICUL had been providing feedback to interested parties and all stakeholders planned to amend drafts of the bill over the summer months. However, the rewrite was included in the budget package, as it identified additional income for the State as legislators struggled to propose a balanced budget. ICUL continues to work on this issue in hopes that amendatory language will be taken up during the fall veto session.

After much negotiation, the Illinois House passed a historical education funding bill (SB 1947) on Monday, August 28. The compromise will ensure that state schools no longer face an imminent threat of closure due to lack of state funding. The Illinois Senate approved the measure the following day.

Governor Takes Bill Action

In addition to special session days occurring, Governor Rauner has been taking action on bills passed during the spring legislative session. ICUL is happy to report that all of our priority measures have been signed by the Governor and enacted into law:

P.A. 100-0361 (HB 1792): ICUL's initiative to amend the Illinois Credit Union Act will help credit unions more efficiently serve their members, including: the authorization of new investment powers; a reduction in par value of membership share; authorization of electronic member voting; allowing for the use of marketing and brand references to promote credit union services and products; and allowing for greater flexibility in the utilization of the network credit union merger option. (Effective August 25, 2017)

P.A. 100-0311 (SB 1694): This measure passed as a trailer bill to last year's legislation requiring towing company and repair shops duty to notify lienholders when a vehicle is incurring storage fees. The bill adds cross references to the language in the Vehicle Code, as well as making changes to the original language to clarify that the duty to notify exists regardless of whether a lien is enforced. The legislation outlines the procedure for situations involving out of state vehicles as well as providing a 2 day time frame during which inspections of the collateral requested by a lienholder must occur. (Effective November 22, 2017)

P.A. 100-0349 (HB 759): This bill brings clarification that a financial institution and its employees do not need to be licensed in order to perform enrollment and other administrative services to enable individuals to purchase group insurance under the group credit insurance policy from a licensed producer. (Effective August 25, 2017)

P.A. 100-0064 (HB 2514): Under this legislation, credit unions are expressly authorized to disclose confidential supervisory information to a Federal Home Loan Bank to facilitate the underwriting of FHLB loans to credit unions. (Effective August 11, 2017)

P.A. 100-0170 (HB 3282): This measure amends the Data Processing Services for Financial Institutions Act to clarify that financial institution data remains the property of the financial institution, even if it is made available to an independent data processing servicer. (Effective August 18, 2017)

ICUL's Office of General Counsel will be issuing L&T Bulletins to provide credit unions with guidance on legislation impacting credit union operations.

[ICUL participated in National Conference of State Legislators \(NCSL\) Legislative Summit](#)

America's Credit Unions created a strong presence at the recent NCSL Legislative Summit in Boston. Over 5,000 state legislators from throughout the country attended the event (including nearly 50 from Illinois). ICUL participated in several events throughout the conference to raise awareness about credit union issues. [This article](#) from News Now highlights activities from NCSL.

[State Legislative/Regulatory Agenda](#)

The Illinois Credit Union League is beginning to develop our 2018 state legislative and regulatory agenda. Please contact your League Director, Chapter LFR, or [Keith Sias](#) if you have suggestions for next year's proposals.

& Political Advocacy

It has been a busy summer for advocacy activities, including: supporting legislator fundraising events; conducting a golf outing; meeting with federal and state lawmakers; promoting project zip code; encouraging credit unions to register and participate in CUNA's Member Activation Program (MAP); soliciting CUPAC corporate donations; recognizing chapter competition winners at the Chapter Leaders' Conference; and participating in Chapter fundraising/legislator appreciation events.

CU Social Good: During the Chapter Leaders program, ICUL unveiled a new program designed to assist with our advocacy efforts, "CU Social Good." CU Social Good was built on a simple premise: "Get the word of our social impact and CU difference stories out to the public." Telling the story about the real impact credit unions make in their communities, in their states, in the country, and indeed, in the world, benefits not only your credit union – but the entire industry. CU Social Good is a way to collectively tell the stories, share ideas, and take advantage of free marketing opportunities as the stories are shared across social media. Reports can be generated and used as an advocacy tool to provide great awareness on the social impact credit unions have done in a region, state, and throughout the country. For more information, visit [cusocialgood](#).

Corporate fundraising program: As of August 31st, seventy-nine (79) state chartered credit unions donated \$156,855 to CUPAC. [Click here](#) for a list of credit union donations by chapter. The other 114 state chartered credit unions are asked to contribute their fair share. Contact Pat Huffman for additional information on the corporate program or other ways you can contribute to CUPAC.

Project Zip Code: There are 244 affiliated credit unions in Illinois, yet just 86 have run/updated PZC since January 2016. There are 59 credit unions with over 8,000 members of which 54 are current on PZC. The Regional Directors recently participated in a training session on how to install, run and upload PZC. They are available to assist credit unions in running PZC.

MAP (Member Activation Program): MAP gets members engaged in credit union advocacy. Customizable plug-and-play content is provided, credit unions deliver the content to members, and members discover ways to play a role in the future of their credit union.

Thirty Illinois credit unions have registered for the MAP. The credit unions that have gone out to their members report positive response.

Since the launch of the Campaign for Common-Sense Regulation, credit union members nationwide have sent more than 36,000 emails to more than 500 members of Congress. More than 530 credit unions nationwide have enrolled in MAP. If each enrolled credit union asked members to voice their support of credit unions to lawmakers, we could enlist 25 million consumer-members. Imagine the power and influence we could wield with such an advocacy army.

[Hike the Hill, Washington, D.C. – September 13-14](#)

Eighteen Illinois credit union professionals will participate in ICUL's annual Congressional "Hike the Hill" event in Washington, D.C. The purpose is to better acquaint lawmakers, regulators and their staff with credit unions and explain why credit unions should not be caught-up in any legislation or regulation that has the unintentional consequence of negatively impacting credit union members. Credit unions are encouraged to attend this important event. For further information, please contact the Governmental Affairs Department: Keith Sias, Pat Huffman, or Debbie Bindler.

[2018 CUNA GAC – Feb 25-March 1, 2018 – watch for details in mid-September](#)

Registration information for the Illinois delegation to participate in the CUNA Governmental Affairs Conference (GAC) will be distributed in mid-September. Watch your email for details.

[Young Professionals Hike the Hill – September 25-27](#)

CUNA has designed a new two day advocacy training program for young professionals that includes outside speakers, a congressional staff panel, a league presentation, a session on the importance of philanthropy, and Congressional and regulatory updates from CUNA staff. Illinois has one young professional that will be participating in the training, which will be held on September 25-27, 2017 in Washington, D.C. Plans are underway to have a portion of the program livestreamed to the ICUL Naperville office so young professionals unable to travel to DC can participate in a portion of the training.

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.

For further information about items in this LFR Report, please contact ICUL's Governmental Affairs Staff:
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