

LEGISLATIVE REPORT



November 2017

Hot Topics

Federal Issues

- o Victory with repeal of CFPB Arbitration Rule

State Issues

- o Fall Veto Session & 2018 Legislative Initiative Underway

CUPAC & Political Advocacy

- o Credit Union Donations to CUPAC Due (State Charters)
- o Chapter Disbursement Forms needed
- o Webinar Nov. 9 - Member Activation Program (MAP)

Federal Update



CUs see victory as Senate votes to repeal arbitration rule

In a victory for credit unions, the US Senate voted Tuesday, October 24, in favor of a resolution to repeal the Consumer Financial Protection Bureau's arbitration rule under the Congressional Review Act. With the House [approving](#) the resolution of disapproval in July, H.J. Res. 111 will now go to President Donald Trump for his signature, expected in the coming days.

"We're grateful that the Senate, and the House, recognized that the CFPB's arbitration rule did not benefit credit unions members," said CUNA President/CEO Jim Nussle. "This rule ignored the different size and member-ownership structure of credit unions and instead treated them as akin to abusive Wall Street banks. The CFPB's rule encourages credit union members to act against their own best-interest by engaging in costly class action litigation which depletes the resources of the membership as a whole and instead benefits trial lawyers most. This rule was just the latest example of the one-size-fits-all rulemaking coming from the CFPB and thankfully Congress acted to remedy the situation."

The CFPB's rule, [finalized in July](#), would have restricted the use of pre-dispute arbitration clauses. Stopping the rule is a victory for the [Campaign for Common-Sense Regulation](#), launched earlier this year to see common sense regulations enacted.

Housing finance reform hearings

The House Financial Services subcommittee conducted a hearing on housing reform Wednesday, October 25. Credit unions reiterated support for ensuring access to a functioning, well-regulated secondary mortgage market.

ICUL recently participated in an in-district roundtable discussion with Congressman Hultgren and outlined Illinois' credit union concerns about GSE reforms.

While the discussion about GSE is just starting to re-emerge as a viable legislative issue, credit unions used this opportunity to restate our GSE priorities:

- There must be a **neutral third party** in the secondary market, with its sole role as a conduit to the secondary market;
- The secondary market must be **open to lenders of all sizes** on an equitable basis;
- The entities providing secondary market services must be subject to **appropriate regulatory and supervisory oversight** to ensure safety and soundness;
- Credit unions should continue to be afforded the opportunity to provide **mortgage servicing** services to their members in a cost-effective and member service-oriented manner; and
- The transition from the current system to any new housing finance system must be **reasonable and orderly**.

Credit unions also believe a new housing system must:

- Ensure mortgage loans will continue to be made to qualified borrowers even in troubled economic times;
- Include consumer access to products that provide for predictable, affordable mortgage payments to qualified borrowers;
- Apply a reasonable conforming loan limit that adequately take into consideration local real estate costs in higher cost areas; and
- Emphasize consumer education and counseling.

ICUL joins data breach lawsuit against Equifax

The Illinois Credit Union League has [joined](#) the class action lawsuit as a party plaintiff against Equifax, resulting from the data breach announced last month. CUNA [filed its lawsuit](#) Oct. 4, along with several other institutions.

"We are joining CUNA in the fight to hold Equifax accountable for this grievous data breach impacting more than 145 million American consumers," said Tom Kane, President/CEO of the Illinois Credit Union League. "This is the latest of a growing number of high profile data breaches, but it will likely turn out to be the worst because of the type of sensitive information that was exposed. Equifax was unbelievably careless by ignoring warnings to make a simple - but critical - security patch to their software and the negative effects of this breach may be felt by credit unions and their members for years to come."

The Equifax data breach has resulted in hacking accessing information on more than 145 million consumers, as well as payment card data of more than 200,000 consumers.

CUNA filed its lawsuit because credit unions will bear substantial costs in the aftermath of the breach. CUNA has also written to Congress with its concerns, and conducted a webinar for members interested in learning about their legal options.

Input requested for FCC Regarding TCPA

TCPA Petition: It's Time to Submit Comments to the FCC – Comments Due by November 6.

The Illinois Credit Union League and CUNA hope you and your credit union will take the time to file a substantive comment with the Federal Communications Commission (FCC) on how the Telephone Consumer Protection Act (TCPA) has [adversely affected](#) the way you communicate with your member-owners [[Read more here](#)].

Credit unions have been expressing serious concerns over the past few years about ambiguities in how to comply with this severely outdated statute and the FCC's interpretations of it. This has resulted in credit unions being forced to curtail consumer friendly communications and leaves credit unions vulnerable to liability traps, which can put the resources of their membership in jeopardy.

CUNA recently filed a [Petition for Declaratory Ruling](#) with the FCC seeking relief from the onerous compliance complexities associated with the TCPA. In response to the petition, the FCC put it out for public comment.

We would appreciate any support you could provide. We are asking you to provide comments to the FCC by November 6. Please visit [CUNA's Grassroots Action Center](#) to submit your comments. On CUNA's Grassroots Action Center you will find talking points, as well as a portal to submit comments directly to the FCC.

The Illinois Credit Union League will submit a comment letter by October 30. The letter will be available on our web site for credit unions to review and use as they deem appropriate or e-mail joni.senkpeil@icul.com for a copy of the written response.

If you have any questions about this issue, please contact the Illinois Credit Union League Office of General Counsel at 800-942-7124.

NCUA restructuring plans announced

NCUA recently announced a reorganization of its regions that will go into effect January 1, 2019. The Albany and Atlanta regional offices will be closed with all states reporting to the one of three remaining locations in either Tempe, Arizona; Austin, Texas or Alexandria, Virginia. Illinois which is currently assigned to Region IV in Austin will be reassigned to the office in Tempe, led by Regional Director Cherie Freed. For the most part, NCUA field staff will continue to work in their current assigned geographical areas and report to one of the three remaining regions.



Illinois legislators convened in Springfield the week of Oct. 23 for the first week of the fall veto session.

On Monday, ICUL hosted a fundraising reception for Senators Mike Hastings, Bill Cunningham and Emil Jones, as well as Representative Fran Hurley. The event drew a large crowd to ICUL's Springfield office.

ICUL staff participated in meetings on the Revised Uniform Unclaimed Property Act which was passed into law as part of the budget in July. The Act is scheduled to go into effect on January 1, however, several groups are advocating for a delay in the effective date to ensure that affected parties are prepared to comply with the

new law. Additionally, ICUL and other financial institution groups have identified several problematic provisions of the bill that we will seek to address in a trailer bill. A trailer bill to address some points of concern is likely to be considered during the second week of veto session, which runs from November 7-9.

ICUL staff has been working to identify legislative proposals for the Spring 2018 session. We will continue to develop those proposals over the coming months in preparation for the 2018 session.



CUPAC Corporate Campaign Seeking Contributors

CUPAC is asking state-chartered credit unions (federal credit unions are prohibited by law) & business partners to contribute to its annual corporate fundraising campaign. Monies raised will be used to help elect and re-elect legislators sympathetic to our cause.

There are 193 state-chartered credit unions in Illinois. As of October 25, 2017, eighty-five (85) [credit unions have contributed](#). This equates to 44% of credit unions contributing their fair share, benefiting the other 56%. We truly appreciate all donations and hope more credit unions will recognize the importance. Please do your fair share. If your credit union has not yet contributed, please consider the suggested contribution amounts and submit the [CUPAC donation form](#):

Assets	Suggested Contribution	Recognition Level
Over \$500 Million	\$15,000 (or more)	CUPAC Diamond Club
\$100-\$500 Million	\$ 5,000 (or more)	CUPAC Platinum Club
\$50-\$100 Million	\$ 2,500 (or more)	CUPAC Capitol Gold Club
\$20-\$ 50 Million	\$ 750 (or more)	CUPAC Sponsor
\$5-\$20 Million	\$ 250 (or more)	CUPAC Donor
\$0-\$5 Million	\$ 100 (or more)	CUPAC Donor

2018 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 (as indicated above), is 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.

Chapter Competition & Disbursement Forms – 13 MORE NEEDED!

Each year, Chapter Chairmen are asked to sign and return a “Chapter Disbursements to CUPAC” form to allow CUPAC to use funds raised at chapter fundraising events for donations to legislative candidates. The [chapter competition report](#) indicates via an “x” in the Disbursement Form column which chapters have returned the form. If your chapter has not yet returned the form, your assistance in obtaining the signed form is greatly appreciated. If you need another copy [click here](#) or please e-mail Pat Huffman (Pat.Huffman@icul.com).

2018 CUNA GAC – February 25-March 1, 2018

Registration and hotel reservations are now being accepted for the 2018 CUNA Governmental Affairs Conference (GAC) and ICUL related events. [Agenda and registration form available on ICUL website.](#)

Conference Registration Deadline: 1/5/2018

Conference Cancellation Deadline: 1/25/18 (refund, less CUNA's 25% Administration fee. No refund after 1/25)

Hotel Reservation Deadline: 1/10/2018 (or until sold out)

Hotel Cancellation Deadline: 12/15/17 (after this date subject to one night's room & tax)

Small Credit Union Discount: CU assets under \$50 million

Financial Assistance: ICU Foundation Scholarship Deadline 12/8/2017

Illinois once again has a hotel room block at the Grand Hyatt Hotel. If you want to stay in the Illinois group hotel, please [click here for hotel reservations.](#)

The Congressional meetings will be arranged for Wednesday afternoon, February 28. If you plan to participate in the Congressional Office meetings, you are encouraged to plan to stay over Wednesday night (or depart LATE Wednesday evening) in order to allow enough time for participation. The Wednesday afternoon Congressional visits could be scheduled to begin as late as 5:30 pm (congressional schedules are beyond our control).

Project Zip Code (PZC) – Additional participation requested

As of January 1, 2016 just eighty-eight (88) of Illinois' 242 credit unions are actively participating in PZC. All credit unions are asked to participate in this no-cost advocacy tool. Current participating credit unions are reminded to update or run PZC at least yearly using the easy-to-use release version 16 that is available on the PZC website [Install Project Zip Code](#). [PZC quick reference instructions](#) are available.

For PZC to be successful and useful, please participate and update regularly. For details on what information is reported, compliance with Gramm Leach Bliley (the only information uploaded to the website is the membership totals per legislative district and county) and to see if your credit union has run or updated recently, visit the [Project Zip Code](#) website.

Webinar: Motivate Members through MAP (Member Activation Program)

CUNA is hosting a webinar on Thursday, November 9th at 2:00 pm CT to discuss the CUNA Member Activation Program (MAP).

This webinar will discuss:

- How your credit union can utilize MAP to educate your members about the issues affecting credit unions
- Ways members can easily participate in grassroots advocacy efforts
- The current state of the [Campaign for Common-Sense Regulation](#) and the latest events on Capitol Hill

The webinar is free to attend. [Registration is required.](#) [Reserve](#) your spot today!

The [Campaign for Common-Sense Regulation](#) continues to gain momentum and we are entering a critical phase. In order to get meaningful regulatory relief legislation through Congress, we need your voice and those of your members now more than ever.

There is no cost to participate in MAP and it provides an excellent opportunity to educate and engage members. Once signed up for MAP, CUNA will occasionally send the credit union a prepared message for emailing to members. The credit union decides if it will push it out as is, modify it, or decide against distribution. Examples and templates are available from <http://cuna.org/map/>.

Asking your members to write to Congress could steer members toward using the credit union as their Primary Financial Institution. Not only will the Member Activation Program generate additional contacts into Congress, it is likely to generate increased business at your credit union! "4 out of 5 CU members contacted on advocacy agree: 'I am more likely to do a greater share of my personal banking with a credit union.'"

Click on [this link](#) to learn more about launching an education and activation campaign today with your members. Please let Pat Huffman know when you launch your MAP at your credit union.

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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