

LEGISLATIVE REPORT



October 2018

Hot Topics

Federal Issues

- o Credit Union Supported Bills Pass House Financial Services Committee
- o US Senator Warren Files Bill to Subject Credit Unions to CRA

State Issues

- o Fall veto session: November 13-15 and November 27-29
- o Continue to prioritize passage of legislation amending the Revised Uniform Unclaimed Property Act
- o Development of 2019 legislative initiatives underway

CUPAC & Political Advocacy

- o Credit union donations to CUPAC requested
- o Chapter competition and disbursement forms needed
- o 2019 CUNA GAC (March 10-14) Registration information out this month
- o Credit Unions Vote - Get out the Vote

Federal Update



Overview:

Congress continues to be in session prior to the November election. It is anticipated that Congress will enact legislation to keep the government funded through December and January (and avoid a shutdown). ICUL is closely monitoring bills in the House Financial services Committee as well as a negative bill filed by Senator Warren that would subject credit unions to CRA.

Credit Union Supported Bills Pass House Financial Services Committee

The House Financial Services Committee recently passed two CUNA-supported pieces of legislation.

H.R. 5534, Give Useful Information to Define Effective (GUIDE) Compliance Act would require the Bureau of Consumer Financial Protection to standardize the process of providing guidance that can be relied upon by industry (passed by a vote of 38-14).

H.R. 6743, The Information Notification Requirement Act would update Gramm-Leach-Bliley Act (GLBA) notification requirements for credit unions and other financial institutions (passed by a vote of 32-20).

Additionally, we continue to seek members to co-sponsor H.R. 6743 — US Rep. Luetkemeyer's data security legislation.

Community Reinvestment Act (CRA) Bill Filed by US Senator Warren

Senator Elizabeth Warren (D-Massachusetts) introduced the American Housing and Economic Mobility Act that would require credit unions to be examined for compliance under the Community Reinvestment Act (CRA). Credit Union National Association (CUNA) is speaking out against the proposed bill as it would ultimately harm America's credit unions.

Over the past 40 years, Congress has considered whether CRA should apply to credit unions, and consistently maintained the determination that such application is not only unnecessary, but counter-intuitive given the member-owned nature of credit unions.

The argument that CRA should apply to credit unions has been largely driven by Wall Street banks, in an effort to undermine the credit union tax status, and ultimately, eliminate the credit union charter as a form of banking competition. Placing credit unions under CRA would also increase regulatory requirements, causing the National Credit Union Administration to increase its staff and resources for examination.

Credit Unions are encouraged to inform Congress the nature of credit unions who offer traditional retail, consumer-facing financial services – unlike bank holding companies, broker-dealers, investment or private banks who provide funding for high net worth individuals. Credit unions are financial cooperatives that exist solely to provide pooled funds for member-owners.

For more information about the negative impact that imposing CRA on credit unions, please [click here](#). We will keep you up-to-date on the progress of this bill and, if necessary, issue a Legislative Alert.

Tell your story: How CU lending makes a difference

Credit unions are requested to share stories about how their lending activities have made positive differences in the communities they serve. Stories can be submitted to [CUSocialGood.com](https://www.cusocialgood.com)

One of the best lines of defense we have against the CRA bill is to demonstrate credit unions' lending activities in the housing market. Please submit any examples to ICUL's Governmental Affairs Department (and [CU Social Good](https://www.cusocialgood.com)) of mortgage loans that your credit union has made to members that had been turned away by banks.

State Update

Update

Illinois legislators have been in their home districts since session adjourned at the end of May. Many legislators have been actively involved in campaigning as the 2018 General Election draws near. 38 incumbent legislators will not be returning to Springfield, and some have already vacated their office and replacements have been appointed. ICUL staff has been attending a number of political events and meeting new candidates in order to introduce them to issues affecting our industry. ICUL staff will continue to meet potential candidates for constitutional office and legislative positions over the next several months. Additionally, ICUL continues to meet with incumbent legislators in their districts and at credit union chapter events.

The Legislative Committee met on September 4 to begin discussing potential 2019 legislative initiatives. Staff is in the process of researching initiatives and drafting potential legislation for review by the Legislative Committee. Please contact us if you have suggested 2019 legislative initiatives for consideration.

ICUL has met with other financial institution trade groups for a preliminary discussion of potential veto session topics and joint initiatives for 2019. All financial institution trade groups continue to prioritize passage of legislation amending the Revised Uniform Unclaimed Property Act to address concerns raised as financial institutions work to implement the new law. We will meet again with other trade associations to further discuss areas of mutual interest as we get closer to the 2019 session.

Illinois legislators will return to Springfield for fall veto session occurring November 13-15 and November 27-29.



CUPAC Seeking Credit Union Contributions

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 183 state-chartered credit unions in Illinois. As of September 24, only sixty-four (64) credit unions have contributed ([click to see if your credit union has donated](#)). This equates to 34.9% of credit unions contributing their fair share, benefiting the other 65.1%. We truly appreciate all donations and hope more credit unions will recognize the importance. Please do your fair share. [Click for donor levels and additional information](#).

Although federal credit unions are prohibited by law from making contributions to political action committees, their employees and volunteers face no such restrictions. A number of programs are available to assist federally-chartered credit unions to contribute their fair share to CUPAC, including the payroll deduction program. A portion of eligible contributions made to CUPAC are transferred to

the Credit Union Legislative Action Council (the federal PAC) to be used on behalf of federal legislators.

Contact Pat Huffman for additional information on the corporate program or other ways you can contribute to CUPAC.

Chapter Competition & Disbursement Forms – 9 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 as of 9/25/18](#) indicates via an “x” in the Disbursement Form column which chapters have returned the form. Our goal is to have 100% returned. 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).

POLITICAL ADVOCACY

2019 CUNA GAC March 10-14 (later than usual in 2019) – Register and book hotel now

Registration and hotel reservations are now being accepted for the 2019 CUNA Governmental Affairs Conference (GAC) and ICUL related events. [Agenda and registration form available on ICUL website.](#)

Conference Registration Deadline: 1/31/2019

Conference Cancellation Deadline: 1/31/19 (refund, less CUNA’s 25% Administration fee. No refund after 1/31)

Hotel Reservation Deadline: 1/25/19 (or until sold out. Rooms limited)

Hotel Cancellation Deadline: 12/14/18 (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 1/18/2019

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.](#)

Credit Unions Vote!

A [Credit Unions Vote Campaign](#) is underway. Using this free program, credit unions are encouraged to remind their members to vote, verify their registration, locate their polling place and cast an early vote if need be.

As November draws closer, we’re faced with another major election, and another turning point for legislation that impacts credit unions nationwide.

The political environment and legislation that affects credit unions has a direct impact on members. The purpose of this campaign is to reach out to membership and make sure they understand how these elections affect them as part of a credit union community, and to encourage them to make their voice heard by voting this November.

The purpose of this campaign isn't telling people how to vote, it's making sure they understand their stake, both as credit union members and members of this country. Simply by sending your members to creditunionsvote.com, they can make sure they're registered, locate their polling place, and cast their vote early if need be.

Please download the templates, customize them, and distribute them to your members. Both a [short](#) and [long](#) version of the message are available.

The [Credit Unions Vote](#) campaign is part of CUNA's [Member Activation Program](#) (MAP), a program designed for credit unions to get members engaged in credit union advocacy. Through MAP, CUNA provides customizable templates, allowing individual credit unions to deliver the content to members, and members discover ways to play a role in the future of their credit union.

Credit Unions can still notify their members about the need to [Stop Data Breaches](#), but this Get Out the Vote (GOTV) campaign request was made by credit unions that want to remind their members to vote.

Please forward to ICUL a copy of the member correspondence, which is how we know which credit unions are participating and how Illinois is doing compared to other states.

If you have questions or require additional information please don't hesitate to contact [Keith Sias](#) or [Pat Huffman](#).

