

LEGISLATIVE REPORT

July-August 2019

Hot Topics

Federal Issues

- o Pending Key Issues
 - Update on Cannabis Banking
 - Robocalls: FCC Call-Blocking Rule Includes Relief for Legitimate Callers
 - NDAA Legislation
- o August Recess Period - Visit Your Congressional Representatives

State Issues

- o Legislative Update
- o Fall Veto Dates

CUPAC & Political Advocacy

- o Chapter disbursement forms requested
- o Credit union donation to CUPAC requested
- o Hike-the-Hill (Sept. 25 -26). Registration Deadline: August 23, 2019
- o Mark your calendar: 2020 CUNA GAC February 23-27



FEDERAL ADVOCACY

Pending Key Issues

Congress has been very busy with hearings and action on several matters important to credit unions. Here's a list of a few key issues pending in DC:

Update on Cannabis Banking Legislation

As you may know, the Governor recently signed into law legislation making Illinois the 11th state with recreational cannabis. The passage of this bill underscores the need to enact legislation that allows financial institutions to provide banking services to the cannabis industry. To this end, leadership from CUNA, the American Association of Credit Union Leagues (AACUL) and state credit union associations (including ICUL) across the country recently [wrote to Senate Banking Committee leadership](#) to encourage hearings and to discuss safe banking options for legal cannabis-based businesses.

Credit unions support the Secure And Fair Enforcement (SAFE) Banking Act of 2019 (HR 1595) There are over 200 co-sponsors of HR 1595 (including 10 members of the Illinois Congressional delegation) and a vote on HR 1595 could occur before the August recess.

We also support the banking related provisions in the Strengthening the Tenth Amendment Through Entrusting States (STATES) Act (S. 1028) and would generally support other similar measures that this committee may move forward with that would remedy the specific banking issues outlined in the letter. A timetable for Senate action is uncertain at this time.

While CUNA, AACUL and ICUL take no position on the legalization or decriminalization of cannabis, the organizations fully support allowing credit unions to serve those businesses in states where it is legal.

Robocalls: FCC Call-Blocking Rule Includes Relief for Legitimate Callers

The Federal Communications Commission (FCC) recently voted to approve its default call-blocking order, which includes a credit union-supported mechanism for challenging erroneous call blocking. Our concern is that the FCC ruling could lead to credit unions being unable to reach members with important information with members unaware the calls have been blocked.

The ruling approved by the FCC includes a modification that provides for a safety valve that gives callers a mechanism to file complaints with voice carriers over erroneously blocked calls. While this isn't a complete victory, it is a major step in the right direction, and it comes as direct result of our efforts.

More than 1,000 credit union advocates contacted the FCC with letters describing concerns and urging changes to the proposal so that credit unions can continue to communicate and provide members with critical information. Many thanks to our Illinois credit unions that responded to the alert. Your efforts helped make a difference!

Additionally, legislation regarding Robocalls (H.R. 3375) is moving through the US House. ICUL recently wrote to members of the Illinois Congressional delegation that serve on the House Energy and Commerce Committee to express our concerns with the legislation. While ICUL supports efforts to combat illegal robocalls, we have concerns that this bill may be overly broad and could have a potentially negative impact upon a credit union's ability to communicate with its member-owners for legitimate business reasons. For example, many credit union members need and expect calls and texts from their credit union. These communications often contain information about account activity and potential fraud alerts.

Hopefully, our issues will be addressed in the final version of the bill.

NDAAs Legislation

ICUL continues to monitor the NDAA (Defense Appropriation bills) for their impact upon credit unions that provide financial services on military bases. The banking industry is attempting to add language that could jeopardize credit unions' ability to continue to provide services on a rent free basis. Under current law, the Department of Defense (DoD), has the discretionary authority to waive all costs for Defense Credit Union land leases along with administrative fees and logistical costs provided that certain regulatory standards are met. This authority was granted after several years of discussion with DoD and through the enactment of an amendment to the Federal Credit Union Act in 2006. This waiver is only open to Defense Credit Unions when at least 95 percent of the membership served by the allotment of space or the facility built on the leased land is composed of individuals who are, or who were at the time of admission into the credit union, military personnel or federal employees, or members of their families. The banker's amendment could place this existing practice at risk.

Only the Senate version of NDAA contains the problematic language. ICUL will be working with credit unions impacted by this proposal to let our Senators know about the potential negative impact of this provision of NDAA. Action is not expected until sometime in September on NDAA.

August Recess Period: Time to visit your legislators back home!

Congress is scheduled for an in-district work period for the month of August. These work periods provide a great opportunity to: invite your legislator for a credit union tour; visit with the legislator at their district offices; and/or attend town hall meetings. Please contact the Governmental Affairs Department if you'd like assistance with arranging in district meetings during the August work period.

State  Update

STATE ADVOCACY

State Legislative Update

ICUL is pleased to report that our priority legislation has been sent to the Governor for his consideration. ICUL sent letters to the Governor, urging him to sign three measures:

- SB 1813 – ICUL's initiated amendments to the Illinois Credit Union Act. The legislation contains several updates to the Act that will improve the operating environment for credit unions in Illinois. The legislation mandates that IDFPR promulgate rules with regard to director compensation as authorized by the legislation, and ICUL staff will be working with the Department to establish compensation guidelines. The measure passed the Senate unanimously and passed the House on a vote of 88-27. [The House voting record may be viewed here](#). *Please note that some House members inadvertently voted "No" and later changed their vote to a "Yes" vote. For specific inquiries on how your House member voted, please contact Keith Sias (keith.sias@icul.com) or Ashley Sharp (ashley.sharp@icul.com).
- HB 2856 – Mandates implementation of an electronic lien and title system in Illinois by July 1, 2021. This legislation passed both chambers of the General Assembly unanimously.

- SB 1332 – Creates the Illinois Bank On Initiative to recognize and increase the use of Certified Financial Products offered by financial institutions, such as credit unions. “Certified Financial Products” are financial products that meet minimum requirements as established by the Comptroller. The goal of this legislation is to encourage consumers to utilize these certified products and reduce reliance on alternative financial products. This legislation passed both chambers of the General Assembly unanimously.

Additionally, we wrote to the Governor urging him to veto three measures:

- SB 1624 - Amends the Illinois Personal Information Protection Act to add a new Attorney General (AG) reporting requirement for data collectors that are required to notify customers of a breach affecting more than 500 Illinois residents. Our opposition was focused on the fact that while financial institutions will be required to submit reports, merchants as “data users” are exempt from reporting to the AG. The voting record for SB 1624 may be found [here](#).
- HB 2156 - Amends the Consumer Fraud and Deceptive Business Practices Act to provide that it is an unlawful practice to offer to consumers at retail a rebate made on a rebate card that charges dormancy fees or other post-issuance fees charged to the consumer. The voting record for HB 2156 may be found [here](#).
- SB 1636 - Amends the Contractor Prompt Payment Act to prohibit the withholding of a retainage from progress payments or final payments in excess of 10% of the payment prior to completion of 50% of the contract, and 5% thereafter. The voting record for SB 1636 may be found [here](#).

Fall Veto Session Dates

Both chambers of the General Assembly will return to Springfield on October 28-30 and November 12-14 for the fall veto session.



CUPAC

Chapter Competition & Disbursement Forms-4 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).

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 177 state-chartered credit unions in Illinois. As of June 1, [sixty-six \(66\) credit unions have contributed](#). This equates to 37.3% of credit unions contributing their fair share, benefiting the other 62.7%. 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.

POLITICAL ADVOCACY

Project Zip Code

- Ninety-three (93) Illinois credit unions are “active”
- 3,046,963 members matched (93.7% of Illinois credit union’s membership).
- Credit unions will be contacted this summer to request update.

Hike-the-Hill

Illinois’ Washington D.C. Hike-the-Hill is scheduled for Sept. 25-26, 2019. [Details and Registration](#) are available on the ICUL website.

CUNA’s Young Professional Advocacy Training

CUNA is hosting two YP advocacy trainings in the month of September in Washington, D.C. The first will be held on Monday, September 9th and the second on Monday, September 23rd (the same week as Illinois’ annual Hike-the-Hill Sept. 25-26). Information has been sent to all credit unions and is available on [CUNA’s website](#).

Member Activation (Education) Plan (MAP)

ICUL in conjunction with CUNA are asking credit unions to begin educating their members on the credit union difference. To assist in this effort, CUNA has developed the [Member Activation Program \(MAP\)](#). If Illinois can tap into the resource of our 3 million members, our advocacy potential is truly unlimited!

This free program has customizable email templates available on the MAP [website](#). The [Generic Email Template](#) is perfect for credit unions that have never gone out to their members on political issues. You can send this out to your members prior to participating in any of the MAP campaigns if you think it’s necessary. The email explains the merits of MAP, reviews our cooperative model, and informs the member they will start to periodically review emails that are political in nature. Template can be customized to fit individual membership needs.

Other email template topics include: Common-Sense Regulation, Stop the Data Breaches, and Don't Tax My Credit Union. To maximize open rates, analysis suggests that the sender of the email should either be the CEO, or another individual clearly associated with the credit union

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

2020 CUNA GAC – Mark your calendar: Feb 23-27, 2020

Registration and housing information for the 2020 CUNA Governmental Affairs Conference (GAC) will be distributed in the fall. Watch for detailed information. Illinois will once again have a hotel room block (hotel to be determined). If you want to stay in the Illinois group hotel, please use the booking information that will be provided to you from the League.

UPCOMING EVENTS

- Sept. 25-26, 2019: Hike-the-Hill-Washington, D.C
- Feb. 23-27, 2020: CUNA GAC-Washington, D.C



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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