

LEGISLATIVE REPORT



September 2019

Hot Topics

Federal Issues

- o Congressional In-District Meetings
- o CRA Threat Defeated at NCSL
- o Pending Key Issues
 - Cannabis Banking Legislation
 - NDAA (Defense Spending) Bill
 - Data Security

State Issues

- o ICUL Priority Legislation Signed by Governor Pritzker
- o 2020 Legislative Agenda
- o Fall Veto Dates

CUPAC & Political Advocacy

- o Chapter disbursement forms for CUPAC requested
- o Credit union donations to CUPAC requested
- o Member Activation Campaign (MAP) – new messaging
- o Mark your calendar: 2020 CUNA GAC February 23-27



FEDERAL ADVOCACY

Legislator Meetings

ICUL staff and credit unions utilized the Summer work period to visit with multiple state and federal legislators at district office meetings, chapter legislator appreciation events, town hall meetings, community events and roundtables. Visits were conducted with Cong. Foster, Casten, Garcia, and Schakowsky. Please contact the Governmental Affairs Department if you would like to schedule an in-district visit with your local member of Congress.

CRA Threat Defeated At NCSL

A great example of the strength of the CUNA/League advocacy system was demonstrated during an NCSL committee hearing at their recent Legislative Summit. By way of background, NCSL is an organization comprised of lawmakers from throughout the country. The focus of NCSL is to take policy statements on important issues and then forward those statements to Congress and the state legislatures for consideration. ICUL staff (along with CUNA and Advocacy professionals from other Leagues) participates each year in the NCSL Legislative Summit. We worked to defeat a policy statement that would made credit unions subject to CRA.

Legislative Update

As Congress returns from the August work period, ICUL continues to work closely with CUNA in support of our federal legislative agenda. Key bills include:

Cannabis banking legislation: H.R. 1595-SAFE Act

The bill provides a SAFE Harbor for financial institutions to provide banking services to the cannabis industry in states where some form of cannabis has been legalized. There are currently over 200 co-sponsors of H.R. 1595, including 10 Illinois Representatives. A House vote could occur after the August recess. There was a hearing on a companion bill in the US Senate, but no votes are scheduled at this point. ICUL continues to monitor this issue and we will share information as it becomes available that may be beneficial to credit unions as they continue to evaluate whether to serve legal cannabis businesses.

NDAA (Defense spending bill)

ICUL has been working with CUNA and the Defense Credit Union Council to prevent adverse language regarding financial service providers providing services on military bases from being added to the National Defense Authorization bill. We recently sent a letter to the members of the Illinois Congressional delegation expressing our concerns and requesting that the language proposed by the banking industry NOT be included in the final version of the bill. Action may occur by the end of September on this issue.

Data Security

Data security/privacy continues to be a focal point of our federal legislative agenda. As breaches continue to occur, there is heightened interest in Congress to find ways to protect consumers' privacy and reduce the number of data breaches. Credit unions continue to push for all participants in the data information arena to be held to the same strict security standards that are applied to our industry. CUNA recently launched an updated version to the MAP "Stop the Data Breaches" program to augment our efforts to ask Congress to take action on this important issue. The impact of data breaches on credit unions (and their members) will be a key issue discussed during ICUL's upcoming HTH.

State  Update

STATE ADVOCACY

ICUL Priority Legislation Signed by Governor Pritzker

ICUL is pleased to report that in recent weeks, Governor Pritzker has approved of legislation supported by our industry during the spring 2019 legislative session:

SB 1813 contains several updates to the Illinois Credit Union Act, including:

- Section 10.2 (new) Electronic distribution of information satisfies any statutory mailing or disclosure requirement
- Section 15: Adds to existing illustrative list of reasons for which a Board may expel a member and permits the board to delegate expulsion authority to senior management officials
- Section 23: To assist in procuring competent leadership at the Board level, authorizes director remuneration; reasonable compensation limits will be established by rulemaking
- Section 44: Clarifies that in turning over to the State Treasurer member share accounts that are presumed abandoned, the credit union may deduct a dormancy fee and classify and record all or a portion of the deduction as the minimum share amount required to preserve the member's status as a member
- Section 57.1: Clarifies that credit unions may provide correspondent services to other entities in addition to credit unions
- Section 63: Amends the existing credit union merger requirement regarding advance notice of the merging credit union membership meeting to correspond to recently amended membership meeting advance notice requirements for federal credit unions; requires at least 45 calendar days but no more than 90 calendar days prior written notice to the membership of a merging credit union regarding its right to vote on the proposed merger.

SB 1813 was signed by Governor Pritzker and became effective on August 23, 2019. It is now Public Act 101-0567.

HB 2856 mandates that the Illinois Secretary of State implement an Electronic Lien and Title (ELT) system by July 1, 2021. While the state has had the statutory authority to create this system for nearly 20 years, it has not yet been established and this legislation ensures that the electronic system will be implemented in a reasonable timeframe. A statewide ELT system will benefit all parties to a vehicle sale transaction, and ICUL looks forward to working with the Secretary of State on this issue. HB 2856 was signed by Governor Pritzker on August 23, 2019, becoming Public Act 101-0490.

SB 1332 creates the Illinois Bank On Initiative to increase the use of certified financial products and reduce reliance on alternative financial products. The Office of the Comptroller will administer the program, and financial institutions across the State will have the opportunity to submit products and services for certification by the Comptroller. The legislation creates the Illinois Bank On Initiative Commission, and includes representation from the credit union industry. The legislation was signed by Governor Pritzker on August 19, 2019, becoming Public Act 101-0427.

2020 Legislative Agenda

ICUL staff is working with the Legislative Committee to formulate our legislative priorities for 2020. Credit unions are encouraged to submit potential topics for consideration. If you have a suggestion for a leg-

islative initiative in 2020, please contact: Keith Sias (keith.sias@icul.com) or Ashley Sharp (ashley.sharp@icul.com). We will be considering a number of proposals to amend the Illinois Credit Union Act and other areas of state law that would improve the operating environment for credit unions doing business in the state.

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 176 state-chartered credit unions in Illinois. As of September 4, [seventy-one \(71\) have donated \\$164,976](#) to CUPAC's Corporate Campaign. The other 60% have been asked to contribute their fair share. We truly appreciate all donations and hope more credit unions will recognize the importance. [Click for donor levels and additional information.](#)

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

POLITICAL ADVOCACY

Project Zip Code

- Eight (88) Illinois credit unions are "active" (ran or updated since 1/1/18)
- 2,974,016 members matched (91% of Illinois credit unions' membership)
- Credit unions are being asked to update prior to the upcoming Hike-the-Hill.

Hike-the-Hill

Twenty Illinois activists (representing 9 credit unions, the ICUL and FHLB) will be participating in Illinois' Washington D.C. Hike-the-Hill scheduled for Sept. 25-26, 2019. The agenda includes:

- Updates from CUNA's Legislative, Political and Regulatory staff;
- Dialogue with Financial Institution staffers for U.S. Senators Durbin and Duckworth;
- Congressional Office visits; and
- NCUA board and staff meetings

CUNA's Young Professional Advocacy Training

Illinois will be represented at CUNA's YP Advocacy Training on Sept. 23 in Washington, D.C. The participation is possible thanks to a scholarship provided by the FHLB-Chicago. The YP Advocacy Training scholarship also includes participation in the Illinois Hike-the-Hill.

Stop the Data Breaches

ICUL in conjunction with CUNA is asking credit unions to activate their membership to help stop data breaches. [Customizable templates are available](#) (CUNA login required).

We've all been through it. Having your private personal data compromised is frightening. CUNA's latest Member Activation Program (MAP) campaign asks credit unions to make Congress aware that there cannot be data privacy without data security!

Credit unions already know that they bear the costs of these data breaches, so the goal of the campaign is to educate credit union members about the issue in order to have them reach out to their Members of Congress to demand action.

There have also been updates to CUNA's [StopTheDataBreaches.com](#) website, which features updated information on data breaches in the U.S., information on preparing and protecting against data breaches and a link for credit unions members to take action by directly contacting their legislators through e-mail or social media.

To date, forty-one (41) Illinois credit unions have registered for MAP, and three (3) sent a communication to their members in late 2018 or early 2019.

Other email template topics include: Credit Union Difference 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 at the Grand Hyatt Hotel. If you want to stay in the Illinois group hotel, please use the booking information that will be provided to you from the League.

