

# LEGISLATIVE REPORT



September 2020

## Hot Topics

### Federal Issues

- o HAH meetings continue
- o Credit Union Priorities for future relief bills

### State Issues

- o 2020 Legislative and Regulatory Agenda
- o 2020 Spring Session Recap
- o Legislative Initiatives to be Carried Over to 2021
- o Executive Orders
- o Adjournment/Fall Veto Session

### CUPAC & Political Advocacy

- o CUPAC Auction/Wine Pull going online!
- o GAC 2021 – 100% Virtual – Still 100% amazing!

## Federal Update



### Federal Legislative Update:

As part of our ongoing response to the COVID-19 pandemic, our advocacy efforts have been focused on:

- Working closely with CUNA to ensure that credit union concerns are addressed in the stimulus bills;
- Communicating our legislative priorities as well as providing examples of the ways that credit unions continue to serve their members during the pandemic to Members of Congress and their

staffs through virtual Hike at Home meetings and ongoing emails.

- Providing credit unions with legislative updates/analysis of the impact of the stimulus bills upon their ongoing business operations.

Outlined below are the some of ICUL's major advocacy efforts regarding our COVID-19 response:

- Ongoing emails to the Illinois Congressional delegation detailing credit union responses to COVID 19 and legislative priorities;
- Collaboration with AACUL/CUNA on messaging to Congress and policymakers;
- Coordinating with ASI and FHLB to inform policymakers about their legislative issues;
- Coordinating credit union participation in virtual meetings with political officials including: U.S. Senator Durbin, and the entire Illinois Congressional delegation;
- Engaging ICUL's members via Legislative Action Alerts on PPP and other legislative matters.

### **Advocacy will continue to focus on Illinois Members serving on Key Committees**

While no member of the Illinois Congressional delegation is a Committee chair, several members serve on committees of jurisdiction regarding the COVID-19 response bills including:

- House Financial Services: Foster, Casten, Garcia
- House Ways and Means: D. Davis, Schneider, LaHood
- House Appropriations: Quigley, Bustos
- House Small Business Administration: Schneider

These Committees have jurisdiction over much of the COVID related legislation impacting credit unions. As the legislative process evolves regarding future stimulus bills, ICUL will continue our outreach efforts to those members and their staffs serving on these key committees.

### **Advocacy Top Federal Legislative Priorities**

As negotiations are continuing regarding future relief legislation the top legislative priorities for credit unions include:

- PPP streamlined loan forgiveness process (S 4117/ HR 7777) - Congressman Krishnamoorthi recently became the first member of the Illinois delegation to co-sponsor HR 7777. ICUL continues to seek additional co-sponsors from our Congressional delegation.
- TDR/CLF extensions through December 2021.
- Appropriations for CDFI and CDRLF funds.
- Technical correction from CARES to extend payroll tax credit to Federal Credit Unions.
- Keeping language to allow banks rent free access at military bases out of NDAA. Congresswoman Schakowsky recently signed a "Dear Colleague" letter supporting the credit union position on NDAA. ICUL continues to seek support of the letter from other members of our Congressional delegation.



## 2020 Legislative and Regulatory Agenda

ICUL initiated a number of pieces of legislation in the spring 2020 legislative session, with ideas generated through compliance questions and suggestions from credit unions that were approved by the Legislative Committee. These initiatives were formally filed in the beginning of the second year of the 101st General Assembly, but the COVID-19 pandemic halted all actions of the IGA from March 5-May 20. When the IGA reconvened, the session was limited primarily to the budget and COVID related bills. Accordingly, ICUL's legislative agenda has remained "on hold" until November and likely until the next session in 2021. Legislative items proposed for 2020 will be carried over to the 2021 legislative session upon approval by ICUL's Legislative Committee.

## 2020 Spring Session Recap

Legislative measures that ICUL was involved in during the truncated 2020 session include:

### ***Mortgage Foreclosure/Housing Legislation (HB 5574/SB 3066)***

HB 5574 was an initiative of the housing advocates that would have imposed troubling requirements upon mortgage lenders including:

- cancellation of mortgage principal and interest payments during a 180-day moratorium period;
- mortgage foreclosure moratorium and forbearance standards inconsistent or redundant with existing federal law; and
- mandatory loss mitigation options, including forgiveness of forborne PITI payments.

ICUL and its financial industry coalition lobbied strenuously against HB 5574. Our efforts, including an Action Alert sent to credit unions and key legislative leaders, helped in HB 5574 not being called for a vote. HB 5574 is now dead until at least the Veto session in November! *Many thanks to everyone that responded to the Action Alert!*

### ***Illinois Electronic Commerce Security Act (Remote Online Notarization) (SB 2135)***

SB 2135 amends the Illinois Electronic Commerce Security Act to give statutory approval to the notary and witness guidelines provided in Governor JB Pritzker's Executive Order 2020-14, issued March 26, 2020. The Executive Order, together with Secretary of State Guidance, temporarily allows Illinois notaries public to perform remote online notarizations during the COVID-19 pandemic. Notaries may use real-time electronic technologies featuring high quality audio and video communication, to perform those notarizations. The legislation tracks the standards set forth in the Executive Order and Secretary of State guidance and continues in effect until 30 days after the expiration of the Governor's emergency declaration regarding COVID-19. It passed both Chambers on May 23, 2020, and was signed by the Governor on June 12, 2020.

## Legislative Initiatives to be Carried Over to 2021

### ***Illinois Credit Union Act (ICUA) (HB 4887/SB 3346)***

HB 4887/SB 3346 was the League's 2020 initiative amending the ICUA. Among other provisions, it codified the agreement with IDFPR to establish a moratorium on the issuance of regulatory fee credits and assessment of regulatory fee escalations for fiscal years ending June 30, 2020 and June 30, 2021. In light of the brevity of the special session, no final action was taken on HB 4887/SB3346. However, even without legislation, the Department has confirmed it will adhere to the moratorium, while we continue to discuss its regulatory fee methodology in the coming months. We have spoken with the legislative sponsors of the ICUA language and are hopeful that the language will be acted upon in the Fall Veto session. Other provisions in the League's 2020 initiative amending the ICUA will carry over to the session of the General Assembly commencing in January, 2021. Those provisions include: new language pertaining to associate directors; a repeal of the director compensation rulemaking requirement; an increase from 3% to 6% in CUSO loan and investment limits; language clarifying the use of brand references in a merger context; and a requirement that advisory board members of network credit unions sign and adhere to confidentiality agreements.

- ***Amendments to the Revised Uniform Unclaimed Property Act (HB 4813)*** to bring relief to credit unions as holders of unclaimed property;
- ***Amendment to the Illinois Conveyances Act (SB 3417)*** to provide that electronic documents may be utilized with the same force and effect under the Act as traditional paper documents. This change will allow counties to accept electronically executed mortgages;
- ***Amendment to the Personal Information Protection Act (SB 3896)*** to require data users, such as merchants, to submit data breach reports to the Attorney General.
- ***Amendment to the Illinois Use Tax Act (SB 2481)*** ICUL will continue to support efforts by the Illinois Automobile Dealers Association to repeal the \$10,000 cap on trade-in sales tax credit in a vehicle sales transaction.

### **New Legislative Proposals for 2021**

ICUL staff is developing a list of new proposals for 2021 to go to the Legislative Committee for consideration. Among the topics being discussed to amend the Illinois Credit Union Act are: expansion of Section 16 authorizing service to the economically disadvantaged; amending Section 19 to allow for virtual meetings; and clarifying the timeline for audits in Section 34. ICUL staff continues to urge credit unions to submit topics of interest for consideration for the 2021 legislative agenda.

### **Executive Orders**

Throughout the COVID pandemic, ICUL staff has remained engaged in reviewing a myriad of Executive Orders stemming from the crisis. Most notably, ICUL was involved in discussions on E.O. 2020-14

authorizing remote online notarization; E.O. 2020-16 suspending vehicle repossessions; and E.O. 2020-25 suspending service of post judgment remedies. ICUL authored a joint letter with the Illinois Bankers Association, Community Bankers Association of Illinois and Illinois Automobile Dealers Association urging Governor Pritzker to reconsider the moratorium on vehicle repossessions. Shortly thereafter, E.O. 2020-48 was issued, rescinding the previous suspension order and allowing repossessions to resume on August 23, 2020. On September 11, ICUL and other financial institution trade groups submitted a letter to Governor Pritzker's administration, urging them to allow E.O. 2020-25 to expire, which would reinstate the ability of credit unions to utilize traditional post judgment remedies.

## Adjournment/Fall Veto Session

The General Assembly is now adjourned until November 17 for the Fall Veto session. The Veto session is scheduled for November 17 through November 19 and December 1 through December 3. [Click here](#) to view the Top 30 Bill Status Report and check on the status of bills of interest to credit unions. Note: Unless legislative events create a need, the WGN will not be published again until the Fall legislative session in November.



## CUPAC

### 6th Annual CUPAC Wine Pull & Auction Fundraiser-going online!

The items and sponsorships previously donated to the auction/wine pull that was scheduled to be held in conjunction with the ICUL annual convention will be offered in an online event. **Bidding starts at 7 am on Tuesday, Sept. 15 and closes on Friday, September 25 at noon.** Watch your email for bidding reminders. For a sneak peak, [click here](#).

#### Items include:

- 2021 Cardinals tickets – St. Louis
- Autographed sports memorabilia
- Coach Purse & Tote
- 2021 Cubs tickets – Chicago
- Flag flown over U.S. Capitol on 2/26/20 (GAC Hike the Hill day)
- Baskets
- And more

#### Wine Pull:

Lots of 5 bottles of wine

Item pick up date/time will be coordinated with the winners for a mutually agreeable time at the Naperville or ICUL office. Regional directors may be able to coordinate a “relay train” to get items to a more convenient location.

**Personal funds suggested. Federally chartered credit unions are prohibited by law from making any contributions to a political action committee.** Individuals face no tax restrictions. State chartered credit union contributions to CUPAC that exceed \$100 in aggregate during the year will be subject to a federal income tax at the rate of 21% due by April 15 of the following year. Contributions subject to taxation include the net proceeds to CUPAC from golf outing fees paid by the credit union, cash prize donations paid by the credit union and corporate campaign contributions.

### **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.

As of 8/26/2020 [seventy-three \(73\) state chartered credit unions have donated \\$159,051](#) to CUPAC’s Corporate Campaign. The other 97 state chartered credit unions 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**

### **Credit Unions Vote: MAP (Member Activation/Education Plan)**

- Third quarter campaign: [Credit Unions Vote](#)
- Credit unions are asked to email their membership to remind them to vote and provide them the resources so they can cast their ballots safely.
- Members can make sure they’re registered, locate their polling place, and find information on voting early, absentee, or by mail. All details are specific to their state and local jurisdiction and updated with any changes
- It’s simple: just download, customize and distribute one of the templates. Both a [short](#) and [long](#) version of the message is available

### **GAC 2021 – 100% Virtual – Still 100% awesome!**

The CUNA Governmental Affairs Conference (GAC) is the premier event for political impact in the credit union industry.

