

# LEGISLATIVE REPORT



## Winter 2020/2021 LFR

### Hot Topics

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- o NDAA
- o COVID Omnibus Bill

#### State Issues

- o 2021 Legislative and Regulatory Agenda

#### CUPAC & Political Advocacy

- o GAC 2021 – 100% Virtual – Still 100% AMAZING!
- o CUPAC Program Updates
- o Credit Union Trivia Tournament (CUTT) begins this month!

### Federal Update



#### NDAA

As you may recall, a focal point of ICUL's recent Hikes-At-Home and meetings with members of Congress has been on certain provisions of the National Defense Authorization Act (NDAA) as well as extending expiring provisions of the CARES Act. We are pleased to report that many of our concerns have been addressed in the recently enacted NDAA and COVID Relief Omnibus legislation.

The NDAA did not include language we opposed that would have permitted banks to access military bases rent free and it included language we supported to modernize BSA/ALM regulation. NDAA was

vetoed for reasons unrelated to the issues of interest to credit unions. The House and Senate each voted to override the President's veto. CUNA recently published a brief [NDAA blog post](#) , and a more comprehensive update is expected once the bill becomes law.

## **COVID Omnibus Bill**

Here's a quick summary of the provisions of interest to credit unions that were included in the latest COVID relief bill:

### **Extension of Temporary Relief from Troubled Debt Restructuring (TDR)**

Credit unions strongly support Section 541 of Division N which extends the CARES Act's Troubled Debt Restructuring (TDR) provision for one year. This extension safeguards consumers' ability to obtain COVID-related loan modifications by giving credit unions the flexibility not to consider these modifications as troubled debt for supervisory purposes. The TDR extension ensures credit unions can meaningfully and effectively help financially distressed members.

### **Extension of Temporary Relief and Emergency Authorities**

The CARES Act included a much-needed expansion of NCUA's Central Liquidity Facility (CLF). We strongly support Section 540(b) of Division N, which extends these authorities for one year, allowing corporate credit unions to act as agents for natural person credit unions and expanding the CLF's borrowing authority from 12 times the paid in capital to 16 times. These changes make the CLF more accessible to credit unions and expand the amount of liquidity NCUA could provide credit unions. The consequence of not having these provisions in place prior to this crisis is that NCUA had to engage in a membership campaign for the CLF, asking credit unions to contribute capital to the facility at the very time credit unions are most reluctant to give up capital.

### **Paycheck Protection Program**

Illinois credit unions partnered with Congress and the Small Business Administration in offering Paycheck Protection Program (PPP) loans to help small business owners recover from the impact of the pandemic. Illinois credit unions helped local small businesses in facilitating more than 3,200 loans with 80% of the loans under \$50,000. As a portion of the PPP program has transitioned to the loan forgiveness phase, we appreciate Congress' action to simplify the forgiveness process for loans under \$150,000 and allow lenders and small business owners to remain focused on serving their communities rather than jumping through burdensome regulatory hoops. Our outreach efforts on this issue helped to ensure that language was included in the final bill. In addition, we appreciate the additional authorization of \$284 billion in new PPP lending. This funding is much needed but likely insufficient to cover the need of struggling small businesses. We will urge Congress to consider additional PPP funding in 2021.

### **Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs)**

This legislation includes \$9 billion in urgently needed emergency capital investments in CDFIs and MDIs to support lending in low-income and underserved communities. Also included in the bill is \$3 billion in direct emergency funding to the CDFI Fund to respond to the economic damage left in the wake of the COVID-19 pandemic. CDFI and MDI credit unions are eager to leverage these resources to help advance their communities and improve the financial well-being of their members during and after this crisis.

## **Community Development Financial Institutions Fund and Community Development Revolving Loan Fund**

The CDFI Fund and the Community Development Revolving Loan Fund (CDRLF) are important programs that facilitate credit unions improving their members' financial well-being and advancing their communities. In addition to the funds specific to the COVID crisis, the legislation includes \$270 million for the CDFI Fund and \$1.5 million for the CDRLF. We strongly support this appropriation.

Please watch for a more detailed analysis of these and other provisions of the bill in the near future.

Thank you again for your ongoing support of ICUL's Advocacy programs. Your efforts helped bring our legislative agenda to fruition! We look forward to pursuing our credit union legislative and regulatory agenda when the new session of Congress convenes in January. In the interim, please feel free to contact ICUL's Governmental Affairs team for additional information.

State



Update

### **2021 Legislative and Regulatory Agenda**

ICUL'S Legislative Committee has approved carrying over the 2020 legislative agenda to 2021, due to the truncated 2020 legislative session. Additionally, the Committee voted to approve new topics to be incorporated into legislation amending the Credit Union Act.

#### **Illinois Credit Union Act (ICUA)**

In 2020, HB 4887/SB 3346 contained the League's initiative amending the Illinois Credit Union Act. Carry over 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. New provisions being introduced in 2021 include: expanding 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.

- **Amendments to the Revised Uniform Unclaimed Property Act** to bring relief to credit unions as holders of unclaimed property, specifically clarifying the abandonment period for time deposits and modernizing the consolidated statement rule;
- **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.
- ICUL will also be involved in conversations related to the statutory authorization for remote online notarization.

Legislation will be formally filed in coming weeks, and ICUL will communicate bill numbers for these pieces of legislation at that time.

## Legislative Calendar

The General Assembly will return to Springfield for “lame duck” session days beginning January 8, prior to the new members being sworn in on January 13. The 2021 [Illinois Senate Calendar](#) is now available, although session days may be modified due to the COVID pandemic. The House has yet to formally release a calendar for the 102nd General Assembly.



## Political Advocacy

### 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.

On March 2-4, 2021, the CUNA GAC will migrate to a premium interactive virtual platform, bringing together credit unions, leagues, thought leaders and policymakers for a dynamic online experience that recreates many of the features veteran GAC attendees have come to expect and love.

It is imperative the new Congress and administration understand the credit union difference.

The virtual GAC provides a great opportunity for those who have been unable to attend prior GACs, due to time or money constraints.

Previous GAC attendees will find the same quality programming, including:

- World-class speakers from business and politics (names to be announced soon!)
- Hill visits (virtual) with lawmakers – appointments arranged by the Illinois Credit Union League starting March 4.
- Breakout sessions related to: the economy, COVID aid, tax status preservation, regulatory relief and more
- “Exhibit Hall” to learn about credit union solutions
- Network with credit union leaders and businesses from across the country

Cost:

\$445 pp: 1-3 participants

\$295 pp: 4 or more people from same credit union

\$295 pp: credit unions under \$50M in assets

[Register directly with CUNA](#) (no separate ICUL registration for 2021) to join your voice with others from across the country to make your voice heard in Washington. For questions, visit the [FAQ page on the GAC website](#) or contact [Pat Huffman](#).

Scholarships may be available from the [ICU Foundation](#). Contact [Melanie Murphy](#) for details.

## 2021 Chapter Legislative Forum Representatives (LFR)

Chapters appoint or elect LFRs at the start of each year. Please notify [Pat Huffman](#) if your chapter will have a new LFR for 2021.

## Better for Illinois Website

ICUL, in coordination with CUNA, launched the [Better For Illinois](#) website earlier this year. We encourage credit unions to request members upload videos or stories that explain how their financial lives have benefited from services received from their credit union. Legislators are directed to the website to see the difference credit unions can make for their constituents.

## New Legislators

More than 20 new members were elected to serve in the 102nd Illinois General Assembly and 2 new members of Congress were elected.

You are encouraged to contact new (and returning) legislators from your area to provide them with information about your credit union. Educating them early about the benefits credit unions provide and how they serve the community is beneficial as legislation impacting credit unions is considered for a vote. Introducing yourself to the legislator will provide them with a resource as well as personalizing the impact of legislation. Once the new legislators are sworn in on January 13, you can [click here to find contact information for elected officials \(il.gov\)](#).

ICUL staff will also be in contact with these newly elected members to provide information about the credit union industry and the ways their constituents benefit from having credit unions as a financial option.

## Project Zip Code-updated requested before GAC

Visits with legislators continue, even though they are being held virtually. Therefore, it remains important to run or update your credit union's project zip code numbers.

The dire fiscal condition of the state, coupled with less anticipated revenue as a result of the failed graduated income tax proposal, puts the tax-exempt status of credit unions in Illinois at risk. Participating in PZC allows us to demonstrate to General Assembly members the significant impact – in terms of affected constituents – that bad legislative proposals would have on their districts. Please help us retain a powerful, unified voice for the credit union industry by participating in PZC.

There are 210 affiliated credit unions in Illinois. Eighty-five (85) credit unions have run or updated PZC since January 2019. Thank you. All credit unions are encouraged to [run PZC](#). Active credit unions are encouraged to [update](#) at least once a year.

# CUPAC

## Credit Union Trivia Tournament-CUTT

Would you like to have fun and compete for gift cards using the trivia that is stored in your brain or the brains of your friends, family and coworkers? CUPAC and the ICU Foundation are partnering to bring you this new fun event that will also raise funds for the two organizations.

Teams (\$50 per team, for up to 5 members) will compete against other teams in their [chapter's district](#). The top 3 teams from each district will advance to the finale. The 1st and 2nd place teams in the finale will win LSC gift cards. Events start at 6 pm.

District 1: Jan 21

District 2: Jan 28

District 3: Feb 4

Finale: Feb 11

For more details or to register click: [CUTT \(icul.com\)](#)

## 2021 ICUL Dues Invoice includes option for CUPAC Corporate Contribution

State-chartered credit unions 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, is included on the invoice. 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.

**2020 Corporate Donors:** Thank you to the state-chartered credit unions that donated to CUPAC's 2020 annual corporate membership campaign. Monies raised will be used to support legislators sympathetic to credit union issues. [Click here](#) for a list of the 93 credit unions that donated to the 2020 campaign.

## 2021 Credit Union and Chapter Forms Requested

**Honor Roll:** Enrollment forms soliciting membership for the 2021 Honor Roll program are being sent to chapter chairman and all credit unions. [Honor roll credit unions and chapters](#) are those in which the entire board of directors, as well as the CEO, enroll as members of CUPAC. Honor Roll credit unions & chapters will be recognized during the Celebration Luncheon held in conjunction with the League's annual convention scheduled to be held this fall. [Honor roll applications](#) should be submitted no later than May 1, to ensure recognition during the Celebration Luncheon.

It has been a difficult time on many levels, including chapter events. There is hope on the horizon that regular group activities can return soon. It is with this optimism that CUPAC is asking chapters to complete & return the yearly forms for 2021.

**Chapter Competition & Disbursements to CUPAC:** Chapter Chairmen will receive a [pledge form](#) for the 2021 CUPAC Chapter Competition program. The form asks chapters to designate a dollar amount it expects to raise for 2021. Chapters are not responsible for pledge amounts not raised; pledges serve as a fundraising goal. Forms should be returned no later than March 15th. The top three contributors will be recognized during a future event. Additionally, Chapter Chairmen receive a [chapter disbursement to CUPAC form](#). A return of this form allows CUPAC

