

LEGISLATIVE REPORT

February 2021

Hot Topics

Federal Issues

- o Budget Reconciliation/Next Phase of COVID Relief
- o GAC 2021 –
 - Speakers and session topics announced!
 - Congressional Meetings scheduled March 10-17
 - Legislative Issues Briefing for Congressional Meetings – March 4

State Issues

- o 2021 Legislative and Regulatory Agenda
- o Virtual State Legislative Summit (SLS) – April 19, 2021

CUPAC & Political Advocacy

- o CUPAC Program Updates

Federal Update

Budget Reconciliation/Next Phase of COVID Relief

CUNA and ICUL continue to monitor the legislative process as it relates to possible COVID relief measures. Absent a bipartisan agreement on COVID relief measures, budget reconciliation is the likely path towards enacting additional relief measures. In the Senate, reconciliation is not subject to the filibuster and only requires a majority vote rather than a 60 vote supermajority. The House Financial Services Committee and Senate Banking Committee will begin the process of crafting legislation within the parameters of their respective reconciliation instructions. Credit unions will be engaged throughout the process advocating for our COVID related legislative priorities, including: exempting Member Business Loans (MBL) made during and for one year after the pandemic from the MBL cap and increased CDFI funding. Watch for more information in the near future as the budget reconciliation process advances.

GAC 2021: Registration-ICUL Legislative Briefing-Virtual Congressional Meetings

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. An orientation to using the virtual platform will be available prior to the start of the GAC.

Pre-conference sessions will be available Feb. 23-25, including:

- Attendee Orientation-using the virtual platform
- Credit Union Advocacy on Capitol Hill
- Sponsor-led breakout sessions
- Virtual marketplace
- Sponsor roundtable

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](#), including: H.R. McMaster, Soledad O'Brien, Scott Gottlieb, Kevin Carroll and more.
- Virtual meetings with lawmakers being scheduled by the Illinois Credit Union League. Times will vary between March 10-March 17.
- Breakout sessions related to: the economy, COVID aid, tax status preservation, regulatory relief, compliance, real-time payments, DEI, and more
- "Exhibit Hall" to learn about credit union solutions
- Networking 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](#).

Congressional Meetings

Watch for registration information to participate in virtual congressional meetings. The meetings are

being scheduled with Illinois Members of Congress at various times between March 10 and March 17.

Legislative Issues Briefing – Thur. March 4 – 10:00 am

A virtual Illinois legislative issues briefing will be conducted at 10 am on Thursday, March 4 for participants of congressional meetings. Connection information will be provided to registrants prior to the session.



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, as well as prioritizing amendments to other Acts, particularly as a result of action during the lame duck session, which occurred January 8-13.

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 discussed in 2021 include: expanding Section 16 authorizing service to the economically disadvantaged; authorizing quarterly board meetings; amending Section 19 to allow for virtual meetings; and clarifying the timeline for audits in Section 34.

— **Amendments to the Illinois Community Reinvestment Act** following the passage of the state-based CRA during the lame duck session, ICUL's Legislative Committee voted to amend the Act, assuming it receives approval from Governor Pritzker, to remove credit unions as covered financial institutions subject to the Act. ICUL has outlined many concerns with [Article 35 of SB 1608](#) and will work diligently to convey these issues to legislators this spring. In addition to the creation of the new Act, the legislation authorizes the Treasurer's Office to give preference to financial institutions with an outstanding rating under the federal CRA when evaluating where to deposit state money and make investments. Since credit unions do not receive a federal CRA rating, this unfairly disadvantages our industry and we will pursue changes to that provision of SB 1608.

— **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** to require data users, such as merchants, to submit data breach reports to the Attorney General;

— **Amendment to the Illinois Vehicle Code** to extend the statutory deadline for implementation of a statewide Electronic Lien and Title system to July 1, 2022 to account for delays in the Secretary of State’s implementation process;

— 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

Both chambers of the General Assembly have released their spring calendars, although subject to modification due to COVID. The House will return to Springfield on February 10 to vote on House Rules, but has otherwise canceled February session days in person. The Senate has also canceled Springfield session days in February. Members of both chambers will continue to advance discussions on legislative topics virtually during this time.

ICUL to Host Virtual State Legislative Summit

In lieu of our annual State Legislative Summit, ICUL will host a virtual event this year. Please mark your calendars and plan to join us for an update on legislative issues with state legislators and regulators on April 19, 2021! More information will be forthcoming about this event.



POLITICAL ADVOCACY

New Chapter LFRs/LFR Memberships/Voting

In accordance with CUPAC bylaws, the CUPAC Board of Directors are elected by the chapter Legislative Forum Representatives (LFRs). However, in order for an LFR to be eligible to vote, he or she must be a member of CUPAC and a member of a credit union affiliated with the Illinois Credit Union System. Ballots will be distributed in March. In order for your vote to count, please be sure to renew your [CUPAC membership](#). [Pay with check or online with credit card.](#)

Many chapters elect new officials/ reps in January or February. If your chapter elects a new LFR, 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. [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.

All credit unions are encouraged to [run PZC](#). Active credit unions are encouraged to [update](#) at least once a year.

CUPAC

2020 Chapter Competition Winners Announced

Despite 2020 being a difficult year on so many different levels, chapters still raised funds for CUPAC. The 2020 Chapter Competition generated over \$51,000 for CUPAC. The top 3 chapters raised more than \$36,000! Winners of the 2020 Chapter Competition program are:

| | | |
|-----|-----------------|----------|
| 1st | Burnett | \$19,600 |
| 2nd | Southern | \$ 9,000 |
| 3rd | Kankakee Valley | \$ 7,800 |

The “most improved” chapter award recognizes the chapter that had the highest percentage increase in their fundraising from the prior year (prior year amount must be more than zero). The Kelly Chapter increased fundraising by 78.57%!

These chapters will be honored during an upcoming event

Additional Honorable Mentions go to the following chapters for donating \$1,000 or more to CUPAC during 2020:

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|-----------------|
| Boyle |
| Danville Area |
| Greater Decatur |
| Illinois Quad |
| Kelly |
| Rockford |
| Tri County |

A special thank you to all chapters that have coordinated fundraisers and made donations to CUPAC. We know you have many choices when deciding how to donate funds, and we appreciate the fact that you recognize the importance of donating to CUPAC. Please express our gratitude to your board and chapter meeting participants. The complete 2020 CUPAC Chapter Competition report as of 12/31/20 can be viewed on the [Advocacy - CUPAC page of the ICUL website](#).

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 to use funds raised at chapter fundraising events for donation to legislative candidates. Our goal is to have 100% returned. We ask that you help us reach that goal in 2021. These forms are requested each year.

