

LEGISLATIVE REPORT



March 2021 LFR

Hot Topics

Federal Issues

- o American Rescue Act of 2021 (H.R. 1319)
- o PPP Lending Update
- o HR 1471-MBL cap lifted during COVID
- o Data Privacy/Data Security

State Issues

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

CUPAC & Political Advocacy

- o New LFRs
- o Chapter Forms
- o Upcoming Events
 - April 19 – virtual state legislative summit (SLS)
 - Aug. 23 – CUPAC golf outing
 - Sept 22-23 – Hike-the-Hill Washington D.C.

Federal Update



American Rescue Act of 2021 (H.R. 1319)

The House passed The American Rescue Act of 2021 (H.R. 1319) on March 10th and President Joe Biden signed the bill the next day. The legislation will provide Economic Impact Payments of up to \$1,400 per eligible person as part of the \$1.9 trillion bill.

Since the bill has been signed, the Treasury Department will start distributing the third stimulus checks. You may recall that the \$600 second stimulus checks started going out to taxpayers on December 29, 2020, two days after President Trump signed the \$900 billion COVID-19 stimulus package into law.

Credit unions may want to plan for the influx of stimulus payments as the next round of payments are distributed.

Stimulus Payments

- To qualify for the full \$1,400, a single person would need an adjusted gross income of \$75,000 or below (\$112,500 for heads of household, \$150,000 for married couples filing jointly). Adjusted gross income is gross income after adjustments, such as educator expenses, student loan interest, alimony payments or contributions to a retirement account.
- To qualify for a payment, a person must have a Social Security number.
- For single filers, the checks decrease to zero at \$80,000 (\$120,000 for heads of household and \$160,000 for married couples filing jointly). Payments for children completely phase out at these levels as well.
- Dependent payments are also \$1,400 per dependent. There is no age limit for dependents.
- College students whom qualifying taxpayers claim as dependents are eligible (this is new). The payment would go to the taxpayer, not the child.
- Older relatives who are claimed as dependents are also eligible. The payment would go to the taxpayer, not the dependent adult.

Income eligibility will be based on a person's adjusted gross income as it was filed for their 2020 tax return, or their 2019 return if they have yet to file.

Credit union items of interest include:

- Renews the paid and sick leave payroll tax credits in last year's Families First Coronavirus Response Act. The bill specifically makes both state and federally chartered credit unions eligible for the credits;
- Extends unemployment benefits through Labor Day and raises them by \$300 a week; and
- Establishes a \$10 billion Homeowner Assistance Fund to provide a flexible source of federal aid to all state-level Housing Finance Agencies to help people keep up with housing payments and help keep them in their homes.

PPP Lending Update

According to data from the SBA, as of February 1, 2021, 25 Illinois credit unions have participated in the Paycheck Protection Program (PPP) making 4100 loans to small businesses. Loans were made in every Congressional district throughout the state with an average loan amount of \$44,000. Great work by Illinois' credit unions helping their small business members!

HR 1471 - Bill To Lift MBL Cap During COVID

Credit unions strongly support legislation recently introduced by Reps Brad Sherman (D-Calif.) and Brian Fitzpatrick (R-Pa.) that would exempt disaster related loans from the MBL cap during and for up to one year after the declared national emergency. CUNA noted in a recent letter to the House Small Business

Committee that it is estimated that by temporarily removing the MBL cap, this legislation could provide over \$5.5 billion in capital to small and informal business ventures, creating nearly 50,000 jobs over the course of the next year and that additional credit union lending will not impede bank activity. In fact, Small Business Administration research shows that roughly 80% of credit union business loans are loans banks would not make. The need for HR 1471 has been one of several discussion topics during ICUL's post GAC virtual Congressional visits.

Data Privacy/Data Security

ICUL continues to focus on the issue of data privacy/data security during the virtual Congressional visits. Our message to Congress is that a national data security standard is needed that will require all entities that own or use data to have high data security standards similar to the GLBA privacy standards that credit unions adhere to. The need for a strong national data security standard was underscored in the visits with Congressional members by discussing the fraud losses, card replacement costs, and potential reputation risks incurred by credit unions as a result of breaches not caused by credit unions. The issue of data security will be an ongoing discussion topic throughout this session of Congress.

State Update



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. Over 6,900 pieces of legislation have been filed in the 102nd General Assembly and ICUL has identified bills of interest to credit unions. Committee hearings in both chambers have been taking place virtually during the month of March. At the most recent meeting of the Legislative Committee, positions were solidified on bills of interest to credit unions. All of ICUL's priority legislation has been filed, including:

- **Illinois Credit Union Act (ICUA) – HB 3698/SB 1534** containing the League's initiative amending the Illinois Credit Union Act. Carry over provisions from 2020 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 added 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 - HB 3694** following the passage of the state-based CRA during the lame duck session, ICUL's Legislative Committee voted to amend the Act to remove credit unions as covered financial institutions subject to the state level CRA. ICUL has outlined many concerns with Article 35 of SB 1608 and has been working diligently to convey these

issues to legislators. 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 – HB 851** ICUL and other financial institution groups have come to agreement with the State Treasurer's Office on several provisions contained in this legislation 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 2353** to require data users, such as merchants, to submit data breach reports to the Attorney General.
- **Amendment to the Illinois Vehicle Code – HB 2432** 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 to Host Virtual State Legislative Summit

Please mark your calendars and plan to join us for our Virtual State Legislative Summit which will include an update on legislative issues with state legislators and regulators on **April 19, 2021!** [Click here](#) to register for the Virtual SLS.



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.

CUPAC

CUPAC Summer Golf Outing Scheduled (mark your calendar)

Naperville area-Don Edwards Memorial Golf Outing

Monday, August 23, 2021

Bloomington Golf Club, Bloomington

22 miles Northeast of League Office

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 June 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 are requested by March 15th, but accepted at any time. 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.

Individual Donations: CUPAC's individual membership program kicks off January 1. Renewals will be mailed to all current members of CUPAC. CEOs who are not presently CUPAC members will receive a separate mailing. If you do not receive a mailing, and would like to enroll, please contact Pat Huffman. [Click here for suggested giving levels and donation form.](#)

Member Activation Program (MAP)-1Q 2021 Campaign: The Credit Union Difference

The first MAP campaign of 2021 aims to educate members on the credit union difference and the fact that credit unions improve the financial well-being for all.

Credit union **staff** know they are a smarter choice for consumers and small businesses because they are not-for-profit, financial cooperatives. The problem is most credit union members do not know the difference. The purpose of this campaign is to educate credit union members about the credit union difference by informing them that they made a smart choice to protect their and their family's financial future. Through the [Advancing Communities website](#), credit union members can learn how credit unions are creating opportunities for underserved populations, expanding financial services in rural areas, and helping small businesses thrive. Additionally, they can watch first-person testimonials from other credit union members sharing how credit unions have benefitted their lives. Members can also share videos of how their credit union has positively impacted their lives.

This is an ongoing program with multiple email templates you can use to alter and customize to your membership. Credit unions also have the option of the requesting personal stories from members. A number of social media resources are also available to promote through social media platforms. The templates and social media resources have been vetted by the MAP Advisory Board. Examples and templates are available from [the Communities section of CUNA's website](#). There is no cost to participate in MAP and it provides an excellent opportunity to educate and engage members. A well-informed member can be an active member when needed for specific grassroots calls to action.

Upcoming Events

- April 19, 2021: virtual State Legislative Summit (SLS)
- August 23, 2021: CUPAC Summer Golf Outing-Bloomington, IL (contingent upon government restrictions)
- Sept. 22-23, 2021: Hike-the-Hill-Washington, D.C (in person-contingent upon government restrictions)

Thank you for your continued support in these challenging times.

