

LEGISLATIVE REPORT

April 2021

Hot Topics

Federal Issues

- o HB1799-PPP extension signed
- o SAFE Banking Act bill reintroduced
- o April 29th Town Hall meeting with US Senator Tammy Duckworth

State Issues

- o ICUL Priority Legislation
- o Virtual State Legislative Summit (SLS) – April 19, 2021

CUPAC & Political Advocacy

- o Honor Roll Credit Unions and Chapters Requested
- o Upcoming Events
 - April 19 – Virtual State Legislative sSummit (SLS)
 - Aug. 23 – CUPAC golf outing
 - Sept 22-23 – Hike-the-Hill Washington D.C.

Federal Update

HB1799-PPP extension signed into law

President Biden recently signed the bill into law extending the Paycheck Protection Program (PPP) through May 31. The PPP was reauthorized at \$284 billion earlier this year and was scheduled to expire March 31. The bill also gives the Small Business Administration until June 30 to process backlogged PPP loan applications. As of February 1, 2021, Illinois credit unions had made more than 4,100 Paycheck Protection Program loans averaging \$44,000 each to provide meaningful assistance to small businesses throughout Illinois.

SAFE Banking Act bill reintroduced

A group of 30 Senators introduced the Secure and Fair Enforcement (SAFE) Banking Act, a week after the same bipartisan bill was introduced in the House. The bill would provide protections for financial institutions serving legal cannabis businesses. The SAFE Banking Act passed the House in 2019, and CUNA testified before both House and Senate committees in support. Please watch for more information as the SAFE Banking Act moves through the legislative process.

Post GAC virtual Hill visits a great success

Many thanks to all of the credit union activists that participated in ICUL's post GAC virtual Hill visits. 62 people from 27 credit unions joined the virtual visits with all 18 members of the Illinois Congressional delegation-including 14 participating in their first Congressional visits. Our key message points presented during the visits included:

- o Demonstrating the credit union difference
- o Examples of ways credit unions serve members during COVID
- o Update on PPP lending
- o Need for data privacy/data security

You can find a summary of the virtual meetings here ([screen shot social page link?](#))

Mark your calendars for April 29th Town Hall meeting with US Senator Tammy Duckworth

ICUL is pleased to announce an upcoming credit union town hall meeting with US Senator Tammy Duckworth on April 29th at 1pm. [Click here](#) for more information on attending this important town hall meeting!

State  Update

Governor Pritzker Signs Legislative Black Caucus Economic Equity Legislation

On March 23, Governor Pritzker signed legislation initiated by the Legislative Black Caucus aimed at economic access and equity in employment, contracting, lending and banking access in the State. Four bills were signed as part of the package, with two affecting credit unions:

SB 1792 Predatory Loan Prevention Act: The Predatory Loan Prevention Act is intended to reign in predatory lending practices by applying an "all-in" interest rate limit of 36% which is calculated according to the Military APR under the federal Military Lending Act. While this legislation does not directly amend the Illinois Credit Union Act, it does amend the Motor Vehicle Retail Installment Sales Act (MVRISA), Consumer Installment Loan Act, Retail Installment Sales Act, Sales Finance Agency Act, and Payday Loan Reform Act. The interest rate cap

will impact credit unions that purchase retail installment sales contracts from Illinois automobile dealers. ICUL is supportive of legislation (SB 2306) that would change the military calculation of interest to instead rely upon the Truth in Lending calculation.

SB 1608 Illinois Community Reinvestment Act: SB 1608 creates the Illinois Community Reinvestment Act, and includes credit unions as covered financial institutions under the Act. The Act will rely upon federal CRA standards and requires IDFPD to promulgate rules for the examination of covered entities based on assessment factors outlined in the bill. ICUL continues to express concern to legislators about the legislation. As drafted, SB 1608 is problematic for credit unions because of field of membership restrictions as well as other limitations on credit unions that would make compliance more difficult for credit unions as compared to banks. ICUL has initiated legislation (HB 3694) that would exempt credit unions from the Act, but that bill is being held while conversations continue on this topic.

Spring Session Update

March 26 marked the deadline for House bills to be out of committee. Approximately 600 bills moved out of committee in the House. ICUL participated in numerous hearings to represent the interests of Illinois credit unions. We are pleased to report that our priority legislation amending the Credit Union Act passed the House Financial Institutions Committee unanimously and moves to the House floor for consideration. The Senate has extended the committee deadline to April 16.

ICUL Priority Legislation

- **Amendments to the Illinois Credit Union Act (HB 3698 /SB 1534)** - carry over ICUA 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 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. This legislation has passed the House Financial Institutions Committee.
- **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 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. HB 3694 has been assigned to House Executive Committee and is being held while discussions on CRA continue with House and Senate members.
- **Amendments to the Revised Uniform Unclaimed Property Act (HB 851)** will bring relief to credit unions as holders of unclaimed property, specifically clarifying the abandonment period for time deposits and modernizing the consolidated statement rule. This legislation is agreed upon with the State Treasurer's Office and is likely to be combined with other proposed legislation amending RUUPA moving forward.

- **Amendment to the Personal Information Protection Act (SB 2353)** will require data users, such as merchants, to submit data breach reports to the Attorney General. SB 2353 has been assigned to the Senate Judiciary Committee.
- **Amendment to the Illinois Vehicle Code (HB 2432)** extends 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. This legislation passed out of the House Transportation Committee and will head to the House floor for a vote.

Other bills of interest

ICUL has monitored other legislation and has been in communication with legislators expressing concern on a number of bills. We are pleased to report that the following legislation opposed by ICUL has **not** been called for a vote:

HB 3785 requiring notice to consumers when personal information is shared; **HB 89** creating a state bank of Illinois (only a subject matter hearing was held); **HB 3271** prohibiting solicitation by phone to persons over 65 years of age, including encouraging the extension of credit to such individuals; **SB 573** which would allow the Secretary of State to invalidate a lienholder's interest in a vehicle if the lien is undisclosed in a subsequent sale of the vehicle to a purchaser in good faith; **HB 2771** which would have severely limited the ability of a financial institution to recover judgments from debtors; **HB 3910** which created a Consumer Privacy Act containing exemption language for data covered by Gramm Leach Bliley, but not entities subject to GLB; **HB 3216** requiring starter interrupt devices on all vehicles, but prohibiting them for the purpose of securing payment on a vehicle; **SB 2083** which would exclude taxes from the amount upon which an interchange fee may be charged; **HB 3164** creating a wire transfer tax; and **HB 3412** requiring notice of data breach to be sent to the Attorney General's Office within 5 days of the breach. 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.

HB 3131, supported by ICUL, creates the Financial Literacy Task Force and has passed the House Economic Opportunity & Equity Committee.

Join us for ICUL's Virtual State Legislative Summit!

The State Legislative Summit (SLS) serves as a platform to make our united voices heard and promote the powerful credit union cause to the Illinois General Assembly. This year, the virtual SLS will provide updates from regulators, legislators, and ICUL staff pertaining to current regulatory and legislative issues impacting credit unions. [Click Here to view the tentative agenda and REGISTER NOW!](#)

POLITICAL ADVOCACY

Better for Illinois Website

ICUL, in coordination with CUNA, launched the [Better For Illinois](#) website last 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.

Member Activation Program (MAP)- 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.

CUPAC

CUPAC Summer Golf Outing Scheduled (mark your calendar) Naperville area-Don Edwards Memorial Golf Outing

Registration information will be available in the near future on the ICUL website.

Monday, August 23, 2021 Bloomingdale Golf Club, Bloomingdale 22 miles Northeast of League Office	
Registration	8:00 am-8:45 am
Shotgun Start	9:00 am
Dinner	approximately 2:30pm
\$195 Cont. Breakfast/Golf/Dinner <small>(\$10 pp discount: 4 or more players from same credit union)</small>	
\$145 Cont. Breakfast & golf	
\$ 65 Dinner only	

Honor Roll - 2021 Credit Union and Chapter

Enrollment forms soliciting membership for the 2021 Honor Roll program were 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. It's not too late to enroll and be recognized.

The number of Honor Roll chapters and credit unions are trailing behind the 2019 level:

	2019	2021 (as of 3/31/21)
Honor Roll Credit Unions	21	5
Honor Roll Chapters	11	3

Congratulations and thanks are extended to the credit unions and chapters listed below that have earned Honor Roll status so far in 2021:

2021 Honor Roll Credit Unions (as of 3/31/2021)

CEFCU
Cooperative Choice Network Credit Union
Decatur Earthmover Credit Union
DuPage Credit Union
Midwest Members Credit Union

Honor Roll Chapters (as of 3/31/2021)

George G. Burnett
Quincy
Tri-County

