

# LEGISLATIVE REPORT

June 2021

## Hot Topics

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- o Federal CRA Legislation SB 1368/HR 2768

### State Issues

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- o Fall Veto Session

### CUPAC & Political Advocacy

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- o Hike-the-Hill tentatively scheduled - Sept. 22-23, 2021 (If Congress is open for visitors)
- o 2021 CUPAC Corporate Donations Requested
- o 2021 CUPAC Honor Roll Members
- o CUPAC Summer Golf Outing: Monday, August 23
  - Bloomingdale (Northeast of Naperville)

## Federal Update

### CUNA Communication to Congress

Congress continues to be very active with hearings on issues of interest to credit unions and potential votes possible in June on key issues. To that end, CUNA recently sent a comprehensive [letter](#) prior to a House Financial Services Committee hearing that outlined the priorities/concerns of credit unions for the current session of Congress. Among the items discussed included:

- The Expanding Financial Access for Underserved Communities Act which would:
  - o Allow all federal credit unions to add underserved areas to their field of membership.
  - o Exempt business loans made by credit unions to businesses in low-income areas from the credit union member business lending cap.
  - o Expand the definition of low-income credit union to include any area that is more than 10 miles from the nearest branch of a financial institution.

- A resolution (H.J. Res. 35) to repeal the Office of the Comptroller of the Currency's "true lender" proposal. The Senate recently voted to repeal the proposal.
- The Central Liquidity Facility Enhancement Act, which would make permanent the pandemic related flexibility granted to NCUA's Central Liquidity Facility. This includes expanded borrowing authority to 16 times the paid in capital (up from the pre-pandemic 12 times).

CUNA also called on Congress to consider additional changes to the Federal Credit Union Act, including charter enhancement legislation that would:

- Eliminate outdated restrictions on lending maturity limits which would raise federal credit union loan maturity limits on non-mortgage loans from 15 to 20 years.
- Permit credit unions to establish their own fiscal year.
- Enhance flexibility of federal credit unions to schedule board meetings.
- Remove outdated responsibilities of boards of directors.
- Eliminate the requirement to file certain information regarding loan officers.
- Ensure credit unions the ability to better protect members and employees contained in the Credit Union Governance Modernization Act, authored by Reps. Tom Emmer (R-Minn.) and Ed Perlmutter (D-Colo.)

Watch for potential floor action on these issues throughout the upcoming June/July sessions of Congress. Additionally, certain provisions of the National Defense Authorization Act (NDAA) as well as extending expiring provisions of the CARES Act will be monitored throughout this session of Congress.

### **Federal CRA Legislation SB 1368/HR 2768**

Senator Warren/Rep. Cleaver's bills recognize that credit unions should not be subject to the same CRA requirements applied to banks and other non-bank mortgage originators due to their inherent structure, statutory restrictions, and history of providing access to financial products and services to underserved communities. A bill that fairly recognizes those distinctions would not extend the Community Reinvestment Act to apply to credit unions.

The proposal parallels obligations already imposed on multiple common bond federal credit unions in that it requires the creation of a "significant unmet needs" narrative by the credit union and empowers the NCUA to require periodic service status reporting about the underserved area to "to ensure that the needs of the community are being met."

The discussions around updates to the federal CRA law will be an important point of reference as the Illinois CRA rulemaking and implementation advance in the coming months.



### **2021 Session Wrap-Up**

The Illinois House adjourned the spring session just after 3:00 am on Tuesday, June 1, 2021 after convening for several days, and the Illinois Senate continued to take up legislation into the day on June 1. Illinois credit unions fared well in the spring session, despite being faced with a new state based

Community Reinvestment Act as a result of the lame duck session prior to the 102nd General Assembly convening. ICUL's priority legislation included:

- **Amendments to the Illinois Credit Union Act (HB 3698) passed both chambers of the General Assembly unanimously and will be sent to the Governor for his consideration** - Carry over ICUA provisions from 2020 include: new language pertaining to duties and responsibilities of 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 incorporated into the bill for 2021 include: expanding Sections 51 and 59 to expand service to the economically disadvantaged through loans to and investments in CDFIs and MDIs; 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 (SB 338) passed both chambers of the General Assembly and will be sent to the Governor for his consideration** - The legislation will bring relief to credit unions as holders of unclaimed property, specifically: SB 338 clarifies (i) when the presumptive period of abandonment begins for automatically renewable time deposits - those forms of property may become abandoned after one initial term and one renewal term, and (ii) the reporting and delivery of automatically renewable time deposits is extended until such time when no penalty or forfeiture would result from paying the deposit to the administrator; clarifies that activity on one account constitutes activity on all accounts that the owner has at a financial organization; reinstates a visitation standard to ensure that examinations are conducted in a consistent manner when agents of the administrator are authorized to examine banks and credit unions; and clarifies that records obtained during examinations authorized by the Act, by an administrator or an administrator's agent, are subject to confidentiality standards as outlined in the Act.
- **Amendment to the Illinois Vehicle Code (HB 2432) passed both chambers of the General Assembly unanimously and will be sent to the Governor for his consideration**- The bill 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.

#### Other Bills of Interest:

During the spring session, ICUL worked with many other interest groups to bring fair and balanced COVID relief to homeowners and renters. Previous versions of the legislation called for overly broad relief that would have negatively impacted lenders, and ICUL was able to negotiate with interested parties to propose temporary relief for individuals suffering from COVID related hardships. Ultimately, we supported the final version of the legislation, **HB 2877**, which has been signed by Governor Pritzker. ICUL supported **SB 58**, which eliminates that \$10,000 sales tax trade in credit cap and replaces those revenues through a new structure for taxing private vehicle sales. This legislation also reduces the registration fee for trailers, and passed both chambers unanimously. ICUL also supported **SB 2664**, providing permanent authorization for remote online notarization under the Illinois Public Notary Act, which passed both chambers.

ICUL worked with the Treasurer's Office to amend **SB 653**, dealing with the deposit of state monies, to clarify the definition of "financial institution" under the Act. The legislation passed both chambers with our

amendment. We are pleased to report that ICUL has recently moved to a neutral position on SB 700, after a series of negotiations and amendments. The bill expands the list of mandated reporters to include those that perform the duties of investment advisors, and ICUL worked to ensure that financial institution employees are exempt from the scope of the bill. The House adopted our amendment and the legislation has been sent back to the Senate for concurrence. ICUL also worked to amend **HB 2746** which creates a reporting requirement for private educational lenders. It has been amended to include an exemption for lenders who fund less than 10 educational loans per calendar year, to prevent lenders that engage in a small amount of student loan financing from burdensome reporting requirements. This bill has passed both chambers.

ICUL was pleased to support **HR 270** advancing the issue of financial literacy. This Resolution urges the Bank On Commission, established by the Office of the Comptroller, to develop recommendations to improve the financial capacity of students enrolled in Illinois' public colleges and universities. It proposes a task force to study the issue of financial literacy and provide recommendations for further action. The Resolution was adopted by the House.

ICUL opposed several pieces of legislation that would have had a negative impact on credit union operations. We are pleased to report that none of these bills passed the General Assembly this spring.

### Fall Veto Session

The General Assembly is now adjourned until the Fall Veto Session. We are awaiting an announcement regarding the dates for the fall session. [Click here](#) to view the Top 30 Bill Status Report and check on the status of bills of interest to credit unions.



## POLITICAL ADVOCACY

### Project Zip Code (PZC)

- Seventy-five (75) Illinois credit unions are "active" (ran/updated in 2020 or 2021)  
• 31 in 2021; 44 in 2020
- Credit unions are reminded to update or run [PZC](#).

### Hike-the-Hill (D.C.) Tentatively Scheduled

Illinois' Washington D.C. Hike-the-Hill is tentatively scheduled for Sept. 22-23, if congressional offices are open to visitors. Additional information will be available in the near future.

## MAP (Member Activation/Education Program)

The current MAP campaign aims to educate your members about the [credit union difference](#) and the fact that credit unions improve the financial well-being for all. The campaign informs them that they made a smart choice to protect their financial future. to ensure credit union members are aware of the many benefits that come with belonging to a non-profit financial cooperative.

It's simple; just download, customize, and distribute one of the customizable templates. Both [short](#) and [long](#) educational template options are available. You can also send a [short template](#) that asks your members to share their story of how they became a member!

There is also social media graphics and [messages](#) that can be used for a variety of platforms including Facebook, Twitter, Instagram, and LinkedIn.

CUNA's MAP Community also contains [social media graphics](#) and messages that can be used on a variety of platforms, including Facebook, Twitter, LinkedIn, and Instagram.

## Better for Illinois Website

Credit unions are asked to encourage members upload videos or stories to the [Better For Illinois](#) website to explain how their financial lives have benefited from services received from their credit union. If a member is unable, please tell the story from your point of view. Legislators are directed to the website to see the difference credit unions can make for their constituents.

# CUPAC

## Corporate Donation Campaign

State-chartered credit unions (federal credit unions are prohibited by law) are asked to contribute to CUPAC's annual corporate fundraising campaign. In these uncertain times, CUPAC continues to provide support to help elect and re-elect legislators sympathetic to our cause.

There are 165 state-chartered credit unions in Illinois. [As of June 1, sixty-two \(62\) credit unions have contributed.](#) This equates to 38% of credit unions contributing their fair share, benefiting the other 62%. We truly appreciate all donations and hope credit unions will maintain support and continue to recognize the importance of donating to CUPAC. [Click for donor levels and additional information.](#)

**Don Edwards Memorial Golf Outing**  
**Scheduled: Monday, August 23**

Monday, August 23, 2021 Bloomingdale Golf Club, Bloomingdale 22 miles Northeast of League Office	
Registration Shotgun Start Dinner	8:00 am-8:45 am 9:00 am 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	

[Click here for registration and sponsorship information](#)

**Honor Roll - 2021 Credit Union and Chapter**

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.

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.

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

	<b>2019</b>	<b>2021</b> <i>(as of 6/3/21)</i>
Honor Roll Credit Unions	21	15
Honor Roll Chapters	11	8

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 6/3/2021)**

- 2 Rivers Area Credit Union
- CEFCU
- CommonWealth Credit Union
- Consumers Cooperative Credit Union
- Cooperative Choice Network Credit Union
- Corporate America Family Credit Union
- Decatur Earthmover Credit Union
- DuPage Credit Union
- Financial Plus Credit Union
- LinXus Credit Union
- Midwest Members Credit Union
- NuMark Credit Union
- Riverside Community Credit Union
- Scott Credit Union
- University of Illinois Community Credit Union

