(Credit Union Letterhead)

Comment by mail or fax to (217) 557-4451 or email to craig.cellini@illinois.gov

Date

Mr. Craig Cellini

Illinois Department of Financial and Professional Regulation

320 West Washington

3rd Floor

Springfield IL 62786

**Re: Comments regarding IDFPR Rulemaking to implement Illinois CRA**

Dear Mr. Cellini:

[CU Name] welcomes the opportunity to submit comments to the IDFPR in response to its request regarding the proposed rulemaking to implement the Illinois CRA. We hold $ [assets] in assets, are headquartered in [City], Illinois and have [number] branches. [CU Name] has [number] employees, serving [number] members within a compact field of membership, consisting of [field of membership].

[CU Name] understands the intent of the Illinois CRA is to encourage financial institutions to meet the credit needs of all segments of their communities, including low and moderate income neighborhoods and individuals. Credit unions, as not-for-profit, member-owned financial cooperatives and by statute already operate to achieve the purposes of the CRA. Consistent with credit unions’ “people helping people” philosophy, a key part of our mission is serving people of modest means and making a meaningful difference in the financial health of our members.

Furthermore, subjecting credit unions to CRA requirements would require a shift in resources - away from providing people of modest means responsible financial products to sustaining additional compliance demands CRA fulfilment may bring. This would exasperate, rather than benefit, the objectives of increasing access to credit and capital in underserved communities and fail to reach the people the CRA intends to help.

As the Department begins its IL CRA rulemaking process related to Illinois Credit Unions, it should reflect on its comment made in the August 31, 2021 Advanced Notice of Proposed Rulemaking, Credit Union Community Reinvestment section, stating, “the Department recognizes the importance of tailoring the IL CRA to address factors unique to credit unions in the absence of existing guidance.” We ask the Department not only look at the unique nature of all Illinois credit unions it regulates, but also consider the specific attributes of each Illinois credit union as it relates to the size of the credit union, available resources to comply with additional rules, and the limitations on who the credit union may serve as it begins drafting the IL CRA rules applicable to credit unions. For example:

* Due to scale and regulatory restrictions, we are unable to offer a full complement of loan products, such as mortgage loans to members. We propose assessing consumer lending activity to meet the lending test for credit unions without mortgage lending.
* Unlike mortgage bankers and state banks, [CU Name] has a restricted field of membership and prohibited from serving all consumers within a geographical area. As such, we suggest CRA rules be drafted to reflect field of membership restrictions credit unions must observe.
* If [CU Name] were to be publicly rated on its CRA performance with blanket assessment guidelines, we are concerned it could pose significant reputational risks to an otherwise strong credit union, currently playing a vital role in serving its members and community.

Finally, we ask the Department to carefully consider the fee structure that will be used to fund the necessary CRA regulatory examinations. In this current economic environment, credit unions are being negatively impacted by compressed margins. Consequently, an increase in regulatory fees will, undoubtedly, further impact the dollars available for credit unions to continue reinvesting in their communities. A reasonable approach to the fee structure would be to utilize asset size as a guide for fees charged.

We thank you for your consideration of [CU Name] comments and appreciate the opportunity to be part of this important legislation. If you have questions related to our feedback, please do not hesitate to contact me at [Phone or email].

Sincerely,

Name

Title

Credit Union