

A presentation on

Credit Union Advocacy

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*League of Southeastern
Credit Unions & Affiliates*

A little about me...

- Political Affairs Coordinator
- LSCU: 5 years
- CU Land: 7 years
- Michigan native – Tallahassee transplant
- MSU FANATIC!



Advocacy

- Legislative and Regulatory Advocacy
- Grassroots
- Political Action



Legislative and Regulatory Advocacy

- One of the main functions of the Advocacy Department is the day to day lobbying of lawmakers and representing the interests of credit unions before State and Federal regulators.
- The League prepares comment letters on regulations pending before OFR/NCUA/CFPB.
- Visits to the State Capitol and Washington, D.C. are a regular occurrence to ensure that credit unions are being fully represented before the Legislature, Executive Offices, and Congress.
- The State of Florida has a 60-day legislative session that generally runs March to May, with several interim committee weeks prior to the beginning of session.
- During Session, the Advocacy Department, along with our contract lobby team – Capital City Consulting– spends a great deal of time lobbying and educating lawmakers on issues important to credit unions.



2018 Florida Credit Union Priorities

- Financial Literacy
- Public Deposits
- Disposition of Small Accounts
- Data Security
- Predatory Lending



Financial Literacy

- Require a ½ credit of personal finance in order to graduate high school
- Bill filed by Sen. Dorothy Hukill (R – Port Orange) and Rep. Heather Fitzenhagen (R – Fort Meyers) and Rep. Larry Ahern (R-Seminole)



SB 88



HB 323

Public Deposits

- The Federal Credit Union Act (FCUA) authorizes all federally-chartered credit unions to accept public deposits, but Florida law does not grant state governmental entities the authority to deposit funds in either federally-chartered and/or state-chartered credit unions.
- Currently, 33 states have some sort of public deposit authority for credit unions.
- Expanding public deposit authority to credit unions would spur competition and lead to public entities earning more income on their decreasing deposits of public funds.



Public Deposits



SB 1258

Senator Travis Hutson (R- Palm Coast)



HB 769

Rep. Jay Trumbull (R – Panama City)

Disposition of Small Accounts



- Unlike many other states (Alabama, Louisiana, Pennsylvania to name a few), Florida does not have a process for disposition of funds from an account at a financial institution that does not exceed \$10,000 without going through the probate process.
- Proposed legislation lays out the process for doing so including defining the term surviving successor, requirement to produce the death certificate and a sworn affidavit.
- The bill will authorize a financial institution to pay to the surviving successor of a decedent depositor, without going through the probate process if the account does not exceed \$10,000.

Disposition of Small Accounts



SB 892

Sen. Rene Garcia (R – Hialeah)



HB 1241

Rep. Sam Killebrew (R – Winter Haven)

Protect Consumer Data



- Chief Financial Officer Jimmy Patronis and Commissioner of Agriculture Adam Putnam are championing proposed legislation which would allow a data breach victim or a consumer wanting to protect themselves from fraud to freeze their credit report without paying a fee.
- Florida law currently allows credit report agencies to charge a fee of up to \$10 to freeze credit reports, and data breach victims are required to submit paperwork to prove their identity is in jeopardy to avoid paying the fee.

Protect Consumer Data



SB 1302

Sen. Jeff Brandes (R – St. Petersburg)



HB 953

Rep. Shawn Harrison (R – Tampa)

Predatory Lending

- Legislation that would advance efforts to avoid the CFPB payday loan rules by creating an installment payday loan that carries 200% interest on loans up to \$1000 payable over 60 or 90 days has been filed.
- This bill is backed by Amscot and Advanced America.
- LSCU formed a coalition with other stakeholders to oppose this measure.

SB 920
Sen. Rob Bradley
(R – Orange Park)



HB 857
Rep. Jaime Grant
(R – Tampa)



2018 Federal Credit Union Priorities

- Taxation
- Regulatory Relief
- ADA Compliance
- Data Security





Taxation

- America's credit union members thank Congress for persevering the credit union tax status in the recently enacted tax law.
- Through the enactment of this legislation, Congress reaffirmed that the structure and mission drives the tax status and that credit unions are fulfilling their mission.
- As Congress considers corrections to the 2017 law, we urge Congress to maintain credit unions' tax status.





COMMON-SENSE REGULATION™

BROUGHT TO YOU BY AMERICA'S CREDIT UNIONS

Regulatory Relief

- S. 2155 – Economic Growth, Regulatory Relief & Consumer Protection Act
- If this bill becomes law, credit unions and their members will benefit directly in a variety of ways. Credit unions will be able to make the process of getting a mortgage loan simpler and faster. Local communities will have better access to affordable housing as credit unions are able to provide more loans for rental properties. Finally, and most importantly, with less regulatory burden, smaller financial institutions like credit unions can concentrate more on serving their members, rather than spending hours complying with unnecessary regulatory burdens originally intended for Wall Street.



ADA Compliance

- Credit unions across the country have been threatened with predatory litigation from certain plaintiffs' law firms seeking to profit from ambiguities in requirements for website accessibility under the Americans with Disabilities Act (ADA).
- While the ADA is important and necessary for the well-being of those protected by it, plaintiffs' lawyers are exploiting compliance ambiguities to the detriment of all credit union members.
- Asking DOJ to issue a rule so credit unions know what they have to do to comply





Data Security

- Credit unions will continue to pursue legislation that subjects merchants to strong data security and data breach notification requirements
- Continue to work with policymakers to strengthen the cyber infrastructure to protect consumer data from attack.
- Continue to aggressively pursue entities that have allowed consumer data to be exposed in court, like in the Home Depot case and as we are currently doing in the Equifax case.

Grassroots Advocacy

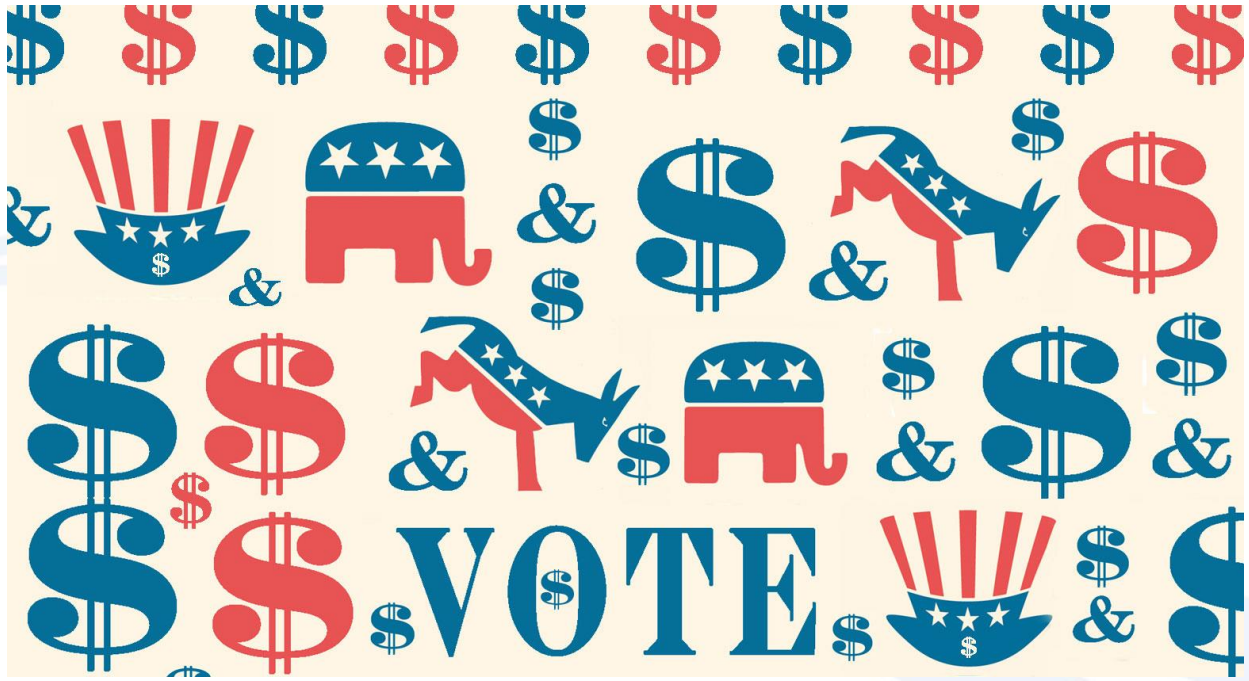


Grassroots

- Events
 - Governmental Affairs Conference
 - Hike the Hill
 - Candidate Meetings
 - Chapter Meet & Greet
- Action Alerts
 - www.LSCUactioncenter.com
- Task Forces
 - Credit Union involvement in issue-based campaigns



Political Action





Political Action Committees

Political Action

What is a PAC?

PACs or Political Action Committees are used by corporations, trade associations, membership organizations, or others to solicit and contribute money to candidates on issues of importance related to their industry.

CUPAC

Florida Credit Union Political Action Committee (CUPAC) is the LSCU's state registered political action committee (PAC). CUPAC makes contributions to candidates for the Florida Legislatures and other statewide elective offices.

- Corporate and individual contributions accepted.

LSCU FedPAC

LSCU FedPAC is a federally registered political action committee. LSCU FedPAC makes contributions to Federal candidates in Florida and Alabama who are credit union friendly

- Only individual contributions accepted.



Pay to Play

Average Price of Admission (2016):

President: \$957.6 Million (Hillary raised 1.4 Billion)

US Senate: \$25 Million

US House: \$1.5 Million

Florida Senate: \$800,000

Florida House: \$200,000



CUs Under Attack



Today, the average American family will pay **\$11,402** in federal income taxes

The \$1 trillion credit union industry will pay **\$0**



aba.com/itsTimetoPay @itsTimetoPay

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CALL TO ACTION - PLEASE EMAIL YOUR LEGISLATOR TODAY!!!!

STOP THE CREDIT UNIONS - DO NOT LET THEM ACCEPT PUBLIC DEPOSITS!!!!

House Bill 669 by Representative Jason Brodeur will be heard in the House Insurance & Banking Subcommittee at **8 a.m. on Wednesday**. The bill permits credit unions to accept public deposits. We need you to click on the link below and let the members of the house Insurance & Banking Committee know that you are **OPPOSED** to HB 669.

This bill will permit credit unions to accept public deposits. We need to work hard to kill this bill. We need you, your officers, and your directors sending these emails today.

When credit unions pay their taxes and have our regulation, then they can compete with banks on an even playing field and accept public deposits.

It does not matter if your bank takes public deposits. Please answer this Call to Action today.

Please click on the following link to send your email:
<http://www.capwiz.com/flbankers/issues/alert/?alertid=59639506>

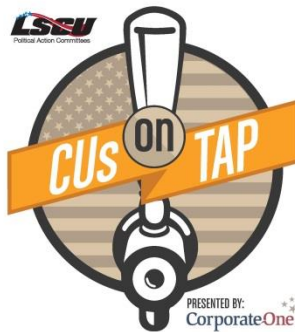
Stop the credit unions from moving into another one of our lines of business with an unfair competitive advantage.

Thanks for your help,
Anthony

Anthony F. DiMarco
EVP of Government Affairs
Florida Bankers Association



PAC Fundraising



Ensure a Bright Future for Credit Unions

- Be a CU Advocate
- Attend Grassroots Events
- Participate in Action Alerts
 - lscuactioncenter.com
- Support LSCU PACs
 - Payroll Deduction
 - Chapter Events
 - Fundraisers
 - Wear your PAC pin



Chairman's Club
\$1000+



President's Club
\$500 - \$999



Capitol Club
\$250 - \$499



Congressional Club
\$100 - \$249



Ambassador Club
\$50 - \$99



Advocate's Club
\$25 - \$49



Thank You!

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*League of Southeastern
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S. 2155 – Economic Growth, Regulatory Relief, & Consumer Protection Act

The Economic Growth, Regulatory Relief, and Consumer Protection Act– S. 2155 contains several provisions that would significantly reduce regulatory burden for community financial institutions like credit unions. These changes would allow credit unions across the country to more fully serve their members' needs, from mortgages to small business loans.

America's Credit Unions Specifically Support

Section 101 - provides relief from some of the requirements of the Qualified Mortgage rule for certain lenders who hold mortgage loans in portfolio. Treating loans held on balance sheets in this manner is especially appropriate for credit unions not only because they retain all of the risk involved with these mortgages and are subject to significant safety and soundness supervision from their prudential regulator, but also because they frequently have unique knowledge of their members' financial circumstances.

Section 104 - includes changes to Home Mortgage Disclosure Act reporting requirements, including raising the threshold for reporting to 500 closed-end and open-end loans in a calendar year.

Section 105 - presents a simple fix, based on consistency and fairness that could significantly reduce constraints and free up billions in capital for economic development. Under current law, when a bank makes a loan for the purchase of a 1-4 unit, non-owner-occupied residential property the loan is classified as a residential real estate loan. On the other hand, credit unions that make such loans are forced to classify such loans as business loans.

Section 108 - addresses long-held concerns about Property Assessed Clean Energy (PACE) loans; namely, that the same consumer protections in place with respect to mortgage lending are nonexistent for PACE loans.

Section 110 - removes the three-day wait period required for the combined TILA/RESPA mortgage disclosure if a creditor extends to a consumer a second offer of credit with a lower annual percentage rate.

Section 303 - is an important step toward improving protection for seniors by providing legal immunity for properly trained financial services employees who disclose concerns about financial exploitation of senior citizens.

Section 501 - requires Treasury to conduct a study on the risks that cyber threats may pose to financial institutions. This is particularly important due to recent data breaches, which cause tremendous disruption and impose significant costs to credit unions.

Why Do America's Credit Unions Support S. 2155?

If this bill becomes law, credit unions and their members will benefit directly in a variety of ways. Credit unions will be able to make the process of getting a mortgage loan simpler and faster. Local communities will have better access to affordable housing as credit unions are able to provide more loans for rental properties. Finally, and most importantly, with less regulatory burden, smaller financial institutions like credit unions can concentrate more on serving their members, rather than spending hours complying with unnecessary regulatory burdens originally intended for Wall Street.