



RHODE ISLAND END OF SESSION 2023

CCUA has an ongoing advocacy effort to address changes to Gov. McKee's Down payment assistance program currently administered by Rhode Island Housing. The current structure undermines the impact and outreach of the "Program" to facilitate down payment assistance for first-time homebuyers.

The "program" precludes financial institutions with similar First-Time Homebuyer programs from accessing the Program's funds because it requires financial institutions to refer first-time homebuyers through RI Housing as the primary lender.

CCUA is advocating for change to the Program to have community financial institutions (credit unions) access these funds for direct lending rather than referral through RI Housing as the only lender. In addition, CCUA is monitoring the Congressional District 1 race and preparing a candidate questionnaire to preempt relationships and position Credit Unions strategically.

Effective late July 2023, CCUA advocated for the successful passage of H. 5684, An Act Relating to Criminal Offenses -- Identity Theft Protection Act Of 2015. Rhode Island credit unions successfully lobbied and maintained a forty-five-day identity theft reporting period as amended for non-state or municipal entities to reduce time constraints.

Rhode Island witnessed a special election for the Congressional District 1 with Gabe Amo winning the field and positioning himself as the next representative of Rhode Island.

Below is a brief overview of the legislation relevant to the Rhode Island Credit Union that was passed, or did not pass, in the 2023 legislative session:

I. Data Breach/Cyber Attack Reporting Requirements

House Bill No. 5684 SUB A as amended

Sponsor: Rep. Terri Cortvriend (Middletown, Portsmouth)

Committee: House Innovation, Internet, & Technology

Result: Passed

H5684, in its initial form, proposed to reduce the reporting deadline for businesses subject to data breaches from 45 days to 15 days following an incident. We submitted written testimony in opposition to this bill based on the significant burden that H5684's 15-day reporting deadline would have imposed on Rhode Island businesses. We suggested that, at a minimum, the bill should be amended to increase

the reporting deadline. The Sub A to H5684 not only increased the reporting deadline requirement but also limited the scope of the bill to only government agencies. H5684 Sub A does not implicate financial institutions and is limited to government agencies.

H5684 Sub A was passed in the House and Senate and signed by the Governor.

Senate Bill No. 425

Sponsor: Sen. Louis DiPalma (Little Compton/Middletown)

Committee: Senate Labor

Result: Did Not Pass

S425 was the companion bill of H5684. Like the initial version of H5684, S425 proposed to reduce the reporting deadline for businesses subject to data breaches from 45 days to 15 days following an incident. We submitted written testimony in opposition to the bill for the same reasons discussed above.

The Senate passed S425, but the House did not vote it out of committee. Instead, the House and Senate passed H5684 Sub A.

II. Sunset Provision in the Statute Governing Mediation Conferences Prior to Mortgage Foreclosures

House Bill No. 5761 SUB A as amended

Sponsor: Rep. Leonela Felix (Pawtucket)

Committee: House Judiciary

Result: Passed

Senate Bill No. 163

Sponsor: Sen. Dawn Euer (Newport/Jamestown)

Committee: Senate Judiciary

Result: Passed

H5761 and S163 were companion bills that removed the sunset provision relative to mediation conferences prior to mortgage foreclosures. These bills removed the July 1, 2023 sunset provision from Section 1 of Chapters 72 and 73 of the 2018 Public Laws.

III. Regulation of Personally Identifiable Information

House Bill No. 5354

Sponsor: Rep. Evan Shanley (Warwick/East Greenwich)

Committee: House Innovation, Internet, & Technology

Result: Did Not Pass

Senate Bill No. 754

Sponsor: Sen. Louis DiPalma (Little Compton/Middletown)

Committee: Senate Commerce

Result: Did Not Pass

H5354 and S754 were companion bills that sought to create the “Rhode Island Data Transparency and Privacy Protection Act,” to regulate the collection, storage, and sale of personally identifiable information by businesses. Both bills contained an express exemption for financial institutions. The bills contained conflicting language, however, which appeared to nullify the financial institution exemption.

We submitted written testimony on behalf of the Credit Union Association to express our opposition to the bills based on the conflicting language and to propose amended language to resolve the conflict with the financial institution exemption.

Both H5354 and S745 were held for further study. Neither bill was amended or brought before the respective committees for a vote.

House Bill No. 5745

Sponsor: Rep. Joseph McNamara (Cranston/Warwick)

Committee: House Innovation, Internet, & Technology

Result: Did Not Pass

H5745 sought to establish the Rhode Island Personal Data and Online Privacy Protection Act, which regulated the collection and sharing of personal data of Rhode Islanders. This bill would have applied to businesses that control or process personal data of 100,000 consumers (other than personal

data controlled or processed for the sole purpose of completing a payment transaction) or 25,000 consumers and derive more than 25% of their gross revenue from the sale of personal data.

Importantly, the bill expressly exempted financial institutions from its scope. Notwithstanding the exemption, we monitored this bill (and any potential amendments) closely throughout the session, especially in light of the conflicting financial institution exemption provisions in H5354 and S754.

IV. Rhode Island Banking Statutes and Home Loan Protection Act

House Bill No. 5533

Sponsor: Rep. Brian Patrick Kennedy (Hopkinton/Westerly)

Committee: House Corporations

Result: Did Not Pass

H5533 included amendments to certain provisions in Rhode Island banking statutes and the Home Loan Protection Act, including additional consumer protections, such as minimum capital requirements and limits on investments, for currency transmitters. The bill was held for further study in March and was never voted upon by the House Corporations Committee.