

Capitol Hill Priority Issues

Credit unions are not-for-profit financial cooperatives that exist to serve members' financial needs. More than 111,260,147 consumers hold accounts at credit unions. As consumers continue to choose credit unions for their financial services, it has become essential for lawmakers to strengthen and enhance the credit union charter and provide a common sense regulatory platform for our operations.

Local credit union legislative priorities for the second session of the 115th Congress are:

Cannabis Banking-SUPPORT

Recently, Senator Warren and Senator Cory Gardner introduced a bill, S. 3032, *Strengthening the Tenth Amendment Through Entrusting States Act*, addressing states' rights relative to marijuana legalization. Credit unions receive requests for such services and have been sought out as a preferred local provider of banking services for such new and growing businesses. Our history illuminates the credit union mission to step in when others step out and serving the needs of marijuana related businesses in our local communities is simply the latest in this chapter. It is important to note the features of the measure of importance to credit unions:

- Does not legalize marijuana nationally but allows each state to determine its legality;
- Reserves a state's independence to make the final decision as to what is appropriate in their state thereby protecting any current or future cannabis-legal state from federal prosecution;
- Recognizes that if states move forward on emerging issues, such as medical marijuana, recreational marijuana, and others, that such activity will be lawfully and legally carried out; and
- Lifts restrictions that prevent credit unions from providing quality banking services to the emerging legal marijuana industry which is currently either without financial services and/or clearly underserved and provides the framework for a safe and sound banking system.

Bank Secrecy Act-SUPPORT

Credit unions support efforts to combat criminal activity in all aspects of the financial system. However, credit unions continue to experience challenges in complying with the Bank Secrecy Act and anti-money laundering rules ("BSA"). Our present focus is on H.R. 6068, the *Counter Terrorism and Illicit Finance Act*, which seeks to:

- Raise the Currency Transaction Report to \$30,000 (up from the current \$10,000) and the Suspicious Activity Report threshold to \$10,000 (up from the current \$5,000);
- Require a formal review of BSA reporting requirements with an eye toward reducing regulatory burdens and ensure the information collected has a "high degree of usefulness" to law enforcement;
- Recognize the growing role of artificial intelligence in BSA compliance;
- Empower the Treasury Department to actively coordinate anti-money laundering policy and examinations; and
- Solidify processes regarding Treasury's Financial Crimes Enforcement Network's No-Action Letters.

Americans with Disabilities Act (ADA)-SUPPORT

Credit unions recognize the extreme sensitivities surrounding the Americans with Disabilities Act ("ADA") and are committed to ensuring access to all products and services to all members. Credit unions have taken costly steps to review their websites in the wake of the news of predatory litigation by certain plaintiffs' law firms seeking to profit from ambiguities in the requirements for website accessibility under the ADA. While the ADA is important and necessary for the well-being of those protected by it, plaintiffs' lawyers have been exploiting compliance ambiguities to the detriment of all credit union members. The most common factor in pending cases filed against credit unions is that the plaintiff is not even a credit union member.

The Association is sensitive not only to raising the ADA but also to the frustration experienced by lack of response and guidance from the Department of Justice (“DOJ”). An alternative approach could be to engage in a regional delegation effort to raise the visibility of this issue with DOJ and request a meeting to discuss direct credit union assistance in the judicial setting. More specifically, the Association believes that the DOJ is authorized to file a Statement of Interest (“Statement”) in pending cases under the ADA. The goal is to encourage the DOJ to file a Statement in at least one case that is pending in each federal district where cases are filed. Such a Statement would clarify to the court that an individual does not have standing to sue a credit union in federal court under Title III of the ADA regarding website accessibility unless the plaintiff is a member of that credit union or eligible to join the credit union. If an individual is not a member or in the field of membership of a credit union, then the plaintiff is not able to show requisite harm to support standing since the individual is not entitled to use that credit union’s services. Such a Statement could provide a very important clarification that would not limit legitimate claims but would help mitigate the number of frivolous challenges against credit unions.

The Association welcomes congressional representation on a working group with local credit unions and other interested parties to evaluate this approach and if feasible, to secure a meeting with DOJ to address it.

Credit Union Tax Status-SUPPORT

Credit union leaders are very pleased that the credit union tax exemption continues to be preserved. As not-for-profit financial cooperatives, credit unions have a value proposition like no other in the financial services landscape.

Meetings with your local credit union representatives always address the member service, products, and community and economic benefits they provide as part of their core mission and this dialogue will continue next week. It is our hope that this discussion continues to assure you that the tax-exempt status is justified and relevant today for consumers. In the interim, credit unions continue to seek your partnership in helping us be vigilant in monitoring any corporate tax developments which may impact credit unions.

If you or your staff have any questions, then please contact the Association at govaff-leg@ccua.org.