

Cooperative Credit Union Association

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Creating Cooperative Power

2022 Federal Legislation of Interest to Credit Unions

Cannabis Banking

The Secure and Fair Enforcement (SAFE) Banking Act would provide protections to financial institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses. The measure provides a safe harbor to accept deposits from, extending credit to, or providing payment services to an individual or business engaged in legal marijuana-related commerce.

H.R. 4521, America COMPETES Act of 2022

The SAFE Banking Act was passed by the House as an amendment to the America COMPETES Act. The COMPETES Act is a \$350 billion bill focused on the United States' competitive posture with China and research and development. The Senate previously passed its version of the legislation, the U.S. Innovation and Competition Act ("USICA"). Differences between the two pieces of legislation could make it difficult to reach a compromise in House and Senate conference committees.

H.R. 1996 and S. 910, SAFE Banking Act

The standalone bills remain pending.

Co-sponsors: Congressmen Auchincloss, Blunt-Rochester, Cicilline, Clark, Kuster, Pressley, McGovern, Pappas, and Trahan; Senators Coons, Markey, Warren

2022 National Defense Authorization Act

The SAFE Banking Act previously passed the House this Congress as part of the fiscal year 2022 National Defense Authorization Act. It was not included in the final package.

H.R. 2311 and S. 1767, Credit Union Governance Modernization

The Credit Union Governance Modernization Act of 2021 amends the Federal Credit Union Act to modernize certain processes regarding expulsion of credit union members for cause, and for other purposes such as nonparticipation. The bill revises the procedure for expelling members from a federal credit union. Specifically, a member may be expelled for cause pursuant to a policy adopted by a majority vote of a quorum of the directors of a credit union. Currently, a member may be expelled by a two-thirds vote of the credit union membership present at a special meeting. The member may request a hearing from the board of directors. After the hearing, the board shall hold a vote on expelling the member. The expelled member may request reinstatement through a two-thirds vote of the members present at a meeting. Member conduct that may be cause for expulsion includes: a material loss to the credit union; a violation of the credit union membership agreement; a substantial disruption to the operations of a credit union; fraud or attempted fraud; and other illegal or inappropriate behavior.

S. 762, Expanding Access to Lending Options

Provides the National Credit Union Administration Board with flexibility to increase federal credit union loan maturities. This legislation would raise federal credit union loan maturity limits on non-mortgage loans from the current 15-year limit to 20 years.

H.R. 3962 and S. 1625, SECURE Notarization Act

Permits remote notarization at the federal level.

Co-sponsors: Congressmen Auchincloss and Blunt-Rochester; Senator Reed

H.R. 4277 and S. 2677, Overdraft Protection

Seeks to require overdraft fees to be reasonable and proportional; limit overdrafts to one per month and six per year; codify the opt-in provisions that the Federal Reserve promulgated, requiring that consumers opt-in to overdraft coverage; prohibit institutions from manipulating the order of transactions to maximize overdraft fees; and add additional disclosures to consumers about overdraft coverage programs.

Co-sponsors: Congressmen Lynch, McGovern, and Cicilline; Senator Warren

H.R. 4590, De Novo Financial Institutions

Requires NCUA and other prudential regulators to conduct a study to assess the challenges by prospective de novo financial institutions and create a plan to increase de novo financial institutions in a way that promotes safety and soundness

Original Sponsor: Congressman Auchincloss

H.R. 5189, Loan Maturity Limits, Small Business Credit, and FHLB Community Financial Institutions

This legislation grants the National Credit Union Administration Board the flexibility to set and increase federal credit union loan maturity limits on non-mortgage loans at 15-years or such longer maturity as the Board may allow by regulation. It also eases commercial lending limits by allowing credit unions to exclude loans under \$100,000, up from the current \$50,000, from the member business lending cap. Finally, the bill expands eligibility to credit unions for membership under the Federal Home Loan Bank Act by amending the definition of “community financial institution” to include credit unions.

H.R. 5911, Financial Institution Employment Opportunities After a Minor Criminal Offense

The Fair Hiring in Banking Act exempts certain individuals convicted of a crime from specified requirements related to employment by insured depository institutions, including credit unions. Currently, the Federal Credit Union Act generally prohibits any person who has been convicted of any criminal offense from employment at a credit union.

Co-sponsor: Congressman Auchincloss

H.R. 2040, Financial Reporting Threshold or Bank Secrecy Act Modernization

Provides relief for financial institutions by increasing the antiquated Currency Transaction Report (CTR) threshold of \$10,000 to an updated \$30,000. The legislation would also increase the dollar amount thresholds for filing Suspicious Activity Reports (SARs) from \$5,000 to \$10,000 for most financial institutions and \$2,000 to \$3,000 for money services businesses.

H.R. 1471, Member Business Loans

Amends the Federal Credit Union Act to include an exception for disaster area member business loans (“MBLs”) made by insured credit unions. The legislation lifts the MBL cap for the duration of the COVID-19 pandemic and for one year following its declared end.

H.R. ____, Field-of-Membership and Underserved Communities (currently in discussion draft form only)

The proposed *Expanding Financial Access for Underserved Communities Act* allows all federal credit unions to add underserved areas to their field of membership. Exempts business loans made by credit unions to businesses in underserved areas from the credit union member business lending cap. Expands the definition of an underserved area to include any area that is more than 10 miles from the nearest branch of a financial institution.

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