

Cooperative Credit Union Association, Inc.
2022 Congressional Advocacy Issues and Talking Points for Members

As the 117th Congress proceeds and in the second year of the Biden Administration, pending bills are seeing increased activity and new legislation continues to be released. The following issues are intended to guide member dialogue now with Capitol Hill. Please refer to the Association's Lawmaker Scorecards for lawmakers' positions on these and other issues.

Help Small Business by Removing the Member Business Loan Cap-two approaches

SUPPORT: REMOVING THE MEMBER BUSINESS LOAN CAP

H.R. 5189, Member Business Loan Expansion Act

H.R.1471, Access to Credit for Small Businesses Impacted by the COVID-19 Crisis Act of 2021

As the pandemic winds down and the economy restarts, small business needs will change from survival to recovery. To prepare, Congress can provide meaningful regulatory relief to credit unions by:

- **Lifting the MBL cap for the duration of the COVID-19 pandemic and one year following its declared end, allowing credit unions to exclude loans made to aid in the recovery from the pandemic.**
- **Allowing credit unions to exclude loans under \$100,000, up from the current \$50,000, from the member business lending cap.**

Improvements to the FCU Act

SUPPORT: MODERNIZATION OF FEDERAL CREDIT UNION LOAN LIMITS

S. 762, Expanding Access to Lending Options Act

H.R. _____, Expanding Financial Access for Underserved Communities Act (in draft form only)

H.R. 2311 and S. 1767, Credit Union Governance Modernization Act of 2021

The financial services landscape is quickly changing, and the Federal Credit Union Act has fallen behind. It is time for modernization. By addressing loan maturity limits and loan caps, field of membership, and expulsion processes in the Federal Credit Union Act, Congress can foster a significant, positive impact for credit union members.

- **Eliminate the current 15-year maturity limit on loans**, which will give student and small business borrowers more affordable loan choices for the short and long term.
- **Allow all federal credit unions to add underserved areas to their field of membership**, exempt business loans made to businesses in underserved areas from the MBL cap, and expand the definition of an underserved area.
- **Modernize the process of expulsion of credit union members for cause and nonparticipation.**

Modernize Bank Secrecy Act (BSA) Thresholds

SUPPORT: INCREASED BSA THRESHOLDS

H.R.2040, Financial Reporting Threshold Modernization Act

All credit unions must comply with the BSA regulations implementing a law passed in 1970. Since then, many redundancies, unnecessary burdens, and opportunities for efficiencies have arisen within the Bank Secrecy Act/Anti-Money Laundering statutory framework. The current reporting thresholds for Currency Transaction Reports is \$10,000, and for Suspicious Activity Reports is \$5,000. Passed into law in 1970, the thresholds have never been adjusted to account for inflation. Congress should pass legislation that **increases the CTR threshold to \$30,000, and the SAR threshold to \$10,000.**

For more information, please contact:

Katherine Butler: (508) 335-6954; kbutler@ccua.org

Mary Ann Clancy: (508) 294-5626; mclancy@ccua.org

Protect Consumer Choice and Sound Credit Union Overdraft Approaches

OPPOSE: ONE-SIZE FITS ALL ELIMINATION OF OVERDRAFT PROGRAMS

H.R. 4277 and S. 2677, Stop Overdraft Profiteering Act of 2021

Credit union members trust their credit unions and without question seek and value overdraft services which are reasonably priced without a predatory motive. Of highest value is the significantly reduced risk of bounced checks and the inconvenience and embarrassment that results to the benefit of members. In addition, the presence of credit unions in this market have added to pricing pressures and helped reduced member costs. Credit union best practices, implemented as early as decades ago, include pricing caps, free transactions, alternative products, and additional direct financial education outreach for highest users to avoid abuse. **Caution is suggested to minimize unintended consequences and sweeping up credit unions as part of any marketplace reset driven by legislative or regulatory action.** Without the safety net of credit unions offering this service, members will obtain it elsewhere outside of the financial services mainstream relying on fringe providers.

Create Safe Banking for Underserved Cannabis Businesses

SUPPORT: LEGAL FRAMEWORK FOR CANNABIS BANKING

H.R. 4521, America COMPETES Act of 2022

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

Credit unions support legislation that corrects the legal framework of banking marijuana-related businesses in order for credit unions to make the most appropriate business decisions to serve their members and their communities.

- **Create a safe harbor for credit unions who accept deposits from, extend credit to, or provide payment services to entities engaged in marijuana-related commerce where such activity is legal.**

CREDIT UNIONS EARN THEIR COOPERATIVE, NOT-FOR-PROFIT, FINANCIAL SERVICES MODEL EVERYDAY

OPPOSE: EFFORTS TO REPEAL OR ALTER THE CREDIT UNION TAX EXEMPTION

Last year, credit unions delivered \$13.3 billion in benefits to consumers. Credit unions deliver financial benefits that are 10 times the federal tax exemptions. Banks received more than \$30 billion in tax breaks and reported record profits for their shareholders.

Delaware: \$26.4 million in member benefits

Massachusetts: \$298.5 million in member benefits

New Hampshire: \$123.3 million in member benefits

Rhode Island: \$52.2 million in member benefits

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