



## **2024 Advocacy Priorities**

The New York Credit Union Association's advocacy agenda for 2024 advances a pro-credit union and pro-consumer agenda while also reflecting the priorities of members and taking into consideration the changing political and financial landscape in New York State.

### **New York State Legislative Priorities**

#### **Public Deposits**

New York is in the minority of states that have not modernized antiquated laws to enumerate credit unions as acceptors of public deposits (municipal deposits and state deposits) despite the clear benefits to municipalities and taxpayers. We continue to fight to give overstretched local governments latitude to act in the best interest of their municipality, receive consistently better returns, keep local funds local, and guarantee community reinvestment, and end the financially draining for-profit monopoly on government deposits.

#### **Protect credit unions from burdensome mandates**

As New York seeks to move beyond the pandemic, New York's credit unions will continue supporting their communities, increase access to financial services, and working to elevate the financial health of their members. Credit unions need flexibility to offer individualized solutions and unhindered by excessive compliance costs or risks. As such, the Association will oppose excessively burdensome, rigid, one-size-fits-all legislation or regulation of credit union products and services, including mortgage offerings. We will oppose any legislation that would prolong foreclosures beyond existing requirements, impose duplicative statutes, disadvantage the state charter, or exceed Government Sponsored Enterprise (GSE) standards.

#### **Data Security**

States around the country, including New York, are considering legislation to establish standards for consumer data protection. Specifically, policymakers are seeking to maximize the ability of consumers to control their data while also protecting collected data. The Association will constructively work to further these goals while opposing any mandates that exceed the existing federal standards to which financial institutions are already subject.

#### **Financial Literacy**

Helping members attain financial wellness has always been a core goal of credit unions. Unfortunately, a lack of financial education has historically stifled financial growth and economic development, disproportionately affecting certain cross-sections of society. The Association will advocate for legislation that increases access to financial education in schools without creating an additional education mandate. Making financial education widely available for all students would help ensure equal access to financial resources for all New Yorkers.

## **Compensation for State Chartered Credit Union Board Members**

Currently, Federally Chartered Credit Unions may compensate a single board officer but are expressly prohibited from paying other directors. Currently, 34 states allow either cash compensation to state chartered credit union board members or insurance benefits. While compensation to credit union directors is dramatically lower than compensation to commercial bank directors, some credit unions see value in paying directors, especially among larger credit unions. The Association will advocate for the introduction and enactment of legislation to allow state-chartered credit unions to offer some type of compensation to one or more board directors.

## **Federal Legislative and Regulatory Priorities**

### **Credit Card Competition Act**

Consumers have come to rely on credit cards to build credit and gain access to funds that otherwise may not be available. Interchange fees cover the cost of fraud detection, credit monitoring, and fraudulent purchase protection benefiting both consumers and merchants. A less secure payment network could therefore raise fraud-related costs for credit unions and banks. The Credit Card Competition Act threatens credit unions' ability to provide important services to their members – including their ability to offer credit cards. The current interchange payment system works to benefit consumers, credit unions, and merchants. CUNA and the Leagues, together with others in the financial services industry, are working together to stop legislation aimed at changing credit interchange and oppose S. 1838/H.R. 3881 and help keep consumers' and businesses' data safe.

### **Cannabis Banking**

New York's financial institutions still lack a clear legal framework on the federal level regarding marijuana banking. Consequently, credit unions face severe restrictions in providing services to marijuana-related businesses. According to the State's estimates, the growing industry could bring \$350 million in annual revenue and create up to 60,000 jobs for New Yorkers. While continuing to take no stand on the legalization of marijuana, the Association will advocate for clear guidance and protections for financial institutions providing services to these legal businesses. For example, the SAFE Banking Act will protect financial institutions and the communities they serve by making our communities safer, providing a safe harbor for financial institutions, ensuring state-sanctioned businesses have access to mainstream financial systems. In 2023, the House passed the SAFE Banking Act, and CUNA and the Association will continue calls for Congress to bring legal businesses out of the underground economy.

### **Cybersecurity**

Everyday millions of people's privacy and security are threatened by sophisticated fraudsters and rogue-state actors. A lack of regulatory standards and accountability leaves all of us vulnerable. Regulators are focused on ensuring that the financial services industry is prepared for cyberattacks. These ever-changing threats—and requirements to respond to them—impact all credit unions.

### **Expanding Field of Membership and Member Business Lending**

Credit unions seek to fulfill their congressional mandate to serve those of modest means and serve the unbanked and underbanked people across the country. The Association will continue to fight for relaxation of field of membership and member business loan caps to empower credit

unions to maximize the number of households and businesses they can serve. In 2023, the House Financial Services Committee advanced CUNA and League-supported H.R. 7003, Expanding Financial Access for Underserved Communities Act. This legislation represents the most significant proposed update to the Federal Credit Union Act since 1998.

### **Community Development Financial Institutions (CDFIs)**

The Department of Treasury established the CDFI Fund ensure the delivery of vital services to communities throughout the nation which have been overlooked by mainstream lenders and depositories. CDFIs are lifelines providing much-needed relief to economically distressed communities. The Association will champion measures to streamline certification and simplify standards to help assist low-income, minority, and underserved communities across the state.

### **Board Modernization Act**

In January 2023, the House passed the CUNA-League-led Credit Union Board Modernization Act. The bill would allow federal credit union boards to meet at minimum six times per year instead of the current once per month. The Association will advocate for the Senate to pass this bipartisan, common-sense legislation that would help free up credit union time and resources to focus on members and their needs.

### **Financial Exploitation/Elder Abuse**

As our country's population ages and cybercriminals become increasingly sophisticated, instances of financial exploitation are increasing, not just in the state but across the country. The Association will champion the Federal legislation to empower all Americans to combat financial exploitation. This legislation does not just target the financial services industry, but comprehensively addresses public education, creates a live national hotline, and centralizes data on consumer fraud.

### **Regulatory Flexibility**

After unprecedented pandemic-related capital infusion coupled with low interest rates, financial institutions saw rapidly increasing interest rates, and therefore interest rate risks such as changes to their net equity values and liquidity. As credit unions adjust to the new rate environment, the Association will continue working with our regulators to ensure credit unions receive much-needed flexibility and minimized regulatory burden.

### **Duplicative State Regulation**

The Association will oppose any duplicative regulations to prevent operational confusion and delays arising from competing standards or statutory incongruence.