

2022 ADVOCACY PRIORITIES

The New York Credit Union Association is developing an advocacy agenda for 2022 that will advance 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.

State Legislative Priorities

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 (S.6701-A/ A.680-B) that exceed the existing federal standards to which financial institutions are already subject.

Anti-trust

The Twenty-First Century Anti-Trust Act (S.933A/A.1812A) was drafted in response to the abusive actions of large tech firms. However, the bill is so broadly written, poorly defined, and has unprecedentedly low thresholds that it will disproportionately restrict and punish small to medium-sized community institutions acting in good faith, not abusive industry giants. This legislation creates a patchwork of laws and loopholes for bad actors to exploit while also incentivizing bunk litigation. Given the sufficient federal anti-trust framework and the inevitable anti-competition effects of this legislation, the Association is opposed to S.933-A/A.1812-A.

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 some cross-sections of society. The Association will advocate for legislation that increases access to financial education for primary and secondary school children 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.

Forbearance and Foreclosure Mandate Relief

As New Yorkers seek to move beyond the pandemic, New York's credit unions will continue to help members, as always, by modifying loans and providing forbearances as appropriate. However, the Association will oppose excessively burdensome one-size-fits-all forbearance-related legislation or regulation. Credit unions work one-on-one with members to find individualized solutions, but providing relief requires institutional flexibility unhindered by excessive compliance costs. Consequently, we will oppose any legislation that would prolong foreclosures beyond existing requirements, impose duplicative statutes, or exceed Government Sponsored Enterprise (GSE) standards.

Public Deposits

New York is in the minority of states that have not modernized antiquated laws to allow credit unions to accept public deposits despite the benefits to municipalities and taxpayers. S.670/A.8289 would give our 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. The bill has addressed opposition by capping deposits, including a sunset provision, and providing an impact study. The Association will advocate for legislation authorizing credit unions to accept municipal deposits and end the financially-draining bank monopoly on state and local government deposits.

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. By 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.

Federal Legislative Priorities

Data Liability

Data breaches expose credit union members to fraud and identity theft while causing significant monetary and reputational damage to credit unions. Merchants, not subject to the Gramm-Leach-Bliley Act or similar standards, are too often negligent in their handling of consumer information. This negligence has led to costly data breaches for credit unions and their members. The NYCUA will advocate for one comprehensive national data security standard for all entities handling consumer information. Moreover, in instances where entities are negligent, financial institutions should have the right to sue for costs related to data breaches to hold negligent merchants accountable for losses resulting from their failure to meet cybersecurity standards.

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, S.2116, 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 Priorities

Regulatory Flexibility

Unprecedented pandemic-related capital infusion coupled with narrow interest margins have caused artificial declines in credit unions' net worth ratios and stalled recoveries. As credit unions begin to recover, NYCUA will continue working with our regulators to ensure credit unions receive much-needed flexibility.

Secondary Capital Applications

Secondary Capital is an important resource that supports healthy credit union growth without diluting capital. However, many credit unions are unable to use this beneficial tool due to regulatory demands. The Association will work with regulators to reduce burdens and increase collaboration on secondary capital applications to ensure qualifying institutions are allowed to thrive.

Duplicative State Regulation

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