

WYOMING CREDIT UNIONS

Not-for-Profit. Cooperative. Local. Trusted.

Draft Policy Position Statements

Purpose: The state-specific policy statements are an internal guidance document that is utilized by the GoWest Credit Union Association's advocacy team. The consensus-based statements provide our team members with a set of general guidelines that allow us to respond to pressing issues that arise at a moment's notice in the legislature, in discussions with elected officials, or with our regulators. Having general statements on important issues ensures the voice of our credit unions remains relevant and timely when pressing issues arise.

Digital Assets, Blockchain Technology, and the Future of Decentralized Finance

The association supports efforts to develop digital asset platforms and technologies, from blockchain and cryptocurrencies to decentralized finance solutions; however, these developments should be done in a fair and equitable manner to ensure credit unions are included and have equal access to the advancements and opportunities that may be afforded to all investors or participants. Moreover, we would call for all fair and equitable treatment of historical financial institutions along with breakthrough FinTech companies to ensure regulatory balance and fairness is in place for all participants in a future decentralized financial services arena.

Capital

Capital is an important tool that can be utilized for growth and managing balance sheets. The association supports legislation and regulatory reforms that allow credit unions to access alternative sources of capital, as long as the inflow of alternative capital does not convey ownership.

Cooperative Charter

The association reaffirms its conviction that the cooperative charter model represents the best vehicle yet devised for serving the needs of consumers.

Creditor Rights

The association supports the robust protection of creditor lien rights, and laws that reinforce an equitable and efficient recovery process.

Data Privacy and Security The association supports strong protection of the personal data of consumers along with clear guidelines and transparency on the use of that data.

Diversity, Equity, and Inclusion

The association supports legislative, regulatory, and broader initiatives that promote diversity, equity, and inclusion in financial services and a commitment to supporting people and communities who were historically and are currently underserved.

Environment, Social, Governance (ESG) Efforts

The Association believes a free-market approach should be taken when making any future statute or regulatory change to ESG reporting requirements. Credit Unions should be able to function in a manner that will allow each institution to serve their members in the manner that best meets the mission of each individual credit union, and they should be able to determine who they do and do not do business with, based on their own business plans and strategies, without the government creating a new protected class of business.

Improve housing access and affordability

Housing access and affordability have become one of the most important issues facing Wyoming residents given the state's high housing costs, both to purchase and rent. The Legislature is contemplating options to address these issues and will continue discussing alternatives to help address the issue in the coming years.

GoWest will continue to identify future or active legislative proposals that credit unions can support and participate in broader efforts to promote increased housing development. Examples that may be under legislative review in future years that align with credit union policies and operations include efforts to increase state funding for down-payment assistance and improve how those programs work and become accessible to buyers and work in concert with credit union lending.

Interchange Fees.

The association recognizes that interchange fees support the safe maintenance and operations of the American payment infrastructure, and that this network provides tremendous benefits to both American consumers and retailers themselves. The association opposes efforts to impose artificial price controls on interchange rates and supports a system of free market negotiated interchange. The association recognizes that a loss of interchange revenue to financial institutions will be passed on to consumers in the form of more expensive products and services.

Investment

The Association supports the ability of credit unions to make investments in vehicles that best fit the needs and the risk tolerances of the credit union membership. Additionally, the association will continue to actively promote the ability for credit unions to more widely invest in technology companies and organizations that directly benefit the credit union and its membership. Arbitrary barriers to investing in solutions-based companies, especially those born from the movement will not aid in our growth and strength for the future.

Equal Access to Financial Services.

The Association supports equal financial access for all communities and promotes the integral benefits of the cooperative structure in serving all members of our communities.

Federal. The association supports the expansion of field of membership for federally chartered credit unions under the Federal Credit Union Act and its implementing regulations, with the ultimate goal of deregulating field of membership.

Financial Education.

As member-owned financial cooperatives, credit unions are a means by which individuals can improve their lives. GoWest Credit Union Association is dedicated to assisting consumers in achieving prosperity. The association actively promotes increased financial education among all age groups and supports efforts to teach personal financial management skills that empower individuals to achieve success.

Legislative and Regulatory Philosophy.

The association supports a statutory and regulatory framework that produces a diversity of options, powers, and authorities and will actively advocate for such, with a willingness to take on manageable risks, all the while supporting self-determination for individual institutions.

Lender Liability.

The association supports legislation that would minimize lender liability for damages or costs connected with the illegal or improper use of credit union property when this use is unknown to the credit union. Examples include the illegal use of credit union-issued cards for gambling purposes and environmental damages on credit union-owned property not created by the credit union.

Modernize and Digitize Lien and Vehicle Titling and Registration Program

Wyoming's overall processes and systems in place to manage the state's lien and titling program for vehicles is outdated. The process still includes some manual and paper-based processes and should be thoroughly reviewed and modernized to ultimately reduce errors and delays, increase efficiency, and save time and money for consumers. The association encourages counties, WYDOT, lenders, and titling agencies, to work together to find electronic solutions that will ensure a more streamlined process for the future.

GoWest will continue working with WYDOT, the County Clerks Association, Legislators, and credit union representatives to identify the full scope of process reforms and modernizations that can be addressed by statutory, regulatory, operational, or budgetary changes. The long-term goal remains a fully digital lien, titling, and registration process, with near-term priorities focused on ensuring the department solidifies a timeline and implementation plan.

Non-Partisan Status

The association supports those individuals in public service that, in turn, support credit unions, their issues, and their philosophy, regardless of political party or affiliation.

Public Funds Deposits.

All credit unions within the association have the legal authority to accept public funds deposits; however, all governmental entities are prevented from depositing public funds in credit unions. The association supports efforts to grant credit unions unlimited access to public funds deposits on an equal basis with other financial institutions.

We encourage governmental entities to work directly with the credit unions and other financial institutions, within the State of Wyoming, to obtain the best return possible for taxpayer dollars. We will encourage coalition building of local governments, including special districts, and other patrons of credit unions to develop a consistent message of the importance of credit unions being an option as depository of public funds.

Powers & Authorities.

Credit unions should have any power that—either exercised directly or through a CUSO—would benefit the credit union's members.

Products & Services.

The association opposes any restrictions that would unduly hinder a credit union's authority to deliver credit, savings, or ancillary products that are available elsewhere in the financial services marketplace. We support efforts to identify and eliminate predatory financial products and services. Further, the association believes credit unions should not be held financially responsible for consumer refunds for products provided by others such as GAP insurance products.

Regulatory Accountability, Transparency, and Accreditation.

- The association supports a transparent, conservative, and accountable process for determining regulatory budgets, with the understanding that the costs of regulation are an expense to credit union members.
- The association encourages the NCUA to adopt an overhead transfer fee process that gives credit unions meaningful input on the process for determining regulatory oversight costs associated with insurance functions, as opposed to costs associated with safety and soundness functions.
- The association supports conservative financial services industry assessments that provide state and federal regulators with the resources necessary to attract the talent and expertise needed to adequately oversee the industry while calling on each regulatory body to look for ways to innovate, utilize technology, and to collaborate among their colleagues to reduce the burdens on Wyoming credit unions' staff and balance sheets.
- The association opposes the sweeping of funds from regulator accounts to the general fund or other dedicated accounts, as this reallocation represents an additional cost to credit unions and undermines the effectiveness of the regulator. We recognize the importance of the state regulatory body maintaining national accreditation through the National Association of State Credit Union Supervisors (NASCUS). Accreditation of a state regulatory program not only signifies excellence as a regulator, but it also provides the certified expertise and greater ability for the state to push back against federal pre-emption when necessary.

Regulatory Environment.

The association supports efforts to reduce the regulatory burden on the credit union industry and legislative or regulatory efforts aimed at streamlining and simplifying regulatory requirements without significantly affecting consumer interests.

Systemic Risk.

The association recognizes that very large financial institutions may pose systemic risks to the U.S. economy. We believe that credit unions do not pose these same systemic risks because of their more restrictive regulatory environment, risk-averse nature, and their lack of aggregate size in relation to total U.S. financial institution assets. The association opposes the application of legislative and regulatory requirements designed to address systemic risks on credit unions.

Taxation.

The association supports efforts to maintain the credit union industry's historic tax exemption as not-for-profit, financial cooperatives. The association is committed to educating policymakers and the public on the value that members receive because of the cooperative, not-for-profit tax exemption.

Transaction and Services Fees.

The association recognizes that transaction and service fees provide an important component in the safe and sound operations of credit unions. Moreover, we understand that interchange and related fees support the infrastructure and security of the financial services network, which provides a tremendous benefit to both American consumers and retailers themselves. The association supports the clear disclosure of agreements, rules, and guidelines applicable to all transaction and service fees, but opposes the requirement that internal negotiations or contracts be made public. The association opposes efforts to impose limits or artificial price controls on transactions, services, and/or interchange rates and fees. The association supports a system of free-market competition in the area of fees and recognizes that a loss of revenue in this area will be passed on to consumers in the form of more expensive products and services.

Third Party Examination Authority.

The association recognizes that credit unions may rely on outside service providers for mission-critical functions and supports regulatory oversight concerning a credit union's due diligence efforts to appropriately select its service providers. The association also recognizes that in order to maintain nationally recognized accreditation, Wyoming regulators must have the ability to examine third-party service providers. We will closely monitor the use of this ability and would call on regulators to ensure they have the proper expertise and experience to carry out any and all reviews of system partners.

Trade Names.

Credit unions should have the power and ability to operate under the trade name of their choice, recognizing that it is not the name, but their structure that makes credit unions distinct.