

WYOMING CREDIT UNIONS

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

State Issues Working Group

State & Federal Legislative and Regulatory Priorities 2024 & Beyond

Background

Advocacy is the priority of the GoWest Credit Union Association. Emphasis on a hyper-local focus allows individual GoWest states to identify state and federal legislative and regulatory priorities.

Increasing the presence and voice of Wyoming Credit Unions and advancing initiatives aimed at creating the best operating environment for Wyoming credit unions remains job one.

The Wyoming State Issues working group, a subcommittee of the Wyoming Government Affairs Committee met three times between May and July 2023. The Committee brainstormed priority issues, prioritized those issues and discussed final recommendations. Members of the CUNA team joined the committee to provide examples of initiatives and issues arising in other states.

Members of the WY-SIWG included:

2023 WY-SIWG Members

Brandon Smith, Chair – Reliant/UniWyo FCU

Brian Rohrbacher, Atlantic City FCU

Bryan Thomas, Meridian Trust FCU

Tyler Valentine, StagePoint FCU

Ann Riney, Western Vista FCU

Matt Ballou, WyHy FCU

Jesse Jacobs, Campco FCU

Deli Ranieri, Trona Valley FCU

Rebecca Thoe-Heuer, Blue FCU

Staff providing support to the WY-SIWG included:

Bobbie Frank, VP of Legislative Affairs for Wyoming

Ryan Fitzgerald, SVP, Advocacy

John Trull, VP, Regulatory Advocacy

The Wyoming GAC met July 19, 2023, and approved the policy priorities as recommended by the WY-SIWG.

Recommendation:

The GoWest Board of Directors approves the 2024 & Beyond Wyoming State & Federal Legislative and Regulatory Priorities.

Motion:

Motion to approve the 2024 & Beyond Wyoming State & Federal Legislative and Regulatory Priorities as recommended by the Wyoming GAC.

Wyoming State & Federal Legislative and Regulatory Priorities 2024 & Beyond

Top five priorities overall:

1. Advance Electronic Titling

Advance electronic titling in Wyoming, while concurrently addressing the inconsistencies in implementation of *Title 31 – Motor Vehicles* statute across Wyoming's county jurisdictions.

2. Public Funds

Advance legislation to amend *Title 9 – Public Funds* in order to designate credit unions as approved public depositories.

3. Two priorities received same level of prioritization:

A. Interchange

Continue to resist federal or state legislative efforts to cap or eliminate interchange fees.

B. Technology & Fraud

Explore opportunities to access technology aimed at detecting and preventing fraud.

4. Expanding Business Lending

Advocate for expansion or elimination of the business lending cap to allow Wyoming credit unions to better serve Wyoming small businesses.

5. Explore Options for State Charter

Develop a high-level white paper providing pros and cons of pursuing a state charter.

Priorities of each category as ranked.

As opportunities arise to advance any of the issues identified in the categories below, the GoWest Advocacy team and Wyoming credit union leaders will work collaboratively to pursue operational flexibility and advancement of the issues outlined below:

Credit Union Services & Authorities

1. *Ability to accept public funds* – develop a legislative strategy, grassroots, and coalition support to pass legislation that will allow credit unions to accept public fund deposits.
2. *Expedited Credit Union Growth* – Developing a strategy to review rules and laws that will allow credit unions to grow faster, without merging, but having broadened access to different methods of capital and easier access to subordinated debt. Address the prohibitive cost, time, and resources to access subordinated debt.
3.
 - a. Keeping pace with technology.
 - b. Pursue expansion or elimination of the business lending cap or adjust to scale to asset size.
4. *Field of Membership Expansion* - Address field of Membership challenges: federal vs. state, expansion into other areas of state limited by field of membership and expanding rural membership charter.
5. Options for addressing cost and operational challenges of operating in rural areas.
6.
 - a. Low-income designations, serving minority populations adequately.
 - b. Expanding categorical lending – agricultural, energy, and other sector lending. Is there an opportunity for credit unions to expand in these areas?
7. Explore options and internally review the concept of a state credit union charter through the development of a high-level white paper on advantages/disadvantages of state charter.
8. Options for Community Development Financial Institution (CDFI) designations.
9. Additional use of Private and Excess Share Insurance - address barriers to excess share insurance for large depositors.
10. Member Expulsion Flexibility - pursue options to provide a process for removal of a credit union member.

Financial Services Marketplace

1. *Interchange* - Protecting consumers in card transactions via interchange.
2. *Technology and fraud* - explore opportunities to access technology aimed at detecting and preventing fraud.
3. Protect the not-for-profit credit union tax exemptions, both in the State and at the Federal level.
4. *Stablecoin and Cryptocurrency* – Wyoming is the state leader in stablecoin and cryptocurrency advancement, and we need to develop a work plan and partnerships to ensure credit unions can be a part of future discussion around stablecoin, tokens and cryptocurrencies as well as establish the ability for credit unions to custody these digital assets into the future. Additionally, we plan to monitor and engage the state's operation of a central bank for stable tokens and cryptocurrency. Finally, work to ensure that financial service providers have a level regulatory playing field in order to provide digital assets services, including following Bank Secrecy Act, Anti Money Laundering, FinCEN and other oversight regulations.
5. *AI* – review and fully understand the impact of financial technologies (Fintech) and artificial intelligence on Wyoming financial institutions to ensure we are keeping pace with technology and applying the appropriate tech-stack to operations. If outside insight, legislation or education is needed, review and operationalize a plan to implement for Wyoming credit unions.
6. *Bank Asset Purchases* – establish a legislative strategy to review current law and develop a streamlined approach or legislation to allow credit unions to acquire bank assets.
7. *Digital Wallets* – review current legislative efforts and programs to ensure Wyoming credit unions have access and full ability to provide services and utilize digital wallets for their members.
8. *Tech Stack Contracts* – review current contracting trends for core systems and Fintech related solution to provide reasonable contract terms and conditions, length of contracts, and contract negotiations, including escape clauses and software support following cancellation issues.
9. *Digital Assets / Cryptocurrency* – provide education and technology partner options that will allow for credit unions to work in digital assets, cryptocurrency, stablecoin, etc., space.
10. *Fee Income* – work collaboratively with legislators and regulators to showcase the operational functionality of published credit unions fees, including overdraft, NSF and NFT structures.
11. *Digital Assets / Cryptocurrency Regulation* – work with Wyoming legislators and regulators to ensure credit unions can offer members the ability to buy and sell cryptocurrency as well as custody the assets and keys for those transactions.

12. *Marijuana Banking* – work with federal and state legislative and regulatory bodies to ensure Wyoming credit unions can provide financial services to legitimate and legal cannabis businesses or related entities.
13. *Bank Failures* – allowing poorly run, risk heavy financial institutions to fail, while positioning credit unions to provide broader financial services to a broader group of consumers.

Operational Issues

1. *Vehicle Titling and Inspections Alignment* – Advance electronic titling through rulemaking and potential legislative remedies if necessary. Work with counties and WYDOT to address unintended consequences once liens are released as well as establishing timeframes for when title should be sent out to member after lien release.
2. *Vehicle titling inconsistencies* – review the lack of existing statutory compliance across county jurisdictions with Wyoming’s County Clerks and work collaboratively achieve statewide consistency.
3. *Electronic Notary* – develop coalitions and working partners to fully implement and streamline the use of electronic notary across Wyoming.
4. *Vehicle sales tax collection* – when timely, support legislation to provide for sales tax collection at the time of purchase.
5. *Towing Notification* – review current towing laws to determine if notification or standard practice legislation is needed to prevent extensive towing / storage fees for lienholders.
6. *Remote work* – review Department of Workforce Services current statutes and rules to allow credit union flexibility to ensure a strong and viable workforce, reduce challenges with employee retention.
7. *Department of Family Services* – work with Wyoming Department of Family Services to address child support reporting issues in terms of security and format of requested information.
8. *Department of Workforce Services* – review employee appeal process challenges with unbiased and balanced appeal, ensure credit unions are not being pushed to monetary settlement despite circumstances.

Social Issues

1. *Financial Education* – collaborate with the Superintendent of Public Instruction and stakeholders to advance financial literacy curriculum in Wyoming’s education system.

2. *Housing* – Support efforts to address Wyoming’s affordable housing and housing availability challenges including options for the establishment of housing trusts.
3. *Artificial Intelligence Protection* – Support efforts to ensure sideboards and safeguards are instituted to protect against the use of artificial intelligence to commit fraud.
4. *Environmental, Social and Governance issues* - Identify opportunities for Wyoming’s credit unions to message support of core industries and identify opportunities for credit unions to fill gaps in business lending.
5. *Financial exploitation of vulnerable adults* – Work collaboratively with the Wyoming Department of Family Services, Wyoming Banker’s Association, AARP, law enforcement in implementation of statutory provisions aimed at preventing financial exploitation of vulnerable adults. Provide education and training to Wyoming’s credit unions on authorities.
6. *Balanced Implementation of Diversity Policies* – work to ensure Wyoming credit union voices and regional circumstances are incorporated into future policies and rulemaking related to hiring and lending practices. Current laws ensure fair equitable practices are maintained.