

2024 Federal Issues Work Group – 2nd Meeting

Friday, February 9, 2024

1:00 pm – 3:00 pm PDT (2:00 p.m. MDT)

Remote Meeting

[Remote Zoom Link](#)

- 1:00 p.m. **Welcome & Introductions**
Federal Issues Working Group Overview
- Purpose & process review
 - Target outcomes reminders
- 1:05 pm **Review of 1st Meeting Discussion & Issue of Concepts outside of Act Scope:**
- Data Protection / Data Security Standards – National Data Standard
 - Interstate Branching – Riegle Neal for Credit Union Conceptualized
 - Field of Membership Expansion or Elimination of the Concept
 - Loan Maturity Limits at Market Levels
 - Real Property Occupancy Flexibility
 - Debit Interchange Flexibility
 - Broader Investment Authority (Including Fintech Investment)
 - MBL Cap Increase or Elimination
 - Governance & Board Modernization
 - Interest Rate Cap Flexibility
 - Pre-Payment Penalties Elimination
- 1:15 pm **New Issues / New Members / Additional Perspectives Discussion**
- 1:25 p.m. **Current Legislation in the 118th Congress**
- Credit Union Board Modernization Act ([S. 610](#) / [H.R.582](#))
 - Veterans Member Business Loan Act ([S. 539](#) / [H.R. 4867](#))
 - NCUA Loan Maturity Flexibility Act ([H.R. 6933](#))
- 1:40 p.m. **Section by Section Review:**
- **Section 1752 - National Credit Union Administration – 10 minutes**
 - Board Member Composition – Discussion on Pros and Cons of increasing board from 3-5 and potential impacts on communication and decision making and added cost.
 - Examination of Appointment Criteria – Should appointment criteria be strengthened?
 - **Section 1753 – Federal Credit Union Organization – 10 minutes**
 - Discussion on Subsection (5) which outlines the requirement for proposed field of membership, specified in detail. Does this 1934 concept fit a contemporary framework why or why not?
 - What considerations should be considered in a request to modify or remove this requirement?

- **Section 1755 – Fees - 10 minutes**
 - Discussion on subsection (e) Investment of annual operating fees not needed for current operations. Currently the NCUA can only invest in Government securities which has resulted in relatively poor returns on investment.
- **Section 1757 - Powers 20 minutes**
 - 15-year loan maturity limitations
 - \$20k loan limits to board and supervisory committee member triggers board approval
 - 15% interest rate limitation
 - Draconian punishment for exceeding the interest rate cap
 - Pre-payment penalty restriction
 - 10% retention requirement for sold participations
 - Limits check cashing to persons in the field of membership
 - Discussion on incidental powers provision and NCUA interpretation of incidental powers.
- **Section 1757a – Limitation on Member Business Loans**
- **Section 1758 – Bylaws**
 - Discussion on statutory requirement to have standardized bylaws
- **Section 1759 – Membership**
- **Section 1760 – 1758 – See Americas Credit Union Whitepaper (attached)**

2:35 p.m.

Initiating Language Development

- Outline Action Items and Advocacy Plan
- Prioritizing updates
- Developing language
- Coalition building
- Getting Congressional Support

2:55 pm

Wrap-up and planning for future discussions

- Completion of priorities document
- Legal review with your teams

Supportive Documentation

- FCUA Modernization Whitepaper
- State Charter vs. Federal Charter overview
- Credit Union Board Modernization Act ([S. 610 / H.R.582](#))
- Veterans Member Business Loan Act ([S. 539 / H.R. 4867](#))
- NCUA Loan Maturity Flexibility Act ([H.R. 6933](#))
- Remote Annual Meeting Bill Development

Next Meeting

- February 27, 2024 @ 1:00 pm PDT
- Additional meetings TBD, if needed