

2024 Fall Hike the Hill

GoWest Virtual Advocate Prep



Hike the Hill – Quick Agenda

Wednesday, September 25, 2024

8:00 – 8:15 a.m.

Breakfast

AC Hotel – Navy Yard – Capitol Room (11th Floor)

8:15 – 10:00 a.m.

Association Issue Briefing

10:05 a.m.

Leave for Capitol Hill

10:30 – 5:00 p.m.

Congressional Delegation Meetings

U.S. Capitol Hill – House & Senate Office Buildings

Split Group

Group #1

1:00 p.m.

Meeting with FHFA Deputy Director Josh Stallings

400 7th St SW, Eight Floor, Washington DC 20219

Group #2

1:00 – 4:30 p.m.

Continue Congressional Delegation Meetings

U.S. Capitol Hill – House & Senate Office Buildings

6:30-9:30 p.m.

Group Dinner – Silver Social

1250 Half St SE, Washington, DC 20003

Hike the Hill - Quick Agenda (cont.)

Thursday, September 26, 2024

Breakfast on your Own

9:30 a.m.

ACUPAC Support Gathering with GoWest Delegation Members

Rep. Pramila Jayapal (D-WA-7) - Everyone Welcome

Credit Union House – 403 C St NE, Washington, DC 20002

10:30 a.m. – 12:00 p.m.

Congressional Delegation Meetings

U.S. Capitol Hill – House & Senate Office Buildings

Split Group

Group #1

1:00 – 1:45 p.m.

Meeting with Philip Jefferson, Vice Chair Federal Reserve and Kelly O'Mara, Senior Attorney, Federal Reserve

Martin Building, 2001 C St NW - Terrace Reception Room

Group #2

1:00 – 4:30 p.m.

Continue Congressional Delegation Meetings

U.S. Capitol Hill – House & Senate Office Buildings

Travel Home Early Evening or Friday

Capitol Hill Logistics & Contacts

Home Base for Hike the Hill

AC Hotel Washington DC - Navy Yard

867 New Jersey Avenue SE
Washington, DC 20003

GoWest Staff Member Contacts

Ryan Fitzgerald	(208) 860.8072
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Attire for Meetings

Business attire is requested for all meetings on Capitol Hill and Agency Offices.

Basecamp for Hill Meetings

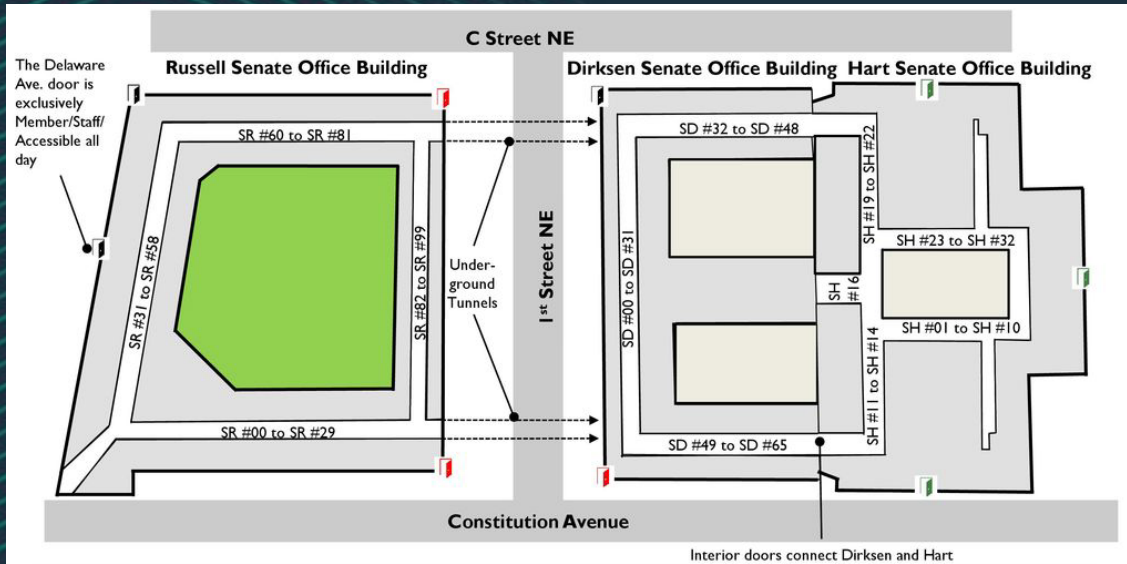
The cafeterias in the basement of the **Longworth House Office Building** and the **Dirksen Senate Office Building** are recommended locations to sit down for a few minutes to rest or get a snack in between meetings.

Identification and IDs

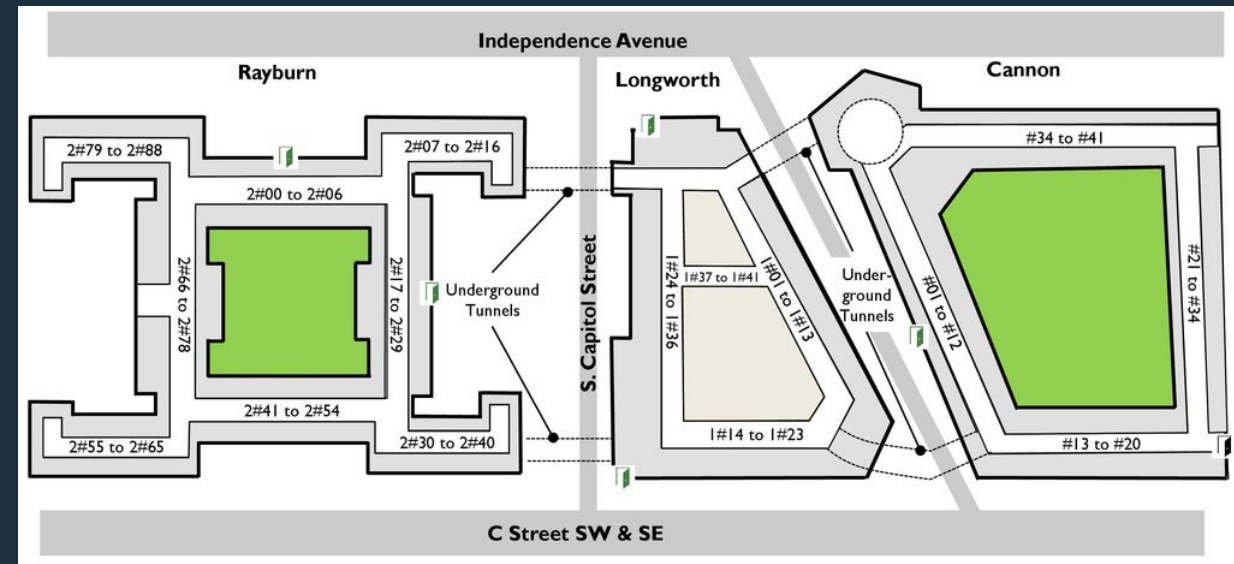
Please ensure you have a valid driver's license or passport with you as we head to Federal Agency offices and Capitol Hill. Your information has been submitted to the Federal Reserve and FHFA, and you will be required to show identification to gain entrance to those buildings. Capitol Hill offices don't usually require IDs for entrance, but security protocols can change quickly, and we want to ensure we are prepared.

Maps & Capitol Hill Logistics

SENATE OFFICE BUILDINGS



HOUSE OFFICE BUILDINGS



Capitol Hill Office Buildings – Fully Open to the Public

Currently, there are no restrictions for the public to enter the House and Senate Office Buildings. Restrictions put in place in recent years requiring escorts in the office buildings have been removed. Access to the U.S. Capitol remains limited to official tours, which can be requested at the U.S. Capitol Visitors Center on the South side of the Capitol.

Federal Regulatory Logistics

FHFA – Constitution Center



400 7th St SW, Eight Floor Washington DC 20219

Federal Reserve – Martin Building



*2001 C St NW, Washington, DC
Terrace Reception Room*

Federal Building Security

- Government issued ID required for entrance
- Group Limited to 15
- Bags OK – Full Security Screening will be required
- All attendees have been submitted for admission.

Federal Reserve Meeting Prep

Vice Chair Jefferson and Board Member Kugler – Senior Staff

Meeting Participants:

- **Alyssa O'Connor** – Special Advisor to the Board
- **Cindy Starobin** – Executive Specialist Vice Chair Jefferson
- **Clara Vega** – Special Advisor to Governor Jefferson
- **Juan Climent** – Assistant Director Division of Supervision and Regulation
- **Kelley O'Mara** – Senior Counsel Office of Governor Kugler

General Themes and Logistics:

Meeting Location: Federal Reserve Martin Building, 2051 Constitution Ave - C street entrance.

Time: 12:15 p.m. on Thursday, September 26.

Proceedings:

- Introductions and brief overview of participants and their roles.
- Facilitated discussion.
- Primary Goal - Minimize Impact of Federal Reserve Interchange proposal on credit unions
- Secondary Goal – Better understand the direction the Federal Reserve Board is going on other key issues important to credit unions with comments aimed at minimizing the potential negative impact of rules on credit unions.

Federal Reserve Prep (cont.)

Specific Topics:

- **Proposed Interchange Rule** – Reduce interchange by 1/3 for CU's over \$10B, impact on ability to serve members, rule will disproportionately harm mid-sized financial institutions. Requesting balanced approach that takes size and scale into account.
- **Interest Rates On Excess Share Balances** – Discussion on how lowering interest rates paid on excess reserves could impact credit unions and other smaller financial institutions' liquidity and risk management strategies.
- **Captive Financing Rule** – Discussion on emerging rule that will impact captive finance operations and whether the proposal could impact indirect lending/leasing.
- **Other Issues Time Permitting** – BASEL Endgame III, BSA Changes, CRA Changes.
- **Closing Remarks** – Summarize key concerns and regulatory priorities, offer continued dialogue and partnership with the Federal Reserve on future rulemaking.

FHLB Meeting Prep

Josh Stallings Deputy Director

Division of Bank Regulations & Primary Author of FHLB at 100 Report

General Themes and Logistics:

Meeting Location: FHFA – 400 7th St SW, Eight Floor, Washington DC 20219

Time: 12:30 p.m. - Thursday September 26th

Proceedings:

- Introductions and brief overview of participants and their roles.
- Facilitated discussion.
- Primary Goal – Emphasize the important role that the FHLB System plays in ensuring liquidity and market stability and how increased cost of liquidity could de-stabilize the housing markets. We are not opposed to change but in this instance, it should be incremental.
- Secondary Goal – Better understand the direction the FHFA may be going on other key issues important to credit unions with comments aimed at minimizing the potential negative impact of rules on credit unions.

FHLB Meeting Prep (cont.)

Josh Stallings Deputy Director

Division of Bank Regulations & Primary Author of FHLB at 100 Report

Specific Topic Breakdown:

- **Inclusion in Community Financial Institution Definition** – Discuss the positive impacts this would have on access to liquidity and community investment and thank the FHFA for making this recommendation even if it does require an act of Congress.
- **Expanding Wholesale Liquidity** – Express support for changes that expand wholesale liquidity for regulated entities specifically by expanding eligible collateral types.
- **Core Mission Activities** – Stress that we are not opposed to modernizing the mission statement however we are concerned about the agency building in new tracking metrics.
- **Affordable Housing and Enterprise Housing Goal Modifications** – Express support and share what your credit union is doing to support affordable housing in your communities while also reminding the FHFA of potential unintended consequences to dividends. We also have concerns that the agency is considering modification to credit worthiness evaluations and the potential impact that could have on community lenders.
- **Corporate Governance and Membership Requirements** – We want to better understand the agency's goals around modifying membership requirements and the reasons for proposing governance changes.

Meeting Logistics & Reminders



- ▶ Meet in the hall 10-minutes before the meeting time
- ▶ Team Leader check-in with front desk representative 2-3 minutes before the meeting time
- ▶ Assign Priority Issues to team members
- ▶ Don't Be Afraid to Say We Don't Know, but we will have GoWest staff follow-up

“

People think that a staff-level meeting is somehow less important, and that is just not the case.”

- Former Chief of Staff to a Democratic Senator

PROTECTION OF CU TAX EXEMPTION

PROTECT the ELECTRONIC FUNDS TRANSFER ACT

FHFA / FHLB – MISSION LIQUIDITY

DATA PRIVACY / PROTECTION

MODERNIZING THE FEDERAL CHARTER

INTERCHANGE EXPANSION / REG II OPPOSITION

JUNK FEES – MANAGING THE ODP / NSF NARRATIVE

SAFE / SAFER BANKING

CDFI SUPPORT

3rd PARTY VENDOR AUTHORITY

CFPB OVERREACH & BOARD EXPANSION

STABLECOIN / CRYPTO / DIGITAL ASSETS

FEDERAL PRIORITIES

Fall 2024 - Asks of Congress

- 1 Protect Tax Exemption
- 2 Oppose Changes to the Electronic Funds Transfer Act
- 3 Ensure the Future of Liquidity in the FHLB System
- 4 Establish a National Data Privacy Standard
- 5 Modernizing the Federal Credit Union Act

Credit Union Advocacy Priorities

Protect the Credit Union Tax Status

- Continue protecting the not-for-profit, cooperative structure and subsequent tax exemption that makes credit unions unique, provides tangible value to their member-owners, supports the needs of communities, and provides greater access to financial services for consumers and businesses.
- The 119th Congress will take up a large tax reform package with the sunset of the Tax Reduction and Jobs Act – Trump era tax cuts.

Oppose Changes to the Electronic Funds Transfer Act (EFTA)

ASK CONGRESS: Oppose the “*Protecting Consumers from Payment Scams Act*” (S. 4943 / H.R. 9303)

- Oppose proposed changes to Reg. ‘E’ and the rebalancing of the EFTA, as it was designed to strike a fair balance between a financial institution’s role in preventing unauthorized transactions & an individual’s responsibility to exercise sound financial judgment over what they authorize.
- Credit unions and other financial institutions work diligently to effectively combat fraud while providing members with convenient and affordable payment options and broad services, which would be in jeopardy under this proposal.

Credit Union Advocacy Priorities

Protect the 'Liquidity' Mission of the FHLB System

The Federal Home Loan Banking (FHLB) system is being reviewed for modernization and potential mission adjustment by their authorizing agency, the Federal Housing Finance Administration (FHFA) as outlined in their FHLB at 100 Report, which came out last year.

- The FHLB system is a very successful government program, which ensures available liquidity for banks and credit unions, across the country, while also providing affordable housing and first-time home-buyer grant opportunities for thousands of American families.
- GoWest supports the expansion of membership in the FHLB system but would suggest restraining that expansion to insured and regulated depositories to limit the introduction of risk into the overall system. Any changes should not require means testing to maintain membership in the FHLB system.
- GoWest credit unions understand the need to modernize programs, when necessary, but modernizing for the wrong reasons or changing the mission of a successful program is not the right reason for modernization and not the role of the FHFA, but the role of Congress.

Credit Union Advocacy Priorities

Establishing a National Data Privacy / Data Protection Standard

ASK CONGRESS:

Establish a strong and balanced national data protection, security & consumer notification standard, which is critical to the future security of our nation.

- Credit unions are excited that Congress is actively considering a national data privacy / data security standard.
- Establish an **institution-level exemption** for those in current compliance with the GLBA, as they are regularly examined on their compliance measures.
- **Uniform preemption of current state laws on data protection** is necessary to establish a strong and streamlined national data privacy/protection standard.
- Protecting the legal standing for credit unions and allowing for curing actions when establishing **broad legal standing or a private right of action** for individuals following a breach of security or misuse of data is needed to move any privacy or security legislation forward.

Credit Union Advocacy Priorities

Expanding Opportunities for Credit Unions to Serve Consumers

Support legislation and policies that update the Federal Credit Union Act (FCUA) to allow operational flexibility for credit unions to offer the products and services to meet member needs. The FCUA has not been updated, in earnest, in over 30 years, while the financial services landscape has changed significantly.

ASK CONGRESS:

- ✓ **Co-sponsor and support passage of Credit Union Board Modernization Act ([S. 610](#))** which will update the FCUA to allow credit union boards to meet six (6) times per year vs. once-a-month requirement.
- ✓ **Co-sponsor and support the Veterans Member Business Loan Act ([S. 539 / H.R. 4867](#))**, allowing credit unions to provide loans to Veteran-owned businesses without impacting the arbitrary MBL cap imposed on credit unions. This step will broaden assistance to Veteran small businesses, inject available capital available for all businesses, provide rural development and create new jobs.
- ✓ **Co-Sponsor (House) Develop a Companion Bill (Senate) for the Expanding Access to Lending Options Act ([H.R. 6933](#))**, allowing the NCUA the flexibility to allow federal credit unions to make loans with maturities up to 20 years, where the current limit for most loans is 15 years. This change would allow additional loan flexibility to support small businesses, agriculture, real estate investment, etc.
- ✓ In the 119th Congress, Credit Unions will plan to present a credit union act modernization bill that would update the federal credit union act and allow more services and lending opportunities for consumers.

QUESTIONS?

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