

NEWS FROM THE FRONT

Community Bankers Association of Illinois
One Mission. Community Banks.®

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Both the House and Senate return to Springfield this week. The House is scheduled for three session days, while the Senate is scheduled for four session days. Friday, March 15, is the Senate Committee deadline.

Mandated Reporter

The topic of elder abuse and the financial exploitation of the elderly has been addressed on several occasions by the General Assembly. This year, **SB 3804** (Simmons, D-Chicago) was introduced and would add "officers and employees of financial institutions" to the list of mandated reporters of financial exploitation under the Adult Protective Services Act. Several years ago, many of you may recall, CBAI negotiated with legislators, IDFPR and the Department on Aging and ultimately agreed elder abuse training was a fair and reasonable approach to take in lieu of mandated reporting for financial institutions. CBAI remains steadfastly opposed to requiring financial institution employees to be mandated reporters. The relationship financial institution employees have with a customer is transactional in nature and does not present the same concerning indications that other mandated reporters such as doctors or emergency personnel may more readily identify. While we understand the sponsor's well-meaning intent, we don't think it would decrease financial exploitation and would essentially create a huge litigation trap for banks and their employees.

Fee Disclosure

HB 4629 (Morgan, D-Chicago) and **SB 3331** (Aquino, D-Chicago) would amend the Consumer Fraud and Deceptive Business Practices Act to make it a violation to hide or obfuscate fees. The measure would impact all businesses in Illinois, including restaurants, concerts and airline tickets, for example. CBAI met with Rep.

April 2023, medical collections under \$500 would no longer appear on consumer credit reports. Also, Governor Pritzker is proposing \$10 million be appropriated to relieve nearly \$1 billion in medical debt for 340,000 state residents in his fiscal year 2025 budget plan. Only two states, New York and Colorado, have this prohibition on their books.



CBAI ACTION ALERT: Urge Congress to Pass Farm Bill with Community Bank Priorities and without FCS Expansion

CBAI joins with the ICBA in asking Illinois community bankers to urge their members of Congress to support the passage of a new five-year Farm Bill with important community bank priorities, including higher loan limits on USDA guaranteed farm loans and a quicker turnaround time for USDA Express loan approvals, and without an expansion of the Farm Credit System and their exemption from the Dodd-Frank's Section 1071 small business data collection rule. While the timing of Congressional consideration is uncertain, action on this legislation could come as early as this spring.

Please share this Action Alert with your board members, senior management and staff. We need a strong showing from Illinois community bankers.

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Thank you.

Morgan and Sen. Aquino who assured us the purpose of the legislation is to make fees transparent, not to ban them. We told them that community banks are already highly regulated, and all banking fees are prominently disclosed. We asked that community banks be exempted from the provisions of the act because it would create a duplicate and unnecessary regulatory burden. The lawmakers are considering our request. The legislation will likely be moved out of committee this week and then held while negotiations continue.

IDOR Data Match

The Illinois Department of Revenue (Department) introduced **SB 3617** (Feigenholtz, D-Chicago) to create a data match system to compare lists of people who owe back taxes against bank customer files. In theory, the program would operate similarly to the data match for child support. During negotiations, CBAI pointed out three major concerns with the proposal. First, the program should be voluntary. Banks should not be required to participate. Second, there should be a fee reimbursement mechanism similar to reimbursements in child support data matches. A quick poll of our Legislation & Regulation Committee shows that fees for data matches vary depending on the core provider. Some cores will conduct the match at no cost while others will charge the bank hundreds of dollars each time a quarterly match is conducted. And finally, we want to ensure that customer data is protected. We want to ensure there is an option where the Department provides the data to be matched to the bank instead of the bank turning over consumer data to the Department.

The Department has agreed to include language making it explicit that participation in the program is voluntary for banks. They also included the data privacy language we requested. We are still working on the fee reimbursement. We've warned the Department that if they make the program overly complicated or expensive, community banks could simply opt out to avoid the increased regulatory and financial burdens.

Native Language Transparency

Community banks would be required to provide forms and contracts in every language spoken by any customer who requested them under **HB 5529** filed by Rep. Maura Hirschauer (D-Chicago). While the bill is well-intentioned, we pointed out that there are thousands of languages and regional dialects spoken on this planet. It would be impossible for a bank to



Effingham Legislative Roundtable

Nineteen bankers from eight community banks showed up for a lunchtime legislative roundtable with Congressman Mike Bost and State Representatives Adam Niemerg and Brad Halbrook. Bankers heard an update from Congressman Bost on federal issues including the Farm Bill, ACRE Act, and his work as chairman of the House Veterans Affairs Committee. Representatives Niemerg and Halbrook commented on the governor's recent budget proposal, the ongoing legislative session, and concerns with managing the spike in asylum seekers making their way to Illinois. Thanks to CBAI Chairwoman Sheila Burcham, Second Vice Chairman Dan Graham, and Group 11 Director Jason Semple for organizing and hosting the event.



Registration is Open for CBAI's Call on Washington

Registration is open for CBAI's 42nd Annual Call on Washington which will be held on April 28 - May 1, 2024. Please plan to join us for this event to let your

have forms translated into every language and have staff capable of reading them. Even if that was possible, it is unlikely that title companies and GSEs like Fannie and Freddie would accept contracts in exotic languages. The net effect would be that banks would simply be unable to serve these consumers. CBAI opposes this legislation.

Medical Debt Reporting

SB 2933 (Stadelman, D-Rockford) would prohibit the reporting of medical debt to consumer reporting agencies. CBAI met with the sponsor to express our opposition. The main concern is the effectiveness of credit reports for lending purposes would be diminished if debt is not included, as a credit score serves as an important risk indicator. In 2022, credit bureaus removed paid medical collections from credit reports and stopped reporting unpaid medical collections until those debts were one year old, as opposed to the previous six-month grace period. In addition, after

voice be heard. Celebrating its 42nd year, CBAI bankers from across Illinois will be traveling to Washington, D.C., to call on their members of Congress and banking regulators to support issues of importance to Illinois community banks.

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Notes From Springfield

Early voting is now open for the March 19 primary election. Governor Pritzker continues to campaign across the country on behalf of Democrat candidates using abortion as a platform issue. Donald Trump will be an option on the Illinois ballot after the US Supreme Court rejected states' attempts to remove his name. Illinoisans are seeing the highest number of uncompetitive primary elections for legislators and circuit court judges in two decades, with just 1 of 10 races having more than one candidate.

CBAI Members Have Free Access to the Capitol Fax Blog

Want more insight into Illinois politics? The Capitol Fax Blog offers a daily insider perspective. It's a subscription service, but CBAI offers community bankers access for free in the Members Only section of [cbai.com](#). Need a members-only password? Just reach out to [Stacy Workman](#) and she will assist you.

If you have any questions or comments, please contact [Jerry Peck](#) or [Megan Peck](#) of the CBAI Governmental Relations Team.

