



# NEWS FROM THE FRONT

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

**Edition: January 6, 2021**

The General Assembly will return to Springfield on Friday for a Lame Duck session expected to run from January 8-13, 2021. The new General Assembly will be inaugurated at noon on January 13. Session will convene similar to last May with the House meeting at the Bank of Springfield Center and the Senate meeting at the Capitol. Access to both spaces will be limited for lobbyists, journalists and members of the public. We anticipate the legislature will consider a bill allowing members to meet virtually. [House Bill 5868](#), introduced by Representative Ann Williams (D), allows members of the General Assembly to participate remotely and cast votes in sessions and committees during times of pestilence or emergencies resulting from terrorist attacks.

## **Phase 1b of COVID Vaccination Plan Unveiled**

Governor Pritzker announced plans for the next round of COVID-19 vaccinations. Phase 1b includes residents over the age of 65, first responders, teachers, food and ag workers, manufacturers, correctional workers and inmates, postal workers, public transit workers, grocery store workers and daycare staff. We are told that phase 1b could begin as early as couple of days to a couple of weeks from today, dependent upon vaccine shipments from the federal government and ability to administer the injections.

Unfortunately, community bank frontline staff are not included in this phase. The Center for Disease

## ***On the Federal Side***

### **SBA Rules on the Next Round of PPP Funding Due Shortly**

The rules governing the next round of SBA Paycheck Protection Program funding may come as soon as today. The stimulus legislation requires the SBA to issue rules within 10 days of enactment of the law, which was on December 27<sup>th</sup>. While we await new PPP funding rules, the provision in the stimulus bill forgiving Economic Injury Disaster Loan (EIDL) advances and ensuring they are not deducted from PPP loan forgiveness are in effect now. More details are available from the Independent Community Bankers of America in [ICBA's summary](#) of the stimulus package's community banking provisions.

### **Congress Overrides President's Veto and Enacts Regulatory Relief**

Last week, Congress overrode a Presidential veto of the National Defense Authorization Act (NDAA) which included regulatory relief for community banks by shifting the burden of collecting beneficial ownership information of their account holders to the Financial Crimes Enforcement Network (FinCEN).

CBAI has been consistently engaged on this issue dating back to our comment letters in May of 2012, and January of 2016. Unfortunately, these and other efforts did not dissuade FinCEN from imposing the data collection requirements on

Control has recommended that critical front line workers be included in phase 1c. CBAI is hopeful that IDPH will recognize the extraordinary efforts of community bankers as vital frontline workers. We will continue to advocate for community bankers to be included in the next phase of vaccine distribution. [See announcement.](#)

## **Black Caucus Releases Comprehensive Agenda for Lame Duck Session**

The Illinois General Assembly has not met since May of last year. In that time, the killing of George Floyd and the Black Lives Matter movement have focused attention on proposals for sweeping economic, social and criminal justice reforms. The Illinois Legislative Black Caucus has been working on an extensive package of legislative proposals to address many of their key concerns. The package is split into four main pillars that each contain dozens of individual proposals. All together they make up nearly 2,000 pages of new legislation.

The package contains many proposals that would directly impact community bankers both from increased banking regulations and new regulations for employers. Below is a quick overview of key provision of each of the four bills:

### **HB 5871 Economic Access and**

**Inclusion;** This is the package that most directly affects community bankers.

Among it's numerous provisions, it creates a loan guarantee fund through the State Treasurer's Office for MDIs and MDFIs. Deposits of state and local government funds would be limited to banks with satisfactory and outstanding CRA ratings. It caps interest rates for payday lenders. It limits the use of criminal history records in hiring, studies racial disparities in agriculture, and creates an equity commission to oversee the cannabis industry. It requires corporations to report race and gender data for employees. It also requires additional reporting of wage disparity based on gender and enhances penalties for violations.

**HB 163 Criminal Justice Reform;** Eliminates cash bail and revamps pre-trial release rules. Exposes police officers to civil liability charges. Phases in the use of police body cameras, bans choke holds and allows nonsynonymous complaints against law enforcement.

community banks. However, last year the United States House of Representatives passed CBAI supported legislation (H.R. 2513, the Corporate Transparency Act of 2019) which was a significant step forward to provide the much needed regulatory relief. This legislation was later included in the 2020 NDAA but this spending bill was vetoed by the President for reasons unrelated to this regulatory relief. The House overrode the veto by a wide bipartisan majority, as did the United States Senate several days later.

The NDAA requires FinCEN to issue implementing regulations within one year of enactment and will be subject to a rulemaking process which will include a comment period. CBAI looks forward to working with FinCEN and regulators to remove this regulatory burden from the shoulders of community bankers.

## **CBAI Urges Agencies to Clarify Supervisory Guidance in Rulemaking**

In a December 29, 2020, comment letter to the OCC, Federal Reserve, FDIC and the CFPB, CBAI urged the Agencies to strike a delicate balance in the supervisory approach between flexibility and prescription, and for reasonable supervisory accommodations to avoid harmful consequences for community banks. CBAI recommended the proposed rule should define guidance in such a way as to constrain supervisory abuse and prevent community banks from being criticized at a later date for relying on guidance as the basis for certain actions or inaction. CBAI stated, "The value of guidance will diminish significantly if a community banker cannot rely on it and if the Agencies will not stand behind it. Therefore, guidance must be carefully crafted and adhered to consistently." [Read CBAI Comment Letter.](#)

## **Notes From Springfield**

The House will need to elect a Speaker on January 13, otherwise, the House cannot conduct any additional business until a Speaker is elected with a majority vote. It still remains unknown if Speaker Madigan has enough support to gain the 60 necessary votes.

Tina Pacione-Zayas (D) has been appointed to fill the 20th District Senate seat vacated by newly-elected Cook County Clerk of the Circuit Court Iris

**HB 2179 Education Reform;** Increases high school graduation requirements including increased math, science and foreign language. Reduces class sized in early childhood education and creates anti-discrimination programs in education. Expands a private school tax credit. Lengthens the school year by 15 days.

**HB 5548 Health Care and Human Service Reform;** Prohibits hospitals from closing or reducing capacity, eliminates the state managed care program and provides more money for safety net hospitals.

### **Statewide Mask Mandate Renewed**

Gov. J.B. Pritzker's administration refiled an emergency COVID-19 rule to continue statewide mask and social distancing requirements for Illinoisans for another 150 days. This rule is similar to one that expired on Monday, but slightly different as it also allows warnings of the requirements to be written.

The new rule reads: "For retail businesses, reasonable efforts to comply with regard to customers shall be determined based on the totality of the circumstances and include, but are not limited to: posting signage requiring face coverings to be worn on the premises; providing face coverings to customers; giving verbal or written warnings to customers who are not wearing a face covering to inform them of the requirement to wear a face covering when on the premises; requesting verbally or in writing that customers leave the premises if not wearing a face covering; and making available reasonable accommodations for individuals who are not able to medically tolerate a face covering." [Read the rule.](#)

### **IDFPR Released Eviction, Mortgage and Student Loan Information**

The Illinois Department of Financial and Professional Regulation released an educational one pager, targeted to consumers, stressing several deadlines related to mortgages and student loans. [Click here to read.](#)

### **Mortgage Deadlines**

- FHFA forbearance must be requested by 1/31/21.

Martinez. Pacione-Zayas served as secretary of the Illinois State Board of Education.

Senator Bill Brady (R) of Bloomington, and former Republican leader, resigned his seat in the Senate on December 31.

Retiring Senator Dale Righter (R) will serve as Republican Leader Dan McConchie's chief of staff for the Senate Republican Caucus.

Illinois' population is expected to drop by 80,000 people over the last year, according to new estimates by the US Census Bureau. The official Census count will be released in early 2021. The state could potentially lose two Congressional districts in the new legislative map due to the declining population.

Illinois closed on an additional \$2 billion in borrowing from the Federal Reserve's Municipal Liquidity Facility. Comptroller Mendoza is using the funds to pay down the state's bill backlog, reducing it from \$8.9 billion to \$6.99 billion on Friday. The loan is backed by a general obligation pledge with a three-year term. The state previously borrowed \$1.2 billion to address the FY20 budge hole, which must be repaid by June 30, 2021.

Since marijuana sales were made legal in Illinois last January 1, 80 recreational cannabis dispensaries opened in Illinois and sold over \$1 billion this first year. More municipalities are now approving dispensaries, meaning sales will continue to grow in 2021. The three largest Illinois marijuana companies are Cresco, Green Thumb, and Verano Holdings.

### **CBAI Members Have Free Access to the Capitol Fax Blog**

Do you want even more information about what's going on behind closed doors in Springfield? The Capitol Fax Blog is an insiders-guide to Illinois politics. No need to buy a subscription, if you are a CBAI member then you already have access. You can peek behind the pay-wall for free daily in the members only section of CBAI.com, by simply clicking on the Capitol Fax graphic. If you need help accessing the Members Only section of the CBAI website, please contact [Stacy Workman](#) and she will set you up.

- HUD loan forbearance has been extended to 2/28/21.
- FHFA foreclosure moratorium ends 1/31/21.
- VA foreclosure moratorium ends 2/28/21.
- HUD foreclosure moratorium ends 2/28/21.

### **Student Loan Deadlines**

- Relief has been extended until 1/31/21.
- This includes waiving interest on all loans, halting collections on defaulted loans, and suspending loan payments.

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

If you have someone you would like to add to receive these NEWS FROM THE FRONT newsletters, please email [Stacy Workman](#) and indicate you would like for them to be added!

