

Beyond the results

**What the 2020 election
means for credit unions**

November 9, 2020

President-elect Biden

With nearly five decades of public service, how President-elect Joe Biden approaches the presidency may be somewhat predictable. At his heart, Biden is a centrist Democrat and that certainly played out in both the primary campaign, when he fought off challenges from the left, and the general election, when he united a coalition of progressives, moderates, and disenchanted Republicans. He pledged to be the president of all Americans, and the implications of this approach for credit unions will be significant.



Beyond the results

Here are some things to look out for in the Biden administration:

PERSONNEL IS POLICY and there is tension between Biden's economic advisors. Expect Biden loyalists (moderates) to win high-level macro-economic positions and progressive advocates to fill consumer protection roles.

THE NOMINATION OF A NEW CFPB DIRECTOR will be the first test of this tension, and will put recent deregulation at risk as the Biden administration seeks to undo Trump changes.

THERE WILL BE A CHANGE IN LEADERSHIP AT NCUA with Biden almost certainly naming Todd Harper as NCUA Chairman following his inauguration.

BIDEN IS A CREATURE OF THE SENATE having spent almost his entire career there.

He may be able to leverage his relationships with Senators and his experience to advance his agenda, or at least return Congress to normal legislative activity.

He may also look to the Senate for possible cabinet picks.

A RETURN TO NORMAL LEGISLATIVE ACTIVITY could open the doors for data security and data privacy legislation.

CONTROL OF THE SENATE REMAINS UP FOR GRABS Run-off elections in Georgia in January will help determine control of the chamber and how aggressive the Biden administration can be with Congress. A GOP-controlled Senate could give Biden the opportunity to play the progressive wing of his party off the conservative majority in the upper chamber.

PROGRESSIVES IN CONGRESS were dealt a setback in the House of Representatives and will have less leverage to push policies like a public bank option and new community service and reporting requirements for financial services companies.

COVID-19 WILL DOMINATE THE EARLY MONTHS OF BIDEN'S TERM and he will push for Congress to enact a significant stimulus. This could be an opportunity to extend the CARES Act provisions important to credit unions.

ACCESS TO CREDIT AND DIVERSITY, EQUITY, AND INCLUSION IN FINANCIAL SERVICES WILL BE A HIGH PRIORITY for Democrats in the administration and in Congress. Credit unions have an opportunity to align the work we do to improve members' financial well-being with efforts to ensure all borrowers have access to credit on equitable terms.

BIDEN IS UNLIKELY TO ADVANCE AMBITIOUS TAX REFORM, BUT AT SOME POINT, THE COVID BILL WILL COME DUE. This could put tax expenditures under increased scrutiny.

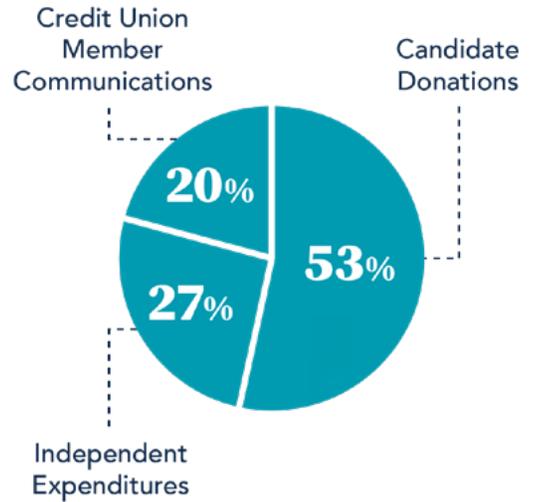
CULAC, CUNA, Leagues secure big wins for credit union candidates

The CUNA-League system's willingness to engage in political action is one of the hallmarks of our successful, 360-degree advocacy strategy on behalf of credit unions.

Through Credit Union Legislative Action Council (CULAC) and our National Advocacy Fund, CUNA and our League partners invested more than \$7 million in this year's elections. This engagement included over \$3.7 million donated directly in bipartisan fashion to 419 candidates and \$3.2 million spent on political advertising in eleven priority races for credit union champions in tough re-election fights.

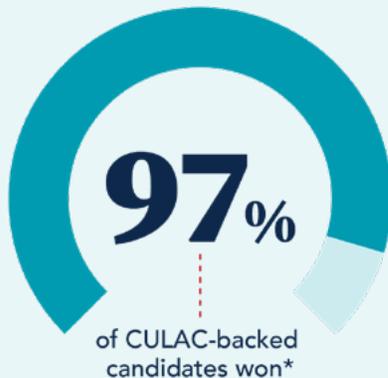
Our investments clearly made an impact. As of November 9, 2020, 370 CULAC-supported candidates have won election to the 117th Congress. These numbers will grow as more races are called, and importantly includes 35 newly elected freshmen who will have won their seats with credit union backing.

\$7M spent to support CUNA backed-candidates



▶ **View CULAC's complete results at cuna.org/elections**

Among our eleven priority races, we have seen ten wins: Sens. Susan Collins (R-ME), Steve Daines (R-MT), Gary Peters (D-MI), and Tina Smith (D-MN), and Reps. Don Bacon (R-NE-2), Steve Chabot (R-OH-1), Rodney Davis (R-IL-13), Jared Golden (D-ME-2), Andy Kim (D-NJ-3), and Susie Lee (D-NV-3).



*of called races

Our strategic investments clearly helped many credit union champions win close races, and we begin our advocacy in the next Congress with strong relationships with hundreds of new and returning lawmakers.

Freshman members of the 117th Congress with CULAC backing

SENATE

Rep. Roger Marshall (R-KS-SEN)

Amb. Bill Hagerty (R-TN-SEN)

Rep. Ben Lujan (D-NM-SEN)

Cynthia Lummis (R-WY-SEN)*

HOUSE OF REPRESENTATIVES

Jerry Carl (R-AL-1)

Frank Mrvan (D-IN-1)

Cliff Bentz (R-OR-2)

Barry Moore (R-AL-2)

Tracey Mann (R-KS-1)

Diana Harshbarger (R-TN-1)

Darrell Issa (R-CA-50)*

Jake LaTurner (R-KS-2)

Pat Fallon (R-TX-4)

Kat Cammack (R-FL-3)

Jake Auchincloss (D-MA-4)

August Pfluger (R-TX-11)

Scott Franklin (R-FL-15)

Lisa McClain (R-MI-10)

Ronny Jackson (R-TX-13)

Byron Donalds (R-FL-19)

Cori Bush (D-MO-1)

Pete Sessions (R-TX-17)*

Nikema Williams (D-GA-5)

Deborah Ross (D-NC-2)

Blake Moore (R-UT-1)

Andrew Clyde (R-GA-9)

Kathy Manning (D-NC-6)

Marilyn Strickland (D-WA-10)

Kaiali'i Kahele (D-HI-2)

Teresa Leger Fernandez (D-NM-3)

Scott Fitzgerald (R-WI-5)

Marie Newman (D-IL-3)

Ritchie Torres (D-NY-15)

Mary Miller (R-IL-15)

Mondaire Jones (D-NY-17)

- Luke Letlow (R-LA-05) is in a run-off to be held on 12/5/2020
- 3 races to be called as of 11/9/2020

*former Member of Congress

\$3M spent on ads for credit union champions



Sen. Susan Collins (R-ME)



Sen. Gary Peters (D-MI)



U.S. Rep Andy Kim (D-NJ)



U.S. Rep Don Bacon (R-NE)

State legislatures see status quo with elections in most states

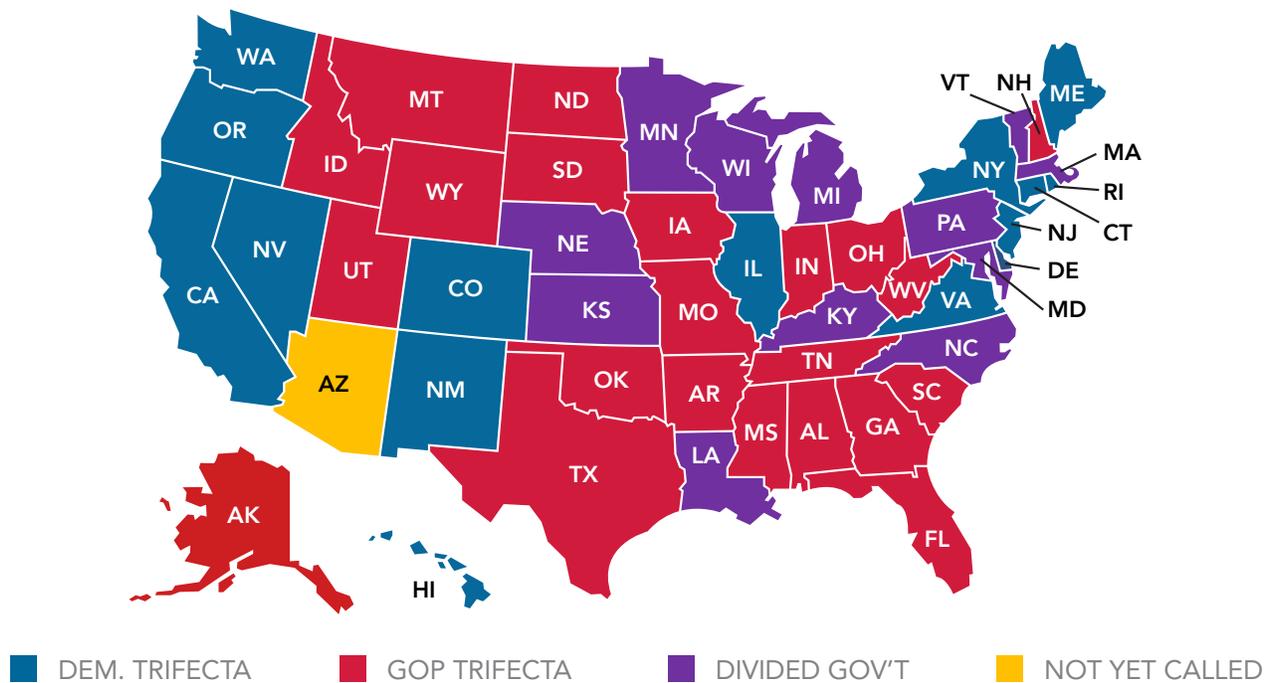
Contrary to the expectations of many, the 2020 state legislative elections were largely uneventful; the status quo remains unchanged.

At the time of publication, the only legislature to change party control was New Hampshire, flipping from Democratic to Republican control. Arizona chambers may flip, but those races are still being counted. The majority of state governments will remain in Republican control; there are 22 Republican trifectas (a single party controls the legislature and governorship), 15 Democratic trifectas, and 11 states have a divided government with one party controlling the legislature and the other controlling the governorship.

2021 political landscape

Moving into 2021, and given the lack of significant political shifts, the main concern for credit unions will be state budget pressures resulting in potential tax threats. This issue will be closely monitored in coordination with League partners as state legislative sessions begin to start up in January. Federal relief for state governments is needed to alleviate budgetary tax threats, but it will not eliminate the threat entirely. A number of associations representing state officials, led by the National Governors Association, have reiterated the need for federal relief amid the pandemic and will continue to push for this aid as the bills become due.

2021 state trifectas & divided government



**NE has a nonpartisan legislature*

Credit Union National Association
Champion for America's credit unions

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