



# 2025

# Advocacy: The Importance of Banker Engagement

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# Advocacy

- What are we going to talk about today?
  - Today's session focuses on the ways that you can engage in advocacy efforts and increase your awareness of matters directly impacting the industry you work in
  - Our goal is to demonstrate how increased participation in advocacy helps raise awareness of issues that may impact the bank, how deeper engagement shapes more favorable final policies, and how greater involvement reduces overall compliance burdens
  - During the discussion, we will explore specific opportunities where you and your colleagues may wish to become more involved

# CBA'S STATE ADVOCACY

- We are the only banking trade association in California with a full-time state legislative advocacy team dedicated to protecting our members' interests. We are in the Capitol every day talking with legislators, key staff, policy committee consultants, regulators and executives in the governor's office.
- CBA's state advocacy is multi-faceted. We submit comment letters and deliver testimony on measures that our members have identified as priorities. We build coalitions with other entities that share our view.
- CBA's direct involvement with pending measures provides our members a unique view on the intent and meaning of adopted public policies, how particular proposals came to be and how the association's role affects the final content of measures impacting the industry.

# CBA'S STATE ACVOACACY

- Full-Time Legislature with two-year sessions
- Bicameral
  - Assembly
  - Senate
- 120 legislators
- Super Duper Majority
- Women in the California Legislature



# ADVOCACY


- Current Threats
  - AB 801 (Bonta)
    - Creates a new state Community Reinvestment Act for state-chartered banks
  - AB 909 (Schiavo)
    - Requires banks reimburse consumers for authorized fraud transactions
  - AB 1065 (Ortega)
    - Prohibits the imposition of interchange fees on the tax portion of a retail transaction
  - AB 1365 (Garcia)
    - Creates a state banking program in competition with private banks

# ADVOCACY

- What is advocacy?
  - According to the Tenth Edition of Black's Law Dictionary, advocacy is "the work or profession of an advocate. The act of pleading for or actively supporting a cause or proposal."
  - An advocate, according to the same dictionary, is "someone who assists, defends, pleads, or prosecutes for another."
  - CBA's core competency is advocacy - we advocate for our member banks on state and federal legislation and regulation, before the courts on legal matters and through external communications with the public and the media




# ADVOCACY

- How does CBA advocate on your behalf?
    - Through consultation with our member banks, we analyze pending public policy proposals and arrive at a consensus position
    - We convey the perspective of our membership through written position papers, we articulate our concerns directly with interested parties and stakeholders and we offer formal testimony and commentary in committees, public hearings and interviews
    - In other words, we engage directly and forcefully with decision-Makers on matters that our members identify as priorities and we seek to influence outcomes
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# ADVOCACY

- Why should you get involved?
    - You know your business better than those attempting to regulate you
    - Others are defining who we are and dictating our business models
    - The ability to deliver performance results for the bank and to serve customers is hampered
    - Frankly, we need your help and can't succeed without you
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# ADVOCACY

- Why is advocacy important?
  - Government is increasingly interested in the products and services that banks offer and they think they know better than you
  - Yet, the truth is, policymakers often don't fully understand the business
  - The last economic downturn provided a forum to advance substantive new legislation and regulation
  - New laws can be burdensome and could negatively impact a bank's performance meanwhile providing questionable value to consumers
  - No significant pipeline for new bank charters; shadow industries and disruptive technologies proliferate and compete on a unlevel playing field

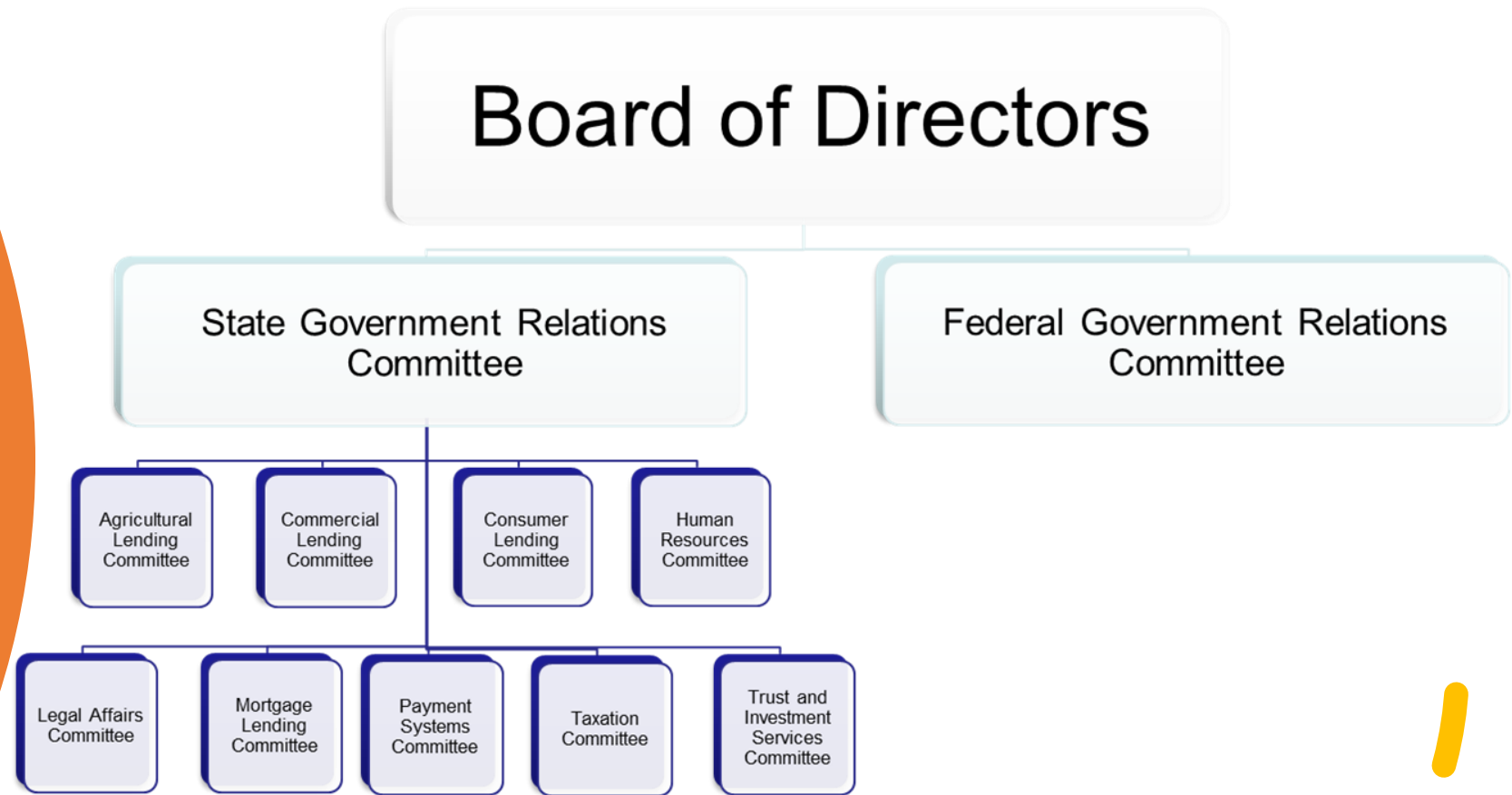
# ADVOCACY

- How can you get involved?
  - Become an active volunteer of the association
    - Participate on an association committee and share your expertise
    - Write a comment letter on things you are passionate about
  - Attend state and federal legislative grassroots advocacy days
    - Annual Legislative Forum
    - Washington, D.C. semi-annual visits
  - Meet with your local legislators (become a grassroots activist)
  - Be proactive with external communications to the public and local media

# ADVOCACY

- Participate in association committees that track legislation/regulation
  - State Government Relations Committee and its policy committees
  - Federal Government Relations Committee
- Your involvement in these committees will put you ahead of the curve and allow you to proactively anticipate and build compliance when proposals are adopted
- Sharing your expertise will help shape and influence final outcomes in a way that minimizes unintended consequences and the overall operational burden

# ADVOCACY



# ADVOCACY

- Prepare and submit correspondence – write a comment letter
  - Policymakers react when individual companies respond to a pending public policy proposal particularly when it effectively describes how it will affect the business – it drives home the real impact
  - It becomes more personal when a legislator or regulator understands that they are impacting the constituency which they serve - at some point, they have to go home and explain their actions
  - If you don't communicate your concerns, they'll use the, "golly gee, aw shucks, I wish you would have told me...if only I would have known" line
  - Specific examples of negative consequences to customers and the communities served are powerful and outweigh generalizations

# ADVOCACY

- Meet with your local legislators – grassroots
  - Meet with decision-makers in their district even when there isn't a pressing matter
    - Develop new relationships or nurture existing ones
    - Opportunity to tell the story of your bank and what you do in your community
  - Outreach by bankers when the situation requires action
    - Your perspective will go a long way if you have established a relationship
    - Prepare and submit correspondence and/or place phone calls



# Staying Informed

In addition to the important initiatives and activities at your bank, CBA has news you can use as well. Subscribe to and review association publications:

- CBA Magazine
- CBA Weekly
- The Battleground

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