HOUSE DOCKET, NO. 2920 FILED ON: 1/21/2011

HOUSE . . . . . No. 3322

The Commonwealth of Massachusetts

PRESENTED BY:

James M. Murphy

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to the Massachusetts Credit Union Share Insurance Corporation.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
James M. Murphy	*4th Norfolk*

HOUSE DOCKET, NO. 2920 FILED ON: 1/21/2011

HOUSE . . . . . No. 3322

By Mr. Murphy of Weymouth, a petition (accompanied by bill, House, No. [billNo]) of James M. Murphy relative to the powers and privileges of the Massachusetts Credit Union Share Insurance Corporation. Financial Services.

The Commonwealth of Massachusetts

An Act relative to the Massachusetts Credit Union Share Insurance Corporation.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 294 of the Acts of 1961 is hereby amended by inserting after Section 2 thereof, the following section:

Section 2A. Authority. In addition to the powers and privileges otherwise conferred by this act or law, the corporation shall have the following powers and privileges:

(a) to hold, purchase, convey, mortgage or lease real or personal property or any interest therein utilized for its premises or convenient for the exercise of its powers and the performance of its duties pursuant to this act;

(b) to invest, subject to the approval of the commissioner, and under such limitations or conditions as he may impose, in the capital stock or shares of one or more subsidiary corporations, limited liability companies or trusts or such other forms of organization permitted by the commissioner, organized and operated solely for the purpose of performing functions that the corporation itself is empowered to perform directly or as authorized by the commissioner.

(c) to invest individually or with one or more credit unions or federal credit unions up to five percent of its assets in one or more credit union service organizations engaging in activities or providing services authorized by law. For purposes solely related to the investment of credit unions in credit union service organizations pursuant to this subsection, hereof, the corporation shall be deemed to be a credit union.

THE FOLLOWING TEXT WHICH CONTAINS THE MEMORANDUM FROM THE STATE SECRETARY IS NOT PART OF THE TEXT OF THE BILL

MEMORANDUM

OF THE SECRETARY OF THE COMMONWEALTH

IN RESPECT TO THE PETITION OF JAMES MURPHY

RELATIVE TO THE

INVESTMENT POWERS OF THE

MASSACHUSETTS CREDIT UNION SHARE INSURANCE CORPORATION

March 28, 2011

To: The Honorable Senate and House of Representatives

On March 25, 2011 the Clerk of the House transmitted the above-referenced petition to me with a request for a memorandum pursuant to the provisions of

General Laws Chapter 3 § 7.

The Massachusetts Credit Union Share Insurance Corporation (hereinafter referred to as the "Corporation") was organized by Chapter 294 of the Acts of 1961 for the purpose of creating and maintaining a fund for the issuance of shares and deposits of members of credit unions established under the laws of the Commonwealth. Since its inception, numerous special acts have been adopted amending the provisions of law relative to the Corporation. Most recently, Chapter 253 of the Acts of 2010 allowed the corporation to invest in certificates of deposit in a banking corporation, insured by the Federal Deposit Insurance Corporation, in an amount not to exceed the applicable federal deposit insurance limit.

The bill before you seeks to amend Chapter 294 of the Acts of 1961 by inserting, after Section 2, Section 2A, conferring certain specified powers and privileges including (a) to hold, purchase, convey, mortgage or lease real or personal property or any interest therein for its premises or convenient for the exercise of its duties; (b) to invest, subject to the approval of the commissioner, and under such limitations or conditions as he may impose, in the capital stock or shares of one or more subsidiary corporations, limited

liability companies or trusts or other forms of organizations permitted by the commissioner, organized and operated for the purpose of performing functions that the corporation is empowered to perform directly or indirectly or as authorized by the commissioner; and (c) to invest individually with one or more credit unions or federal credit unions up to 5% of its assets in one or more credit union service organizations engaging in activities or providing services authorized by law.

Special legislation is necessary to accomplish the amendment. No fee is required by a corporation of this type. This office has no opinion on the merits of the legislation.

54 Respectfully submitted,

55 William Francis Galvin

56 Secretary of the Commonwealth

57 WFG/lf