

SENATE No. 468

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relative to credit union shares and deposits..

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

1 SECTION 1. Chapter 171 of the General Laws, as appearing in the 2006 Official Edition,
2 is hereby amended by striking out section 30 and inserting in place thereof the following section:

3 —

4 Section 30. Every member of a credit union shall hold 1 share and may hold shares or
5 make deposits, or both, therein, in his own name and he may jointly, with one or more persons,
6 hold shares or make deposits, or both. An organizational member may purchase shares or make
7 deposits; provided, however, that the total of such payments by all organizational members shall
8 not exceed, at any time, twenty-five percent of the assets of the credit union.

9 The provisions of this section shall apply to all members of credit unions which are
10 insured by the National Credit Union Administration; provided, however, that no such credit
11 union shall accept deposits or payments for shares for the account of a shareholder or depositor
12 in excess of the amount which is insured by said administration unless the excess is insured by
13 the Massachusetts Credit Union Share Insurance Corporation pursuant to section six D of chapter
14 two hundred and ninety-four of the Acts of nineteen hundred and sixty-one.

15 SECTION 2. Section 32 of said chapter 171, as so appearing, is hereby amended
16 by striking out the first paragraph and inserting in its place the following paragraph: -

17 Section 32. Any of the shares or deposits authorized by section thirty may, if the
18 directors of the credit union so determine, be received as term shares or deposits, subject to the
19 provisions of this section.

20 SECTION 3. Chapter 171 is hereby further amended by striking out section 33, as so
21 appearing, and inserting in place thereof the following section: -

22 Section 33. A credit union may also contract, on terms to be agreed upon, with a person
23 eligible for membership in the credit union or a member of such person's family, for the deposit
24 at intervals within a period of twelve months, of sums of money, to be known as club deposits
25 and may pay interest or dividends thereon in the amount decided by its board of directors, but at
26 no higher rate than that paid on its regular deposits or as regular dividends on shares.

27 SECTION 4. Section 34 of chapter 171, as so appearing, is hereby amended by striking
28 out the first paragraph and inserting in place thereof the following paragraph: —

29 Section 34. Any of the shares or deposits authorized by section thirty except club
30 deposits, if the directors so determine, and if the share and deposit liabilities are insured in full
31 under federal or state law, or both, may be received as special notice accounts subject to the
32 provisions of this section.