

SENATE No. 450

The Commonwealth of Massachusetts

PRESENTED BY:

Brian A. Joyce

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 adoption of the accompanying bill:

An Act to increase transparency at mutual banks, co-operative banks and credit unions.

PETITION OF:

NAME:

Brian A. Joyce

DISTRICT/ADDRESS:

Norfolk, Bristol and Plymouth

SENATE No. 450

By Mr. Joyce, a petition (accompanied by bill, Senate, No. 450) of Brian A. Joyce for legislation to increase transparency at mutual banks, co-operative banks and credit unions. Financial Services.

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act to increase transparency at mutual banks, co-operative banks and credit unions.

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

1 Chapter 167 of the General Laws is hereby amended by inserting after section 13 the
2 following section:-

3 Section 13A. (a) A mutual bank, co-operative bank or credit union shall provide clear,
4 concise and understandable disclosure of all compensation awarded to, earned by or paid to the
5 named executive officers or directors designated in subsection (b). A mutual bank, co-operative
6 bank or credit union shall conspicuously publish disclosure in a format readily accessible to
7 members.

8 (b) For the purposes of this section, a “named executive officer or director” shall mean:

9 (i) a person serving as a company’s principal chief executive officer or acting in a similar
10 capacity during the last completed fiscal year, the “CEO”, regardless of compensation level;

11 (ii) a person serving as a company’s principal or chief financial officer or acting in a
12 similar capacity during the last completed fiscal year, the “CFO”, regardless of compensation
13 level;

14 (iii) a company’s 3 most highly compensated executive officers other than the CEO and
15 CFO who were serving as executive officers at the end of the last completed fiscal year;

16 (iv) up to 2 additional persons for whom disclosure would have been provided pursuant
17 to clause (iii), but for the fact that the individual did not serve as an executive officer of the
18 company at the end of the last completed fiscal year; and

19 (v) a company's directors.

20 (c) The commissioner of banks shall further promulgate regulations with the express
21 purpose of requiring a mutual bank, co-operative bank or credit union to provide full and
22 accurate disclosure of:

23 (i) all compensation to the named executive officers or directors, whether paid or
24 accrued; and

25 (ii) all conflicts of interest, whether direct or indirect.