

HOUSE No. 3690

The Commonwealth of Massachusetts

PRESENTED BY:

Louis L. Kafka

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 relative to interstate branching of a credit union and the Massachusetts Credit Union Share Insurance Corporation.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Louis L. Kafka</i>	<i>8th Norfolk</i>	<i>1/19/2017</i>
<i>David F. DeCoste</i>	<i>5th Plymouth</i>	
<i>Steven S. Howitt</i>	<i>4th Bristol</i>	
<i>Alan Silvia</i>	<i>7th Bristol</i>	
<i>Thomas J. Calter</i>	<i>12th Plymouth</i>	
<i>Patrick M. O'Connor</i>	<i>Plymouth and Norfolk</i>	

HOUSE No. 3690

By Mr. Kafka of Stoughton, a petition (subject to Joint Rule 9) of Louis L. Kafka and others that the Massachusetts Credit Union Share Insurance Corporation be authorized to create and maintain a fund for the insurance of shares and deposits of members of the Central Credit Union Fund, Inc. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to interstate branching of a credit union and 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:

1 SECTION 1. Section 1 of chapter 171 of the General Laws, as appearing in the 2014
2 Official Edition, is hereby amended by striking out, in lines 43 and 44, the words “, having a
3 usual place of business within the commonwealth and”.

4 SECTION 2. Section 6D of chapter 294 of the acts of 1961 as appearing in section 4 of
5 chapter 115 of the acts of 1996 is hereby amended by striking out the first paragraph and
6 inserting in place thereof the following paragraph:-

7 The excess shares and deposits of excess members deposited in the main office or any
8 branch office thereof shall be insured in full by the corporation, subject to the following
9 conditions and limitations:

10 SECTION 3. Said chapter 294 of the acts of 1961 is hereby amended by striking out
11 section 1 and inserting in place thereof the following section:-

12 Section 1. There is hereby constituted a corporation under the name of Massachusetts
13 Credit Union Share Insurance Corporation, hereinafter referred to as the corporation, for the
14 purpose of creating and maintaining a fund for the insurance of shares and deposits of members
15 of the Central Credit Union Fund, Inc. and of credit unions which are established under the laws
16 of the commonwealth or of any other state or of the United States and which become regular or
17 excess members of the corporation, as hereinafter provided.

18 END OF BILL

19 MEMORANDUM OF THE SECRETARY OF THE COMMONWEALTH IN
20 RESPECT TO THE PETITION OF LOUIS L. KAFKA AND OTHERS THAT THE
21 MASSACHUSETTS CREDIT UNION SHARE INSURANCE CORPORATION BE
22 AUTHORIZED TO CREATE AND MAINTAIN A FUND FOR THE INSURANCE OF
23 SHARES AND DEPOSITS OF MEMBERS OF THE CENTRAL CREDIT UNION FUND,
24 INC.

25 May 10, 2017

26 To: The Honorable Senate and House of Representatives

27 On May 8, 2017 the Clerk of the House of Representatives transmitted the above-
28 referenced petition to me with a request for a memorandum pursuant to the provisions of General
29 Laws Chapter 3 § 7.

30 The Massachusetts Credit Union Share Insurance Corporation (hereinafter referred to as
31 the “Corporation”) was organized by Chapter 294 of the Acts of 1961 for the purpose of creating
32 and maintaining a fund for the issuance of shares and deposits of members of credit unions
33 established under the laws of the Commonwealth. Since its inception, numerous special acts
34 have been adopted amending the provisions of law relative to the Corporation. Most recently,
35 Chapter 253 of the Acts of 2014 amended Chapter 294 of the Acts of 1961 to provide the
36 corporation with certain powers and privileges including the ability to own or lease real and
37 personal property and to invest in other business entities or credit unions as permitted by the
38 Commissioner and approved by 2/3 vote of its board of directors.

39 The bill before you seeks to amend Chapter 294 of the Acts of 1961 to include the
40 purpose of creating and maintaining a fund for the insurance of shares and deposits of members
41 of the Central Credit Union Fund, Inc. in addition to credit unions established under the laws of
42 the commonwealth and which are regular or excess members of the corporation. It also amends
43 section 6D to eliminate the requirement that branch offices of excess members be located in the
44 commonwealth in order to be insured in full by the corporation. Finally, the bill amends Section
45 1 of Chapter 171 of the General Laws by deleting the words, “having a usual place of business
46 within the commonwealth” from the definition of organization member.

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

49 Respectfully submitted,

50 William Francis Galvin

51 Secretary of the Commonwealth

