

# HOUSE . . . . . No. 4905

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## The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court  
(2023-2024)

SENATE, December 30, 2024.

The committee on Senate Ways and Means to whom was referred the House Bill relative to certain loans by the Federal Home Loan Bank (House, No. 4905) (also based on Senate, No. 641); reports, recommending that the same ought to pass with an amendment striking out all after the enacting clause and inserting in place thereof the text of Senate document numbered 3010; and by striking out the title and inserting in place thereof the following title: "An Act further regulating certain loans by the federal home loan bank."

For the committee,  
Michael J. Rodrigues

**HOUSE . . . . . No. 4905**

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Substituted by the House, on motion of Mr. Walsh of Peabody, for a bill with the same title (House, No. 4905). July 24, 2024.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Third General Court  
(2023-2024)**  
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An Act relative to certain loans by the Federal Home Loan Bank.

*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 19G of chapter 175 of the General Laws, as appearing in the 2022  
2 Official Edition, is hereby amended by striking out, in line 53, the figure “180L” and inserting in  
3 place thereof the following figure:- 180L3/4.

4           SECTION 2. Section 19K of said chapter 175, as so appearing, is hereby amended by  
5 striking out, in lines 137 and 160, the figure “180L” and inserting in place thereof, in each  
6 instance, the following figure:- 180L3/4.

7           SECTION 3. Section 180A of said chapter 175, as so appearing, is hereby amended by  
8 striking out, in lines 2 and 89, the figure “180L1/2” and inserting in place thereof, in each  
9 instance, the following figure:- 180L3/4.

10           SECTION 4. Said section 180A of said chapter 175, as so appearing, is hereby further  
11 amended by inserting after the definition of “Domiciliary state” the following definition:-

12           “Federal Home Loan Bank”, an institution chartered under the Federal Home Loan Bank  
13 Act of 1932, 12 U.S.C. 1421, et seq.

14           SECTION 5. Said chapter 175 is hereby further amended by inserting after section 180  
15 L1/2 the following section:-

16           Section 180L3/4. (a) Notwithstanding any provision of sections 180A to 180L3/4,  
17 inclusive, to the contrary, no person, for more than 10 days shall be stayed, enjoined or  
18 prohibited from exercising or enforcing any right or cause of action under any pledge, security,  
19 credit, collateral, loan, advances, reimbursement or guarantee agreement or arrangement or any  
20 similar agreement, arrangement or other credit enhancement to which a federal home loan bank  
21 is a party.

22           (b) Notwithstanding any provision of sections 180A to 180L3/4, inclusive, to the  
23 contrary, no receiver, rehabilitator, liquidator or other person shall avoid any transfer of, or any  
24 obligation to transfer, money or any other property arising under or in connection with any  
25 pledge, security, credit, collateral, loan, advances, reimbursement or guarantee agreement or  
26 arrangement or any similar agreement, arrangement or other credit enhancement to which a  
27 federal home loan bank, is a party, that is made, incurred or assumed before or after the  
28 commencement of a delinquency proceeding under this chapter; provided, however, that a  
29 transfer may be avoided under chapter 109A if the transfer was made with actual intent to hinder,  
30 delay or defraud the insurer, a receiver appointed for the insurer or existing or future creditors.

31           (c) A federal home loan bank exercising its rights regarding collateral pledged by an  
32 insurer-member shall, within 7 days of receiving a redemption request made by the insurer-  
33 member, repurchase any of the insurer-member’s outstanding capital stock in excess of the

34 amount the insurer-member must hold as a minimum investment. The federal home loan bank  
35 shall repurchase the excess outstanding capital stock only to the extent that it determines in good  
36 faith that the repurchase is:

37 (1) permissible under federal laws and regulations and the federal home loan bank's  
38 capital plan; and

39 (2) consistent with the capital stock practices currently applicable to the federal home  
40 loan bank's entire membership.

41 (d) (1) Not later than 10 days after the date of appointment of a receiver, rehabilitator, or  
42 liquidator in a proceeding under section 180A to 180L3/4 involving an insurer-member of a  
43 federal home loan bank, the federal home loan bank shall provide to the receiver, rehabilitator or  
44 liquidator a process and timeline for the following:

45 (i) The release of any collateral held by the federal home loan bank that exceeds the  
46 amount that is required to support the secured obligations of the insurer-member and that is  
47 remaining after any repayment of loans, as determined under the applicable agreements between  
48 the federal home loan bank and the insurer-member;

49 (ii) The release of any collateral of the insurer-member remaining in the federal home  
50 loan bank's possession following repayment in full of all outstanding secured obligations of the  
51 insurer-member;

52 (iii) The payment of fees owed by the insurer-member and the operation, maintenance,  
53 closure or disposition of deposits and other accounts of the insurer-member, as mutually agreed  
54 upon by the receiver, rehabilitator or liquidator and the federal home loan bank;

55 (iv) Any redemption or repurchase of federal home loan bank stock or excess stock of  
56 any class that the insurer-member is required to own under agreements between the federal home  
57 loan bank and the insurer-member.

58 (2) Upon the request of a receiver, rehabilitator or liquidator appointed in a proceeding  
59 under sections 180A to 180L3/4, inclusive, involving a federal home loan bank insurer-member,  
60 the federal home loan bank shall provide to the receiver, rehabilitator or liquidator any available  
61 options for the insurer-member to renew or restructure a loan. In determining which options are  
62 available, the federal home loan bank may consider market conditions, the terms of any loans  
63 outstanding to the insurer-member, the applicable policies of the federal home loan bank and the  
64 federal laws and regulations applicable to federal home loan banks.

65 (e) As used in this section, "insurer-member" means a member of the federal home loan  
66 bank in question that is an insurer.

67 SECTION 6. Section 20 of chapter 176G of the General Laws, as appearing in the 2022  
68 Official Edition, is hereby amended by striking out, in line 6, the figure "180L" and inserting in  
69 place thereof the following figure:- 180L3/4.