

SENATE No. 3010

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

SENATE No. 3010

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

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. Subsection (j) of section 19K of said chapter 175, as so appearing, is hereby
5 amended by striking out, in line 137, the figure “180L” and inserting in place thereof the
6 following figure:- 180L3/4.

7 SECTION 3. Said subsection (j) of said section 19K of said chapter 175, as so appearing,
8 is hereby further amended by striking out, in line 160, the figure “180L” and inserting in place
9 thereof the following figure:- 180L3/4.

10 SECTION 4. Section 180A of said chapter 175, as so appearing, is hereby amended by
11 striking out, in line 2, the figure “180L1/2” and inserting in place thereof the following figure:-
12 180L3/4.

13 SECTION 5. Said section 180A of said chapter 175, as so appearing, is hereby further
14 amended by inserting after the definition of “Domiciliary state” the following definition:-

15 “Federal home loan bank”, an institution chartered under the Federal Home Loan Bank
16 Act of 1932, 12 U.S.C. 1421, et seq.

17 SECTION 6. Said section 180A of said chapter 175, as so appearing, is hereby further
18 amended by striking out, in line 89, the figure “180L1/2” and inserting in place thereof the
19 following figure:- 180L3/4.

20 SECTION 7. Said chapter 175 is hereby further amended by inserting after section
21 180L1/2 the following section:-

22 Section 180L3/4. (a) Notwithstanding any other provision of this section or sections
23 180A to 180L1/2, inclusive, no person shall be stayed, enjoined or prohibited for more than 10
24 days from exercising or enforcing a right or cause of action under a pledge, security, credit,
25 collateral, loan, advance, reimbursement or guarantee agreement or arrangement or any similar
26 agreement, arrangement or other credit enhancement to which a federal home loan bank is a
27 party.

28 (b) Notwithstanding any other provision of this section or sections 180A to 180L1/2,
29 inclusive, no receiver, rehabilitator, liquidator or other person shall avoid a transfer of, or
30 obligation to transfer, money or any other property arising under or in connection with any
31 pledge, security, credit, collateral, loan, advance, reimbursement or guarantee agreement or
32 arrangement or any similar agreement, arrangement or other credit enhancement to which a
33 federal home loan bank is a party that is made, incurred or assumed before or after the
34 commencement of a delinquency proceeding under this chapter; provided, however, that a
35 transfer may be avoided under chapter 109A if the transfer was made with actual intent to hinder,
36 delay or defraud the insurer, a receiver appointed for the insurer or existing or future creditors.

37 (c) A federal home loan bank exercising its rights relative to collateral pledged by an
38 insurer-member shall, within 7 days of receiving a redemption request made by the insurer-
39 member, repurchase any of the insurer-member's outstanding capital stock in excess of the
40 amount the insurer-member must hold as a minimum investment. The federal home loan bank
41 shall repurchase the excess outstanding capital stock only to the extent that it determines in good
42 faith that the repurchase is:

43 (i) permissible under federal laws and regulations and the federal home loan bank's
44 capital plan; and

45 (ii) consistent with the capital stock practices currently applicable to the federal home
46 loan bank's entire membership.

47 (d) (1) Not more than 10 days after the date of appointment of a receiver, rehabilitator or
48 liquidator in a proceeding under this section and sections 180A to 180L1/2, inclusive, involving
49 an insurer-member of a federal home loan bank, the federal home loan bank shall provide to the
50 receiver, rehabilitator or liquidator a process and timeline for:

51 (i) the release of collateral held by the federal home loan bank that exceeds the amount
52 required to support the secured obligations of the insurer-member and remaining after
53 repayment of loans, as determined under applicable agreements between the federal home loan
54 bank and the insurer-member;

55 (ii) the release of collateral of the insurer-member remaining in the federal home loan
56 bank's possession following repayment in full of all outstanding secured obligations of the
57 insurer-member;

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

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

64 (2) Upon the request of a receiver, rehabilitator or liquidator appointed in a proceeding
65 under this section and sections 180A to 180L1/2, inclusive, involving a federal home loan bank
66 insurer-member, the federal home loan bank shall provide to the receiver, rehabilitator or
67 liquidator available options for the insurer-member to renew or restructure a loan. In determining
68 which options are available, the federal home loan bank may consider market conditions, the
69 terms of any loans outstanding to the insurer-member, the applicable policies of the federal home
70 loan bank and federal laws and regulations applicable to federal home loan banks.

71 (e) For the purposes of this section, "insurer-member" shall mean a member of a federal
72 home loan bank that is an insurer.

73 SECTION 8. Section 20 of chapter 176G of the General Laws, as appearing in the 2022
74 Official Edition, is hereby amended by striking out, in line 6, the figure "180L" and inserting in
75 place thereof the following figure:- 180L3/4.