HOUSE . . . . No. 5625

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, July 30, 2026.

The committee on Ways and Means, to whom was referred the Bill relative to the Massachusetts Credit Union Share Insurance Corporation (House, No. 3933), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 5625).

For the committee,

AARON MICHLEWITZ.

FILED ON: 7/30/2026

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The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act relative to 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:

SECTION 1. Section 5 in section 1 of chapter 294 of the acts of 1961, as amended by section 1 of chapter 306 of the acts of 1973, is hereby further amended by striking out the second paragraph and inserting in place thereof the following paragraph:-

The board of directors shall meet at least quarterly. A majority of the directors shall constitute a quorum.

SECTION 2. Section 6 in said section 1 of said chapter 294, as most recently amended by section 2 of chapter 323 of the acts of 2020, is hereby further amended by striking out the first 3 paragraphs and inserting in place thereof the following 4 paragraphs:-

Whenever it shall appear to the commissioner that it is inadvisable or inexpedient for any member to continue to transact the business for which it was organized without receiving financial or other assistance, the commissioner may, in the commissioner's discretion, so notify the directors of the corporation, and thereupon the directors of the corporation make take any action in their opinion that they deem necessary to reduce the risk or avert a threatened loss to the corporation. Notwithstanding any other provision of law, the corporation may merge or consolidate such member or may facilitate the sale of assets of such member to and the assumption of its liabilities by 1 or more members.

The directors of the corporation may with the approval of the commissioner and in order to effect the purposes of this act, and without limiting the aforesaid powers of the corporation, provide any 1 or more of the following forms of financial assistance to a member in need of same: (a) purchase from such member the whole or any part of, or any equitable or any other interest in, its assets at the book value thereof, or at some other value mutually agreed upon by the directors of the member credit union and the directors of the corporation, notwithstanding that either of such values may exceed the market value of the assets so purchased, and upon such terms and conditions as the directors of the corporation with the approval of the commissioner, may determine; (b) make loans to such member, and upon such terms and conditions, as the directors of the corporation, with the approval of the commissioner, may determine; (c) pay to such member in accordance with an agreement entered into between such member and the corporation, with the approval of the commissioner, an amount not in excess of the difference between the book value of certain or all its assets and the fair value thereof as determined by said agreement, in consideration for which such member shall agree to write down such assets to such fair value and to pay over to the corporation so much of any net proceeds realized from the sale or other disposition of each and all such assets as is in excess of such fair value, such payment to be made in such amounts, at such times and upon such terms and conditions as the directors of the corporation, with the approval of the commissioner, may determine; provided, that any amount paid by the corporation hereunder to such member and the agreement of such member to repay the excess, as hereinbefore provided, shall constitute liabilities of such member only to the extent of any such excess from time to time actually realized; (d) deposit a sum of money into the loan reserve, investment reserve, undivided earnings or any other surplus accounts of such member in accordance with an agreement entered into between such member and the corporation, with the approval of the commissioner, such member being hereby authorized and empowered, notwithstanding any other provision of law, to repay such amount to the corporation at such time or times and in such manner as such agreement may prescribe; and provided further, that any such payment made by the corporation to such member, and any agreement of such member to repay the same shall constitute liabilities of such member only to the extent provided by said agreement. The member, by vote of at least 2/3 of its directors, may take any and all action necessary or advisable to enable it to carry out any or all provisions of this section.

In addition to or apart from the financial assistance authorized under the preceding paragraph, the corporation, by vote of at least 2/3 of its directors and in order to effect the purposes of this act may, by agreement with a member and with the approval of the commissioner, grant financial assistance to such member by any or all of the methods prescribed in the preceding paragraph and subject to the terms, conditions and benefits contained in clauses (a) to (d), inclusive, of the preceding paragraph, for any of the purposes stated in this section or for the purpose of providing reserve funds for the protection of depositors of such credit unions.

In addition to the financial assistance authorized under the preceding 3 paragraphs, the corporation, by vote of at least 2/3 of its directors and in order to effect the purposes of this act may also, by agreement with a member and with the approval of the commissioner, grant financial assistance to such member credit union by any or all of the following additional methods for any of the purposes stated in this section or to provide reserve funds for the protection of depositors of such credit union: (a) make a deposit in such member credit union of such amount as the directors deem advisable which deposit shall not be subject to any limits imposed by chapter 171 of the General Laws or the by-laws of the credit union and which may or may not be a subordinated deposit and may or may not be in accordance with an agreement that dividends thereon will be at a lower rate than is paid to the members; (b) assume any liabilities of such member credit union; (c) make loans or contributions to or deposits in, or purchase any assets of, any financial institution that will acquire control of or merge or consolidate with such member credit union or will purchase the assets and assume the liabilities of such member credit union; (d) guarantee such member credit union, or any financial institution that will acquire control of or merge or consolidate with such member credit union or will purchase the assets and assume the liability of such member credit union, against loss by reason of such acquisition of control, merger or consolidation or purchase of assets and assumption of liabilities; or (e) take any other action that the directors in their opinion deem appropriate to carry out the purposes of this section.

SECTION 3. Section 9 in said section 1 of said chapter 294, as most recently amended by section 6 of chapter 168 of the acts of 2004, is hereby further amended by striking out the first sentence and inserting in place thereof the following sentence:-

The corporation may by a majority vote of the board of directors and with the approval of the commissioner borrow money from members and others and pledge its assets as security therefor.

SECTION 4. Said section 9 in said section 1 of said chapter 294, as so amended, is hereby further amended by adding the following paragraph:-

The corporation shall be deemed to be an organization member, as defined in section 1 of chapter 171 of the General Laws, of its member credit unions. Any member credit union may lend money to the corporation as an organization member.

SECTION 5. The first paragraph of section 16 in said section 1 of said chapter 294, as appearing in chapter 253 of the acts of 2014, is hereby amended by striking out clauses (iii) and (iv) and inserting in place thereof the following 3 clauses:-

(iii) invest individually or with 1 or more credit unions or federal credit unions up to 5 per cent of its assets in 1 or more credit union service organizations engaging in activities or providing services authorized by law; provided, however, that for purposes solely related to the investment of credit unions in credit union service organizations pursuant to this clause, the corporation shall be deemed a credit union;

(iv) upon a 2/3 vote of its board of directors and having established that such activity will not adversely affect its safety and soundness and having adequate policies and procedures to ensure such investments governing the performance of the corporation and its employees, to minimize any credit, market, liquidity, operations, legal and reputation risks to the corporation, may apply to the commissioner to make investments under the prudent person authority, as follows:

(1) in shares of stock registered on a national securities exchange as provided in the Securities Exchange Act of 1934, 15 U.S.C. 78a or for which quotations are available through

the financial industry regulatory authority or any comparable service designated by the commissioner;

(2) interest bearing obligations of any state, county, city, town or district or any subdivision or instrumentality thereof and of any authority established under the laws of the United States or any state, county, town or district, including obligations of any of the foregoing payable from specified revenues;

(3) interest bearing obligations of any corporation organized under the laws of the United States or any state and of any association the business of which is conducted or transacted by trustees under a written instrument or declaration of trust having its principal place of business in the commonwealth;

(4) preferred and common stock of any corporation described in subclause (3); and

(v) upon a 2/3 vote of its board of directors and having established that such activity will not adversely affect its safety and soundness and having adequate policies and procedures to ensure such investments governing the performance of the corporation and its employees, to minimize any credit, market, liquidity, operations, legal and reputation risks to the corporation, the corporation may apply to the commissioner to make investments not specifically enumerated in section 12; provided, that:

(1) the corporation may invest up to 15 per cent of its assets in these investments at the time of purchase with the investment in any 1 issuer not exceeding 5 per cent of the corporation’s total assets at the time of purchase;

(2) the corporation may authorize investment advisers registered under the Investment Advisers Act of 1940, 15 U.S.C. 80a-1 to 64, inclusive, to acquire or dispose of these investments for the corporation;

(3) any approval granted by the commissioner pursuant to this clause shall be subject to such conditions and limitations as the commissioner may impose;

(4) the percentage of assets authorized pursuant to this clause shall be determined by the commissioner; and

(5) the commissioner may increase, modify, curtail or rescind or otherwise limit the corporation's authority to make investments pursuant to this clause.