

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

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Frank A. Moran***

*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 enhancing the mission of credit unions and promoting fair competition among financial institutions.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Frank A. Moran</i>	<i>17th Essex</i>	<i>1/13/2025</i>

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

[Pin Slip]

**The Commonwealth of Massachusetts**

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

An Act enhancing the mission of credit unions and promoting fair competition among financial institutions.

*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 14 of said chapter 167 of the General Laws, as appearing in the  
2   2018 Official Edition, is hereby amended by inserting after the sixth paragraph the following two  
3   paragraphs:- If a person is eligible for membership in a credit union on the basis of living in a  
4   geographic area specified in the by-laws then the examination of its record of performance under  
5   this section shall assess its compliance with community reinvestment throughout the entire  
6   geographic area specified in the by-law.

7           A foreign credit union applying to establish a branch office in the Commonwealth  
8   pursuant to section 8A of chapter 171 shall file with the Division of Banks the credit union’s  
9   assessment area for compliance with this section or a strategic plan for satisfying its continuing  
10   and affirmative obligation to help meet the credit needs of the communities in the  
11   Commonwealth it states it will serve.

12 SECTION 2. Chapter 171 of the General Laws, as so appearing, is hereby amended by  
13 striking out section 10, as most recently amended by section 26 of chapter 338 of the Acts of  
14 2020, and inserting in place thereof the following two sections:–

15 Section 10. The by-laws may be amended at any annual meeting, or at a special meeting  
16 called for the purpose, by a majority vote of all of the members present and entitled to vote;  
17 provided, however, that the notice of the meeting and of the proposed amendment is given each  
18 member in the manner prescribed in said by-laws. .

19 The by-laws containing the conditions of residence, occupation, or association that  
20 qualify persons for membership may be amended by a three-fourths vote of all of the members  
21 present and entitled to vote. The membership vote may only be held at the annual meeting;  
22 provided, that it may be held at a special meeting called for the purpose of a merger if the  
23 membership by-law amendment is a necessary component of the merger, as determined by the  
24 commissioner. No such amendment shall become operative until an application is submitted to  
25 and approved in writing by the commissioner. The vote of the credit union’s members must  
26 occur prior to the submission of an application and a certified copy of the vote shall be submitted  
27 with the application. In order to be a valid vote on the amendment to the membership by-law,  
28 the number of members voting on the date set for the vote or voting by mail, if authorized in the  
29 by-laws, and received by that date must represent five per cent of the total number of members of  
30 the credit union as listed in the most recent call report filed with the National Credit Union  
31 Administration. It is prohibited for a member to vote by proxy.

32 Section 10A. A credit union shall establish a written policy that the credit union will  
33 follow to verify that a person meets the qualifications for membership. The policy must identify

34 the specific documents the credit union will accept for verification of residency, occupation,  
35 association, work location, family relationship or other membership criteria specified in the by-  
36 law. For each new member, a credit union shall retain a copy of the document used to verify a  
37 person's qualification for membership. Such documentation shall be maintained and segregated  
38 on a calendar quarter and annual basis for review by examiners.

39 SECTION 3. The second paragraph of section 11 of said chapter 171 , as most recently  
40 amended by section 27 of chapter 338 of the Acts of 2020, is hereby amended by adding the  
41 following sentence:- A credit union that has more than 25,000 members as reported in its most  
42 recent quarterly report to the National Credit Union Administration shall provide its members  
43 with the option to vote by electronic means at any annual meeting or special meeting.

44 SECTION 4. Section 3 of this act shall apply to any an annual meeting or special meeting  
45 held on or after two years from the effective date of this act.