

The 194th General Court of the Commonwealth of Massachusetts

2025-2026

Bill Summary

Bill No: H1266

Title: AN ACT ENHANCING THE MISSION OF CREDIT UNIONS AND PROMOTING FAIR COMPETITION AMONG FINANCIAL INSTITUTIONS

Sponsor: Representative Frank A. Moran

Committee: Financial Services

Hearing Date: April 15th, 2025

Reporting Date: June 14th, 2025

Similar Matters: N/A

Prior History: H1065(2019-2020), H1159(2021-2022), H1097 (2023-2024) Study

Current Law:

M.G.L. Chapter 167 governs the supervision of banks. Section 14 discusses the roles the Commissioner of Banks has in assessing banks and how they satisfy their obligation to help meet the needs of the communities their branches are in and promulgate regulations in order to serve those communities. M.G.L. Chapter 171 governs credit unions.

Summary:

The bill would first require that if someone is eligible for membership in a credit union, the examination of the record or performance by the Commissioner of Banks will assess its compliance with community reinvestment and a foreign credit union applying to establish a branch will be assessed for compliance under Chapter 167, §14.

This bill would require that a credit union establish a written policy that will be followed in order to verify that a person meets the qualifications for membership. The policy must identify the specific documents the credit union will accept for verification.

The bill describes the mechanism of amending the by-laws. Instead of by-laws containing that conditions of residence, occupation, or association that qualify persons for membership having only to be approved by the Commissioner, they may be amended by a three-fourths vote of all of the members present and entitled to vote followed by an application to the Commissioner.

Lastly, the bill allows for a credit union that has more than 25,000 members to provide members with an option to vote by electronic means at an annual meeting or special meeting.

This bill differs from the refile due to it not putting restraints on loans to organization members and takes away the language discussing prohibiting a credit union from receiving shares or deposits from a person that is not a member.