

1348

2015-2016 Regular Sessions

I N A S S E M B L Y

January 12, 2015

Introduced by M. of A. ROBINSON -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to qualifications for membership and general powers of credit unions

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 451-a of the banking law, as added by chapter 502 of the laws of 2014, is amended to read as follows:

S 451-a. Qualifications for membership. 1. Subject to approval of the superintendent, the membership of a credit union shall consist of persons within the credit union's field of membership who have been duly admitted members.

Subject to the approval of the superintendent, a credit union's field of membership may include one or more of the following categories:

(a) Persons:

(1) within the same occupation or from multiple groups each representing a different occupation;

(2) within the same association or [interest or] from multiple groups each representing a different association [or interest];

(3) who reside, work, worship or attend school within a well-defined identifiable neighborhood, community or rural district and who, in the judgment of the superintendent, have such a community of interest as will ensure proper administration. For purposes of this section a "well-defined identifiable neighborhood, community or rural district" [means] MAY CONSIST OF one or more adjacent precincts, districts, cities[,] OR counties [or other boundaries defined by the state or a unit of government or by a state or government agency]; or

(4) within a combination of these three categories described in this subdivision; or

(b) [Businesses, associations or organizations] ORGANIZATIONS located within a well-defined [geographic area] IDENTIFIABLE NEIGHBORHOOD,

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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1 COMMUNITY OR RURAL DISTRICT, AS DETERMINED IN ACCORDANCE WITH SUBPARA-
2 GRAPH THREE OF PARAGRAPH (A) OF THIS SUBDIVISION and which, in the judg-
3 ment of the superintendent, have such a community of interest as will
4 ensure proper administration; or

5 (c) Family members of such persons described in paragraph (a) of this
6 subdivision. For the purposes of this paragraph, "family member" means a
7 person related by blood, marriage or living in the same household with a
8 person within the field of membership and their lineal ancestors and
9 descendants including persons so related by adoption, siblings, steppar-
10 ents, stepchildren and stepsiblings; and "household" means persons
11 living in the same residence and maintaining a single economic unit; or

12 (d) Any employee of the credit union; or

13 (e) Any member who leaves the field of membership and who has not
14 withdrawn or been expelled may retain membership; or

15 (f) Any incorporated or unincorporated organization composed princi-
16 pally of persons eligible to membership in the credit union and that
17 organization's employees.

18 2. Any person who is eligible for membership by reason of the fact
19 that he or she is an employee of a common employer or of a credit union
20 shall not become ineligible, after the termination of such employment,
21 as long as he or she receives a pension or annuity from, or under, a
22 plan or other arrangement established by such common employer or credit
23 union.

24 3. Subject to approval of the superintendent, a credit union may
25 extend membership to persons and organizations in an underserved local
26 community, neighborhood or rural district where such area is considered
27 an "investment area" as defined in the federal Community Development
28 Banking and Financial Institutions Act of 1994 (12 U.S.C. 4703(16)).

29 4. IN CONSIDERING AN APPLICATION PURSUANT TO SUBDIVISION ONE OF THIS
30 SECTION, THE SUPERINTENDENT SHALL CONSIDER THE CREDIT UNION'S RECORD AND
31 HISTORY OF SERVING UNDERSERVED AREAS, AS WELL AS LOW AND MODERATE-INCOME
32 INDIVIDUALS WITHIN THE COMMUNITIES IT CURRENTLY SERVICES, IF ANY, AND
33 ITS COMMITMENTS TO SERVE UNDERSERVED AREAS, AS WELL AS LOW AND MODER-
34 ATE-INCOME INDIVIDUALS IN THE COMMUNITIES TO BE SERVED. FURTHERMORE, IN
35 CONSIDERING SUCH APPLICATION, THE SUPERINTENDENT MAY IMPOSE SUCH LIMITA-
36 TION, SUCH AS GEOGRAPHICAL LIMITATIONS, AS THE SUPERINTENDENT DETERMINES
37 TO BE APPROPRIATE IN HIS OR HER SOLE DISCRETION.

38 S 2. Subparagraph (i) of paragraph (a) of subdivision 18 of section
39 454 of the banking law, as amended by chapter 502 of the laws of 2014,
40 is amended to read as follows:

41 (i) Those securities authorized as permissible investments for savings
42 banks by subdivisions one, two, three, four, twelve, [paragraphs] PARA-
43 GRAPH (a) [and (b)] of subdivision twelve-a, and subdivisions fifteen,
44 seventeen, twenty-seven and twenty-eight-a of section two hundred thir-
45 ty-five of this chapter and such other investments as the superintendent
46 deems permissible.

47 S 3. Subdivision 21 of section 454 of the banking law, as amended by
48 chapter 502 of the laws of 2014, is amended to read as follows:

49 21. To purchase, hold, lease and convey a plot whereon there is or may
50 be erected a building suitable for the transaction of its business, from
51 portions of which not required for its own use a revenue may be derived,
52 and a plot whereon parking accommodations are or are to be provided,
53 with or without charge, primarily for its members or employees or both;
54 provided that the net aggregate of all investments of any credit union
55 in such plots and building shall be limited to [fifteen] SIX per centum

1 of the capital and retained earnings of such credit union, except with
2 the approval of the superintendent.
3 S 4. This act shall take effect on the same date as chapter 502 of the
4 laws of 2014 takes effect.