

S T A T E O F N E W Y O R K

3442--A

2015-2016 Regular Sessions

I N S E N A T E

February 9, 2015

Introduced by Sens. PARKER, PERKINS -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- recommended to the Committee on Banks in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law, in relation to credit union memberships and general powers

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

- 1 Section 1. Subdivision 2 of section 451 of the banking law, as amended
2 by chapter 502 of the laws of 2014, is amended to read as follows:
3 2. The qualifications for membership.
4 [Such qualifications for membership shall be established in accordance
5 with the provisions of section four hundred fifty-one-a of this article,
6 except that such section shall not apply to a corporate credit union.]
7 THE MEMBERSHIP OF A CREDIT UNION SHALL BE DETERMINED BY THE BOARD OF
8 DIRECTORS OF SUCH CREDIT UNION AND SHALL CONSIST OF PERSONS WHO HAVE
9 BEEN DULY ADMITTED MEMBERS.
10 S 2. Subparagraph (i) of paragraph (c) of subdivision 6 of section 454
11 of the banking law, as added by chapter 660 of the laws of 2004, is
12 amended to read as follows:
13 (i) [No credit union may make any member business loan that would
14 result in a total amount of such loans outstanding at that credit union
15 at any one time equal to more than the lesser of 1.75 times the actual
16 net worth of the credit union, or 1.75 times the minimum net worth
17 required under 12 U.S.C. 1790d(c)(1)(A) for a credit union to be well
18 capitalized.] (A) NO CREDIT UNION SHALL MAKE ANY MEMBER A BUSINESS LOAN
19 THAT WOULD RESULT IN THE NET MEMBER BUSINESS LOAN BALANCE TO ANY ONE
20 MEMBER EXCEEDING THE GREATER OF:
21 (1) TWENTY-FIVE PERCENT OF THE CREDIT UNION'S NET WORTH, OR
22 (2) TWO HUNDRED FIFTY THOUSAND DOLLARS.

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

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(B) THE AGGREGATE LIMIT ON A CREDIT UNION'S NET BUSINESS LOAN BALANCES SHALL BE THE GREATER OF:

- (1) TWENTY-FIVE PERCENT OF THE CREDIT UNION'S TOTAL ASSETS, OR
- (2) THE LIMIT ESTABLISHED FOR FEDERAL CREDIT UNIONS.

S 3. Subparagraph (i) of paragraph (a) of subdivision 18 of section 454 of the banking law, as amended by chapter 153 of the laws of 2015, is amended to read as follows:

(i) Those securities authorized as permissible investments for savings banks by subdivisions one, two, three, four, SUBPARAGRAPH FIVE OF PARAGRAPH (A) OF SUBDIVISION NINE, SUBDIVISION twelve, paragraph (a) of subdivision twelve-a, [and] subdivisions fifteen, seventeen, PARAGRAPH (A) OF SUBDIVISION TWENTY, SUBPARAGRAPHS ONE AND ONE-A OF PARAGRAPH (A) OF SUBDIVISION TWENTY-ONE, SUBDIVISIONS TWENTY-FOUR-D, twenty-seven [and], TWENTY-EIGHT, twenty-eight-a, TWENTY-NINE AND THIRTY of section two hundred thirty-five of this chapter and such other investments as the superintendent deems permissible.

S 4. Subdivision 2 of section 461 of the banking law, as added by chapter 608 of the laws of 1996, is amended to read as follows:

2. Subject to such regulations as the superintendent may adopt, any credit union, may open and maintain within or without the state, in any locality in which [a substantial portion of] its actual potential membership is employed, ATTENDING SCHOOL or residing, one or more stations for the conduct of its business [provided that before any such station or stations shall be opened or maintained or removed to a new location:

(a) Its board of directors shall submit to the superintendent a written application setting forth the reasons therefor and the proposed location of such station or stations.

(b) The superintendent shall have given his written approval thereto].

S 5. Subdivision 1 of section 454 of the banking law, as amended by chapter 679 of the laws of 2003, is amended to read as follows:

1. To issue and receive payments on, shares, share drafts, and share certificates, subject to such terms, rates, and conditions as are established by its board of directors, from:

(A) its members;

(B) NONMEMBERS WHO OR WHICH MAY BE NATURAL PERSONS, CORPORATIONS, LIMITED LIABILITY COMPANIES, PARTNERSHIPS OR OTHER LEGAL ENTITIES;

(C) AN OFFICER, EMPLOYEE OR AGENT OF THOSE NONMEMBER UNITS OF THE FEDERAL, STATE, INDIAN TRIBAL OR LOCAL GOVERNMENTS AND POLITICAL SUBDIVISIONS; and

(D) from other credit unions, both state and federally chartered.

A member may designate any person or persons to own shares or share certificates with him or her in joint tenancy with the right of survivorship, but no joint tenant shall be permitted to vote, obtain loans, or hold office, unless he or she is within the field of membership and is a qualified member.

S 6. This act shall take effect immediately.