

# STATE OF NEW YORK

5145

2023-2024 Regular Sessions

## IN SENATE

February 23, 2023

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

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 § 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.

23 (B) The aggregate limit on a credit union's net business loan balances  
24 shall be the greater of:

25 (1) twenty-five percent of the credit union's total assets, or

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

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1 (2) the limit established for federal credit unions.

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

5 (i) Those securities authorized as permissible investments for savings  
6 banks by subdivisions one, two, three, four, subparagraph five of para-  
7 graph (a) of subdivision nine, subdivision twelve, paragraph (a) of  
8 subdivision twelve-a, ~~[and]~~ subdivisions fifteen, seventeen, paragraph  
9 (a) of subdivision twenty, subparagraphs one and one-a of paragraph (a)  
10 of subdivision twenty-one, subdivisions twenty-four-d, twenty-seven  
11 ~~[and],~~ twenty-eight, twenty-eight-a, twenty-nine and thirty of section  
12 two hundred thirty-five of this chapter and such other investments as  
13 the superintendent deems permissible.

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

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

23 ~~(a) Its board of directors shall submit to the superintendent a writ-~~  
24 ~~ten application setting forth the reasons therefor and the proposed~~  
25 ~~location of such station or stations.~~

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

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

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

32 (a) its members;

33 (b) nonmembers who or which may be natural persons, corporations,  
34 limited liability companies, partnerships or other legal entities;

35 (c) an officer, employee or agent of those nonmember units of the  
36 federal, state, Indian tribal or local governments and political subdi-  
37 visions; and

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

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

44 § 6. This act shall take effect immediately.