

GREEN SHEET REDIGEST

HB 668

2022 Regular Session

Phelps

CREDIT/UNIONS: Provides relative to credit unions.

DIGEST

Present law requires a credit union to carry insurance in order to secure funds lent by the credit union. Proposed law retains present law.

Present law allows the requisite insurance to be provided by federal and state insurance providers. Proposed law still allows for federal and state insurance, but also allows a financial institutions to use private sector insurance to secure these transactions.

Proposed law allow banks to have the same authority as credit unions in utilizing private insurance companies to insure deposits in excess of federal government limits.

Proposed law provides that a financial institution shall not charge an overdraft fee that exceeds 36% of the overdraft amount or \$25, whichever is less.

Present law limits the maximum allowable amount of certain investments to the sum of the amount insured by the National Credit Union Administration and the amount insured by any other deposit insurance corporation in any one chartered credit union, but allows an excess to the extent the excess is collateralized in accordance with present law.

Proposed law allows private sector insurance held by a credit union to be added to the amount provided in present law in order to determine the limit on investment.

Proposed law allows the coverage amount held by the credit union to serve in lieu of collateralization pursuant to present law and removes the allowance for excess to be collateralized pursuant to present law.

Proposed law provides that private deposit insurance underwritten and issued by an insurer licensed to do business in this state, shall be required as a security deposit by local depositing authorities.

(Amends R.S. 6:319, 652.2(A)(2), 656(A)(1)(c), R.S. 39:1221(A)(6), and R.S. 49:321(A)(4); adds R.S. 6:331 and 654(D))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Modify the calculation for determining the maximum amount of insurance coverage available to a credit union by specifying that any principal coverage shall be added to any excess coverage provided by a private sector insurer.
2. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Remove a provision allowing an investment to exceed the amount of insurance held by a credit union, if the excess is collateralized pursuant to present law.
2. Provide that the amount of insurance held by a credit union shall function in lieu of collateralization as provided in present law.
3. Make technical changes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the reengrossed bill

1. Make technical changes.
2. Add a provision that allows banks to use private insurance companies to insure deposits in excess of federal government limits.
3. Provide that a financial institution shall not charge an overdraft fee that exceeds 36% of the overdraft amount or \$25, whichever is less.
4. Provide that private deposit insurance underwritten and issued by an insurer licensed to do business in this state shall be required as a security deposit by state and local depositing authorities.