

HOUSE No. 03322

The Commonwealth of Massachusetts

PRESENTED BY:

James M. Murphy

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to the Massachusetts Credit Union Share Insurance Corporation.

PETITION OF:

NAME:

James M. Murphy

DISTRICT/ADDRESS:

4th Norfolk

HOUSE No. 03322

By Mr. Murphy of Weymouth, a petition (accompanied by bill, House, No. [billNo]) of James M. Murphy relative to the powers and privileges of the Massachusetts Credit Union Share Insurance Corporation. Financial Services.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act relative to the Massachusetts Credit Union Share Insurance Corporation.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 294 of the Acts of 1961 is hereby amended by inserting after Section 2
2 thereof, the following section:

3 Section 2A. Authority. In addition to the powers and privileges otherwise conferred by this act
4 or law, the corporation shall have the following powers and privileges:

5 (a) to hold, purchase, convey, mortgage or lease real or personal property or any interest
6 therein utilized for its premises or convenient for the exercise of its powers and the performance
7 of its duties pursuant to this act;

8 (b) to invest, subject to the approval of the commissioner, and under such limitations or
9 conditions as he may impose, in the capital stock or shares of one or more subsidiary
10 corporations, limited liability companies or trusts or such other forms of organization permitted

11 by the commissioner, organized and operated solely for the purpose of performing functions that
12 the corporation itself is empowered to perform directly or as authorized by the commissioner.

13 (c) to invest individually or with one or more credit unions or federal credit unions up to five
14 percent of its assets in one or more credit union service organizations engaging in activities or
15 providing services authorized by law. For purposes solely related to the investment of credit
16 unions in credit union service organizations pursuant to this subsection, hereof, the corporation
17 shall be deemed to be a credit union.

18 THE FOLLOWING TEXT WHICH CONTAINS THE MEMORANDUM FROM THE STATE
19 SECRETARY IS NOT PART OF THE TEXT OF THE BILL

20 MEMORANDUM

21 OF THE SECRETARY OF THE COMMONWEALTH

22 IN RESPECT TO THE PETITION OF JAMES MURPHY

23 RELATIVE TO THE

24 INVESTMENT POWERS OF THE

25 MASSACHUSETTS CREDIT UNION SHARE INSURANCE CORPORATION

26 March 28, 2011

27 To: The Honorable Senate and House of Representatives

28 On March 25, 2011 the Clerk of the House transmitted the above-referenced petition to
29 me with a request for a memorandum pursuant to the provisions of

30 General Laws Chapter 3 § 7.

31 The Massachusetts Credit Union Share Insurance Corporation (hereinafter referred to as
32 the “Corporation”) was organized by Chapter 294 of the Acts of 1961 for the purpose of creating
33 and maintaining a fund for the issuance of shares and deposits of members of credit unions
34 established under the laws of the Commonwealth. Since its inception, numerous special acts
35 have been adopted amending the provisions of law relative to the Corporation. Most recently,
36 Chapter 253 of the Acts of 2010 allowed the corporation to invest in certificates of deposit in a
37 banking corporation, insured by the Federal Deposit Insurance Corporation, in an amount not to
38 exceed the applicable federal deposit insurance limit.

39

40 The bill before you seeks to amend Chapter 294 of the Acts of 1961 by inserting, after
41 Section 2, Section 2A, conferring certain specified powers and privileges including (a) to hold,
42 purchase, convey, mortgage or lease real or personal property or any interest therein for its
43 premises or convenient for the exercise of its duties; (b) to invest, subject to the approval of the
44 commissioner, and under such limitations or conditions as he may impose, in the capital stock or
45 shares of one or more subsidiary corporations, limited
46 liability companies or trusts or other forms of organizations permitted by the commissioner,
47 organized and operated for the purpose of performing functions that the corporation is
48 empowered to perform directly or indirectly or as authorized by the commissioner; and (c) to
49 invest individually with one or more credit unions or federal credit unions up to 5% of its assets
50 in one or more credit union service organizations engaging in activities or providing services
51 authorized by law.

52 Special legislation is necessary to accomplish the amendment. No fee is required by a
53 corporation of this type. This office has no opinion on the merits of the legislation.

54 Respectfully submitted,

55 William Francis Galvin

56 Secretary of the Commonwealth

57 WFG/lf