

HOUSE No. 3772

The Commonwealth of Massachusetts

PRESENTED BY:

Daniel Cahill

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 adoption of the accompanying bill:

An Act relative to Massachusetts Credit Union Share Insurance Corporation.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Daniel Cahill</i>	<i>10th Essex</i>	<i>1/19/2023</i>

HOUSE No. 3772

By Representative Cahill of Lynn, a petition (subject to Joint Rule 9) of Daniel Cahill relative to Massachusetts Credit Union Share Insurance Corporation. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to 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 striking out section 1,
2 as appearing in section 1 of chapter 278 of the acts of 1982, and inserting in place thereof the
3 following section:

4 Section 1. There is hereby constituted a corporation under the name of Massachusetts
5 Credit Union Share Insurance Corporation, hereinafter referred to as the corporation, for the
6 purpose of creating and maintaining a fund for the insurance of shares and deposits of members
7 of the Central Credit Union Fund, Inc. and of credit unions which are established under the laws
8 of (1) the commonwealth, (2) the states of Maine, New Hampshire, Vermont, New York,
9 Connecticut or Rhode Island, or (3) the United States, provided a credit union so established
10 under the laws of the United States has its principal place of business in the commonwealth, or
11 the states of Maine, New Hampshire, Vermont, New York, Connecticut or Rhode Island.

12 In considering any application for membership, the commissioner may require the
13 collection of information relative to the potential risk to and adequacy of the share insurance
14 fund presented by any application for membership, including:

15 (1) Information submitted in accordance with the provisions of section 6D, including
16 examination reports and information as set forth in paragraph (e) of said section and a valid
17 agreement to be subject to supervision and examination by the commissioner as set forth in
18 paragraph (f) thereof.

19 SECTION 2. Section 1A of chapter 294 of the Acts of 1961, as appearing in section 4 of
20 chapter 115 of the act of 1996, is hereby amended by striking out the definition of “Excess
21 Member”, inserted by section 1 of chapter 115 of the acts of 1996, and inserting in place thereof
22 the following definition:

23 “Excess member”, an inactive member, a federally chartered credit union, or a state
24 chartered credit union whose excess shares and deposits, as hereinafter defined, shall become
25 insured by the corporation pursuant to this chapter.

26 SECTION 3. Section 1A of chapter 294 of the acts of 1961 is hereby further amended by
27 striking out the definition of “Federally chartered credit union”, inserted by said section 1 of said
28 chapter 115, and inserting in place thereof the following definition:

29 “Federally chartered credit union”, a credit union chartered under the laws of the United
30 States whose main office is located in the commonwealth, or the states of Maine, New
31 Hampshire, Vermont, New York, Connecticut or Rhode Island.

32 SECTION 4. Said section 1A of said chapter 294 is hereby further amended by striking
33 out, the definition of “State chartered credit union”, inserted by section 2 of said chapter 115, and
34 inserting in place thereof the following definition:

35 “State chartered credit union”, a credit union chartered under the laws of the
36 commonwealth, or the states of Maine, New Hampshire, Vermont, New York, Connecticut or
37 Rhode Island.

38 SECTION 5. The first sentence of the first paragraph of section 6D of said chapter 294,
39 as appearing in section 4 of said chapter 115, is hereby amended by striking out the words
40 “located within the commonwealth”.

41 SECTION 6. Said section 6D of said chapter 294, as so appearing, is hereby amended by
42 striking out paragraph (b) and inserting in place thereof the following paragraph:

43 (b) An excess member may have its excess shares and deposits insured only to the same
44 extent as is permitted for an excess member which is a credit union chartered under the laws of
45 the commonwealth subject to the maximum share and deposit limitations applicable to
46 Massachusetts state chartered credit unions under section 30 of chapter 171 of the General Laws.

47 SECTION 7. Said section 6D of said chapter 294, as so appearing, is hereby further
48 amended by striking out paragraphs (e) to (h), inclusive, and inserting in place thereof the
49 following 4 paragraphs:

50 (e) Unless prohibited by applicable law or regulations, an excess member shall, in
51 addition to paragraph (d), be required and shall agree, to provide to the corporation copies of

52 examination reports and other reports and information regarding such credit union made by and
53 for any appropriate banking regulatory authority.

54 (f) An excess member shall be subject, and shall agree, to supervision and examination
55 by the commissioner and shall be subject to section 2 of chapter 167 of the General Laws. The
56 commissioner, in his or her sole discretion, periodically may examine the affairs of an excess
57 member to evaluate the level of risk of loss such excess member's financial condition may pose
58 to the corporation. The costs of such examination shall be borne by such credit union and shall
59 be determined annually by the secretary of administration and finance under section 3B of
60 chapter 7 of the General Laws. Upon examination, the commissioner may take such directions,
61 recommendations and orders to an excess member as he or she deems expedient to the same
62 extent as provided by section 3 of said chapter 167. Nothing contained herein shall limit an
63 excess member which is a federally chartered credit union from the exercise of any powers
64 authorized for a federally chartered credit union pursuant to and in conformance with the Federal
65 Credit Union Act, or applicable rules and regulations promulgated thereunder, or pursuant to
66 other applicable federal laws and regulations, or for a State Chartered Credit Union under the
67 laws or regulations of its chartering jurisdiction.

68 (g) An excess member shall obtain the approval of the corporation and the commissioner
69 prior to its merger or consolidation with, or the purchase of the assets and the assumption of the
70 share and deposit liabilities of a banking institution as defined by section 1 of chapter 167A of
71 the General Laws or a credit union chartered by the commonwealth, the United States or another
72 state. Failure to obtain such approvals shall result in an automatic termination of excess
73 insurance under section 6B.

74 (h) An excess member shall obtain the approval of the corporation and the commissioner
75 prior to its establishment of a branch office in any other state other than the commonwealth.
76 Failure to obtain such approvals shall result in an automatic termination of excess insurance
77 under said section 6B.

78 (2) The existence of satisfactory agreements with the primary insurer and other regulators
79 regarding information sharing, confidentiality, and supervision coordination, and related matters;

80 (3) The existence of satisfactory agreements with other relevant entities; and

81 (4) Any additional information the commissioner requires upon which to base a
82 determination regarding potential risk to the share insurance fund that an applicant may present
83 and examination by the commissioner as set forth in paragraph (f).

84 SECTION 8. Section 5 of chapter 294 of the acts of 1961 is hereby amended by striking
85 out the second paragraph and inserting in place hereby the following paragraph:

86 The board of directors shall meet at least quarterly. A majority of the directors shall
87 constitute a quorum.

88 SECTION 9. Section 9 of chapter 294 of the acts of 1961 is hereby amended by striking
89 out the first sentence of said section and inserting in place thereof the following:

90 The corporation may by a vote of the board of directors borrow money and pledge its
91 assets as security therefor from members and others.

92 SECTION 10. Section 9 of chapter 294 of the acts of 1961 is hereby further amended by
93 inserting the following paragraph after the first paragraph thereof:

94 The corporation shall be deemed to be an organization member as defined in Section 1 of
95 chapter 171 of the General Laws of its member credit unions. Any member credit union is
96 authorized to lend money to the corporation as an organization member.

97 SECTION 11. Clause (iii) of the first paragraph of section 16 of chapter 294 of the acts of
98 1961 as appearing in chapter 253 of the acts of 2014, is hereby amended by striking out the word
99 “and” the last time it appears.

100 SECTION 12. Clause (iv) of said first paragraph of said section 16 of said chapter 294, as
101 so appearing, is hereby amended by striking out the words “single A.” and inserting in place
102 thereof the following words:- single A; and

103 SECTION 13. Said first paragraph of said section 16 of said chapter 294, as so appearing,
104 is hereby amended by adding the following clause:

105 (v) Upon a 2/3 vote of its board of directors and having established that such activity will
106 not adversely affect its safety and soundness and having adequate policies and procedures to
107 ensure such investments governing the performance of the corporation and its employees, to
108 minimize any credit, market, liquidity, operations, legal and reputation risks to the corporation,
109 the corporation may apply to the commissioner to make investments as follows:

110 (1) In investments not specifically enumerated in this section 12 of Chapter 294 of the
111 Acts of 1961. The corporation may invest up to 15 per cent of its assets in these investments at
112 the time of purchase with the investment in any 1 issuer not exceeding 5 per cent of the
113 corporation’s total assets at the time of purchase.

114 (2) The corporation may authorize investment advisers registered under the Investment
115 Advisers Act of 1940 to acquire or dispose of investments for the corporation.

116 Any such approval granted by the commissioner shall be subject to such conditions and
117 limitations as the commissioner may impose. The corporation may apply to invest up to 15 per
118 cent of its assets under the authority granted in this paragraph. The percentage of such assets
119 authorized shall be determined by the commissioner. The commissioner may increase, modify,
120 curtail or rescind or otherwise limit the corporation's authority to make such investments.

121 SECTION 14. The first paragraph of section 4 of chapter 1671 of the General Laws, as
122 appearing in the 2018 Official Edition, is hereby amended by inserting after the first sentence the
123 following sentence:-

124 Any 1 or more mutual banks or subsidiary banking institutions and any 1 or more credit
125 unions may merge or consolidate into a single credit union upon terms approved by a vote of at
126 least 2/3 of the board of each mutual bank and the board of directors of each credit union, and
127 shall have been approved in writing by the commissioner.

128 SECTION 15. Said chapter 167I of the General Laws, as appearing in the 2018 Official
129 Edition, is hereby further amended by inserting after section 12 the following section:-

130 Section 12 1/2. Upon the approval of the Commissioner and subject to Section 80A of
131 Chapter 171 and such conditions as may be imposed by the commissioner, a mutual bank or a
132 stock bank wholly owned by a mutual holding company organized under Chapter 167H, may be
133 converted into a credit union chartered pursuant to chapter 171, and upon such conversion, shall
134 not be subject to the requirements of the General Laws with respect to the organization and
135 commencement of business of such a credit union. The depositors of any mutual bank shall upon

136 the effectiveness of such conversion become members of the credit union. A bank so converted
137 into a credit union shall have 2 years after such transaction is approved or for such longer period
138 as may be approved by the commissioner to dispose of any asset or investment that is not
139 permissible for a credit union.

140 SECTION 16. Section 57 of chapter 171 of the General Laws, as so appearing, is hereby
141 amended by striking out the fourth paragraph.

142 SECTION 17. Section 67 of said chapter 171, as so appearing, is hereby amended by
143 adding after clause (v) the following 4 clauses:-

144 (w) in asset-backed securities in an aggregate amount not to exceed 10% of its assets;

145 (x) in the shares, stocks, or obligations of any organization organized and operated for the
146 purpose of providing services which are closely related to banking as determined by the
147 commissioner in an aggregate amount not to exceed 10% of the assets of a credit union provided,
148 however, that such authority does not include the power to acquire control directly or indirectly,
149 another financial institution, nor invest in shares, stocks or obligations of an insurance company,
150 trade association, liquidity facility or any other similar organization, corporation, or association
151 not otherwise permitted by chapter 171 of the General Laws;

152 (y) to participate in the activities of the Massachusetts Capital Growth Corporation
153 created under chapter 40W by making capital available to said corporation by making an
154 investment or deposit in or grant to said corporation, an affiliate or subsidiary of said corporation
155 or any fund managed by said corporation in an aggregate amount not to exceed 10% of its assets;
156 and

157 (z) a credit union may or in participation with a federal credit union or foreign credit
158 union, as defined in section 1 of chapter 171, invest in, establish, operate or subscribe for
159 services from another federal credit union, out-of-state credit union or any other business entity
160 for the purpose of obtaining for or furnishing to the credit union technology, trust services,
161 financial planning, compliance, internal audits, human resource or other operation functions,
162 management staff or other banking services.

163 SECTION 18. Said chapter 171 is hereby further amended by striking out section 78A,
164 as so appearing, and inserting in place thereof the following section:-

165 Section 78 A. Any 1 or more credit unions, as defined in section 1 of chapter 171, may
166 merge or consolidate with 1 or more savings banks, as defined in section 1 of chapter 168, or 1
167 or more co-operative banks, as defined in section 1 of chapter 170, or 1 or more subsidiary
168 banking institutions, as defined in section 1 of chapter 167H and section 4 of chapter 1671, with
169 either as the surviving corporation.

170 SECTION 19. Said chapter 171 is hereby further amended by striking out section 80A
171 and inserting in place thereof the following section:-

172 Section 80A. (a) A credit union subject to this section may convert into a mutual savings
173 bank governed by chapter 168, a mutual co-operative bank governed by chapter 170, a mutual
174 federal savings bank or a mutual federal savings and loan association which exist under authority
175 of the United States. A mutual savings bank governed by chapter 168 or a mutual co-operative
176 bank governed by chapter 170 may convert into a credit union. If permissible under federal law,
177 a mutual federal savings bank or a mutual federal savings and loan association may also convert
178 into a credit union. The conversion shall comply with all applicable federal laws and regulations.

179 A credit union insured by the Massachusetts Credit Union Share Insurance Corporation shall file
180 notification of its intent to convert with said corporation at least 90 days before the date of the
181 proposed special meeting of the members of the credit union. A mutual savings or co-operative
182 bank insured by the Depositors Insurance Fund shall file notification of its intent to convert with
183 said fund at least 90 days before the date of the proposed special meeting of the corporators or
184 shareholders of the mutual savings or cooperative bank. No credit union, mutual savings bank, or
185 co-operative bank may convert pursuant to this section so long as any financial assistance
186 provided by the Depositors Insurance Fund or the Massachusetts Credit Union Share Insurance
187 Corporation to such credit union, mutual savings bank, or co-operative bank remains unpaid or
188 has not been compromised or settled. Any such repayment, compromise or settlement shall be
189 approved by the commissioner.

190 (b) A mutual savings bank, co-operative bank or credit union shall file with the
191 commissioner, at the same time, notices, disclosures and communications required by or sent to
192 the National Credit Union Administration or the Federal Deposit Insurance Corporation. The
193 commissioner may require changes and additions to said notices, disclosures or communications,
194 except as required by federal law or regulation.

195 (c) A mutual savings bank, co-operative bank or credit union that is adequately
196 capitalized and has received at least a satisfactory rating in its most recent examination for
197 compliance with the Community Reinvestment Act may submit a plan of conversion approved
198 by a 2/3 vote of the entire board of directors or trustees to the commissioner. Unless waived by
199 the commissioner, the plan shall include but not be limited to:

200 (1) a 3 year business plan for the appropriate chartered mutual savings bank, co-operative
201 bank or credit union which shall include pro forma financial statements;

202 (2) a commitment by the converting credit union that it will not convert to a stock form
203 before the expiration of 1 year of the effective date of the conversion to a mutual savings bank or
204 co-operative bank charter;

205 (3) an estimated budget for conversion expenses;

206 (4) financial statements for the most recently completed quarter;

207 (5) if applicable, the procedures and timing for termination of excess deposit insurance
208 from the Massachusetts Credit Union Share Insurance Corporation or the Depositors Insurance
209 Fund; and

210 (6) other relevant information that the commissioner may reasonably require.

211 (d) Included with the plan shall be an information statement to be sent to corporators,
212 shareholders or members which shall fully and fairly disclose all significant terms and steps to be
213 taken for the conversion and shall include but not be limited to:

214 (1) a statement as to why the board is considering the conversion;

215 (2) a statement of the major positive and negative business effects of the proposed
216 conversion;

217 (3) the impact on the member's financial and other interests in the credit union;

218 (4) in the case of a credit union converting to a mutual savings bank or co-operative bank,

219 (a) disclosure that the conversion from a credit union to a mutual savings bank or co-
220 operative bank could lead to a member losing ownership interest in the credit union if the mutual
221 savings bank or co-operative bank subsequently converts to a stock institution and the member
222 does not become a stockholder; and (b) a disclosure of any conversion related economic benefit a
223 director or senior management official may receive including receipt of or an increase in
224 compensation and an explanation of any foreseeable stock related benefits associated with a
225 subsequent conversion to a stock institution. The explanation of stock related benefits shall
226 include a comparison of the opportunities to acquire stock that are available to officials and
227 employees, with those opportunities available to the general membership.

228 (e) A converting credit union shall file with the commissioner a plan of conversion and
229 an information statement at least 120 days before the date of the proposed special meeting of the
230 members. The commissioner may require reasonable changes to the plan of conversion and
231 information statement. The commissioner may also require any equitable disclosure he
232 determines applicable to the proposed conversion. The commissioner may specify the form, type
233 and other material aspects of the plan of conversion and information statement to be sent to
234 members except to the extent that it does not conflict with federal law or regulation.

235 (f) The commissioner shall review the contents of the plan before the board of directors
236 of the credit union presents the conversion plan to the members for a vote. The commissioner
237 shall authorize the distribution of the conversion plan and information statement only if the
238 commissioner is satisfied of all of the following:

239 (1) the plan discloses to the members information concerning the advantages and
240 disadvantages of the proposed conversion;

241 (2) the information statement discloses the impact on the member's financial and other
242 interests in the credit union; and

243 (3) the conversion would not be made to circumvent a pending supervisory action that is
244 initiated by the commissioner or other regulatory agency because of a concern over the safety
245 and soundness of the credit union.

246 (g) The commissioner shall render a decision within 30 days from the date of the filing of
247 the plan or any amendment thereof. Upon authorization by the commissioner of the distribution
248 of the contents of the conversion plan and information statement, the converting credit union
249 shall call a special meeting of the members to vote on the conversion plan. At least 30 days
250 before the special meeting, the converting credit union shall mail to each member a notice of the
251 special meeting, the conversion plan and information statement.

252 (h) The plan of conversion of a credit union shall be approved by a majority vote of those
253 members voting. A member may vote on the proposal to convert in person or by electronic
254 means at the special meeting held on the date set for the vote or by written ballot filed by the
255 qualified voter. The vote on the conversion proposal shall be by secret ballot and conducted by
256 an independent entity. The independent entity shall be a company with experience in conducting
257 corporate elections. A director or officer of the converting credit union, or an immediate family
258 member of a director or officer, shall not have an ownership interest in, or be employed by, the
259 entity.

260 (i) A converting credit union or an officer or director thereof shall not directly or
261 indirectly give or offer or provide a chance to win a lottery or anything of substantial value, as
262 determined by the commissioner, to the membership or a member of the credit union, for an

263 action related to the conversion to a mutual bank or as an inducement to vote on the plan of
264 conversion.

265 (j) The provisions on notice to members and voting procedures in this section shall
266 govern the process for converting to a mutual bank notwithstanding other provisions of this
267 chapter or a by-law of the converting credit union to the contrary.

268 (k) Certified copies of the results of the board of the converting mutual savings bank, co-
269 operative bank or credit union meetings and votes of the membership meetings of the credit
270 union shall be filed with the commissioner. The credit union shall also certify that the
271 information statement, plan, and other written materials provided to members were identical to
272 those materials considered satisfactory by the commissioner.

273 (l) If the commissioner disapproves of the methods by which the membership votes were
274 taken or the procedures applicable to the votes, the commissioner may direct that a new vote be
275 taken. If the commissioner does not disapprove of the methods by which the membership vote
276 was taken within 10 days after the notification is given, the vote shall be considered approved.

277 (m) If the conversion to a mutual savings bank or co-operative bank is approved by the
278 credit union members or if the conversion to a credit union is approved by the boards of a mutual
279 savings or co-operative bank and the commissioner receives notification from the converting
280 mutual savings bank, co-operative bank or credit union that approvals required under state and
281 federal law and regulations, including approvals needed for deposit insurance by the Federal
282 Deposit Insurance Corporation or the National Credit Union Administration have been obtained,
283 and that any waiting period prescribed by federal law has expired, and in the case of conversion
284 to a mutual savings or co-operative bank, it will become a member of the Depositors Insurance

285 Fund and of the deposit insurance fund thereof, and further, in the case of conversion to a credit
286 union, it will become a member of the Massachusetts Credit Union Share Insurance Corporation
287 and of the share insurance fund thereof and has made all applicable payments thereto as
288 determined by the commissioner, a certificate to transact business shall be issued by the
289 commissioner as applicable. A conversion to a mutual savings, co-operative bank or a credit
290 union under this section shall not be consummated until arrangements satisfactory to the
291 Depositors Insurance Fund or to Massachusetts Credit Union Share Insurance Corporation, as
292 applicable, have been made and notice thereof has been received by the commissioner. After
293 receipt of the certificate to transact business, the converting mutual savings bank, co-operative
294 bank or credit union shall promptly file the certificate and its articles of organization with the
295 secretary of state. Upon the filing, the charter of the converting mutual savings bank, co-
296 operative bank or credit union shall automatically cease and the converting mutual savings bank,
297 co-operative bank or credit union shall become a mutual savings bank, co-operative bank or
298 credit union. Upon the conversion, the converted mutual savings bank, co-operative bank or
299 credit union shall possess all of the rights, privileges and powers granted to it by its articles of
300 organization and by the laws applicable to the type of mutual savings bank, co-operative bank or
301 credit union charter into which it converted, and all of the assets and business of the converting
302 mutual savings bank, co-operative bank or credit union shall be transferred to and vested in it
303 without any deed or instrument of conveyance; but the converting mutual savings bank, co-
304 operative bank or credit union may execute a deed or instrument of conveyance as is convenient
305 to confirm the transfer. The converted mutual savings bank, co-operative bank or credit union
306 shall be subject to all of the duties, relations, obligations and liabilities of the converting mutual
307 savings bank, co-operative bank or credit union, whether as debtor, depository or otherwise, and

308 shall be liable to pay and discharge the debts and liabilities, to perform all the duties in the same
309 manner and to the same extent as if the converted mutual savings bank, co-operative bank or
310 credit union had itself incurred the obligation or liability or assumed the duty or relation. Rights
311 of creditors of the converting mutual savings bank, co-operative bank or credit union and liens
312 upon the property of such mutual savings, co-operative bank or credit union shall be preserved
313 unimpaired and the converted mutual savings bank, co-operative bank or credit union shall be
314 entitled to receive, accept, collect, hold and enjoy all gifts, bequests, devises, conveyances and
315 appointments in favor of or in the name of the converting mutual savings bank, co-operative
316 bank or credit union and whether made or created to take effect before or after the conversion.

317 (n) If the conversion to a mutual federal savings bank or a mutual federal savings and
318 loan association is approved by the members the converting credit union shall provide
319 notification to the commissioner that all approvals under state and federal law and regulations
320 including approvals needed for deposit insurance by the Federal Deposit Insurance Corporation
321 have been obtained and that any waiting period prescribed by federal law has expired and shall
322 provide a certified copy of the approval of the federal mutual charter by the Office of Thrift
323 Supervision or any successor agency thereto. Upon acceptance of the federal charter, the
324 converting credit union's charter from the commonwealth shall cease to exist.

325 (o) A person who willfully violates the disclosure provisions of this section knowing the
326 disclosure made to be false or misleading in a material respect shall upon conviction be fined not
327 more than \$5,000 or imprisoned not more than 3 years, or both.

328 SECTION 20. Chapter 6 of Chapter 294 of the Acts of 1961, as most recently amended
329 by Chapter 323 of the Acts of 2021, is hereby amended by striking out the first three paragraphs
330 and inserting in place thereof the following paragraphs:

331 Whenever it shall appear to the commissioner that it is inadvisable or inexpedient for any
332 member to continue to transact the business for which it was organized without receiving
333 financial or other assistance, he may, in his discretion, so notify the directors of the corporation,
334 and thereupon the directors of the corporation may take any action which in their opinion they
335 deem necessary to reduce the risk or avert a threatened loss to the corporation. Notwithstanding
336 any other provision of law, the corporation may merge or consolidate such member or may
337 facilitate the sale of assets of such member to and the assumption of its liabilities by one or more
338 members.

339 The directors may also with the approval of the commissioner and in order to effect the
340 purposes of this act, and without limiting the aforesaid powers of the corporation, provide any
341 one or more of the following forms of financial assistance to a member in need of same: (a)
342 purchase from such member the whole or any part of, or any equitable or any other interest in, its
343 assets at the book value thereof, or at some other value mutually agreed upon by the directors of
344 the member credit union and said directors of the corporation, notwithstanding that either of such
345 values may exceed the market value of the assets so purchased, and upon such terms and
346 conditions as said directors with the approval of the commissioner, may determine; (b) make
347 loans to such member, and upon such terms and conditions, as said directors, with the approval
348 of the commissioner, may determine; (c) pay to such member in accordance with an agreement
349 entered into between such member and the corporation, with the approval of the commissioner,
350 an amount not in excess of the difference between the book value of certain or all its assets and

351 the fair value thereof as determined by said agreement, in consideration for which such member
352 shall agree to write down such assets to such fair value and to pay over to the corporation so
353 much of any net proceeds realized from the sale or other disposition of each and all such assets
354 as is in excess of such fair value, such payment to be made in such amounts, at such times and
355 upon such terms and conditions as said directors, with the approval of the commissioner, may
356 determine; provided, that any amount paid by the corporation hereunder to such member and the
357 agreement of such member to repay the excess, as hereinbefore provided, shall constitute
358 liabilities of such member only to the extent of any such excess from time to time actually
359 realized; (d) deposit a sum of money into the loan reserve, investment reserve, undivided
360 earnings or any other surplus accounts of such member in accordance with an agreement entered
361 into between such member and the corporation, with the approval of the commissioner, such
362 member being hereby authorized and empowered, notwithstanding any other provision of law, to
363 repay such amount to the corporation at such time or times and in such manner as such
364 agreement may prescribe; provided, that any such payment made by the corporation to such
365 member, and any agreement of such member to repay the same shall constitute liabilities of such
366 member only to the extent provided by said agreement. Such member, by vote of at least two-
367 thirds of its directors, may take any and all action necessary or advisable to enable it to carry out
368 any or all provisions of this section.

369 In addition to or apart from the financial assistance authorized under the preceding
370 paragraph, the corporation, by vote of at least 2/3rd of its directors and in order to effect the
371 purposes of this act may, by agreement with a member and with the approval of the
372 commissioner, grant financial assistance to such member by any or all of the methods prescribed
373 in the preceding paragraph and subject to the terms, conditions and benefits contained in clauses

374 (a) to (d), inclusive, of the preceding paragraph, for any of the purposes stated in this section or
375 for the purpose of providing reserve funds for the protection of depositors of such credit unions.

376 In addition to the financial assistance authorized under the preceding 3 paragraphs, the
377 corporation, by vote of at least 2/3rd of its directors and in order to effect the purposes of this act
378 may also, by agreement with a member and with the approval of the commissioner, grant
379 financial assistance to such member credit union by any or all of the following additional
380 methods for any of the purposes stated in this section or to provide reserve funds for the
381 protection of depositors of such credit union: (a) make a deposit in such member credit union of
382 such amount as the directors deem advisable which deposit shall not be subject to any limits
383 imposed by chapter 171 of the General Laws or the by-laws of the credit union and which may or
384 may not be a subordinated deposit and may or may not be in accordance with an agreement that
385 dividends thereon will be at a lower rate than is paid to the members; (b) assume any liabilities of
386 such member credit union; (c) make loans or contributions to or deposits in, or purchase any
387 assets of, any financial institution which will acquire control of or merge or consolidate with
388 such member credit union or will purchase the assets and assume the liabilities of such member
389 credit union; (d) guarantee such member credit union, or any financial institution which will
390 acquire control of or merge or consolidate with such member credit union or will purchase the
391 assets and assume the liability of such member credit union, against loss by reason of such
392 acquisition of control, merger or consolidation or purchase of assets and assumption of liabilities;
393 or (e) take any other action which the directors in their opinion deem appropriate to carry out the
394 purposes of this section.