

CHAPTER 540**(House Bill 728)**

AN ACT concerning

Credit Unions - Credit Union Insurance Corporation - Credit Union Share Guaranty Corporations

FOR the purpose of repealing a certain qualification for a member of a supervisory committee or a credit committee of a State-chartered credit union; prohibiting the Credit Union Insurance Corporation (CUIC) from accepting applications for new membership after a certain date; requiring a member of CUIC to obtain primary share guaranty insurance from certain persons other than CUIC within a certain period of time after a certain date; requiring CUIC to complete a certain dissolution process within a certain period of time after a certain date; requiring CUIC to transfer certain assets to a certain corporation under certain circumstances; prohibiting a person from conducting business as a credit union share guaranty corporation unless the person has a certificate of authority from the Commissioner of Financial Regulation; providing for the qualifications, application process, and approval or denial of an application for a certificate; authorizing the Commissioner to suspend or revoke a certificate and take certain other enforcement actions under certain circumstances; requiring and authorizing the Commissioner to examine the business of each credit union share guaranty corporation under certain circumstances; requiring a credit union share guaranty corporation to pay certain expenses and assessments, file a certain annual report, have a certain contract with each participating credit union, and establish and maintain a certain guaranty fund and certain reserves; authorizing a credit union share guaranty corporation to terminate the participation of a participating credit union under certain circumstances; providing certain penalties; providing that the regulation of credit union share guaranty corporations does not create any liability on the State for the payment of funds under certain circumstances; exempting certain credit union share guaranty corporations from State and local taxation; requiring the Commissioner to submit an annual report to certain committees of the General Assembly on the status of the phase-out and dissolution of CUIC, subject to a certain termination provision; defining certain terms; repealing certain obsolete references; making stylistic changes; and generally relating to credit unions, the Credit Union Insurance Corporation, and the regulation of credit union share guaranty corporations.

BY repealing and reenacting, with amendments,

Article - Financial Institutions

Section 6-401(d)(5), 6-602(e)(2); 7-101 to be under the amended title "Title 7. Credit Union Share Insurance", the new subtitle "Subtitle 1. Credit Union Insurance Corporation", and the new part "Part I. Definitions"; and 7-102, 7-103, 7-104, 7-106, 7-107, and 7-109 to be under the new part "Part II. Establishment; Powers; Membership"