

2022 Regular Session

HOUSE BILL NO. 668

BY REPRESENTATIVES PHELPS, JORDAN, COX, AND LARVADAIN

CREDIT/UNIONS: Provides relative to credit unions

1 AN ACT

2 To amend and reenact R.S. 6:652.2(A)(2) and 656(A)(1)(c), relative to credit unions; to
3 allow credit unions to use private insurance to secure investments; to allow credit
4 unions to use private insurance to secure loans; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 6:652.2(A)(2) and 656(A)(1)(c) are hereby amended and reenacted
7 to read as follows:

8 §652.2. Share and share certificate accounts as legal investments

9 A.

10 * * *

11 (2) Investments by banks and trust companies; by the state of Louisiana, its
12 agencies, boards, commissions, and departments; by the state treasurer of state funds
13 standing in the name of the state treasurer; by political subdivisions of the state and
14 other public bodies existing under the constitution and laws of the state of Louisiana,
15 any parish, or any political subdivision of any parish, and city, town, or village, or
16 any political subdivision of any city, town, or village shall not exceed at any one
17 time the amount insured by the National Credit Union Administration, a private-
18 sector insurance provider, or other deposit insurance corporation in any one federally

1 or state chartered credit union, unless the uninsured portion is collateralized by the
2 pledge of securities in the manner provided by R.S. 49:321.

3 * * *

4 §656. Loans

5 A. A credit union may make loans, under terms and conditions specified in
6 the bylaws, to its members, and extend lines of credit to its members, to other credit
7 unions, and to credit union organizations, and to participate with other credit unions,
8 credit union organizations, or financial organizations to credit union members in
9 accordance with the following:

10 (1) Loans to members shall be made in conformity with criteria established
11 by the board of directors, provided that:

12 * * *

13 (c) A loan secured by the insurance or guarantee of the federal government,
14 of a state government, ~~or any agency of either,~~ or a private-sector insurance provider
15 may be made for the maturity and under the terms and conditions specified in the law
16 under which such insurance or guarantee is provided.

17 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 668 Original

2022 Regular Session

Phelps

Abstract: Allows credit unions to secure certain investments and loans with private insurance.

Present law requires credit unions 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 the credit union to use private-sector insurance to secure these transactions.

(Amends R.S. 6:652.2(A)(2) and 656(A)(1)(c))