
DIGEST

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HB 668 Reengrossed

2022 Regular Session

Phelps

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

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 credit union to use private sector insurance to secure these transactions.

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.

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

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.