

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~~ Notwithstanding any other law to the contrary, investments
12 by banks and trust companies; by the state of Louisiana, its agencies, boards,
13 commissions, and departments; by the state treasurer of state funds standing in the
14 name of the state treasurer; by political subdivisions of the state and other public
15 bodies existing under the constitution and laws of the state of Louisiana, any parish,
16 or any political subdivision of any parish, and city, town, or village, or any political
17 subdivision of any city, town, or village shall not exceed at any one time the sum of
18 the primary amount insured by the National Credit Union Administration and the
19 excess amount insured by a private sector insurance provider or other deposit
20 insurance corporation in any one federally or state chartered credit union, ~~unless the~~

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.