

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 334

2023 Regular Session

Phelps

FINANCIAL INSTITUTIONS: Provides relative to private insurance for certain deposits and shares

Synopsis of Senate Amendments

1. Reverts, in part, to present law by eliminating an exception in proposed law.
2. Removes the statutory reference for proposed law that would allow credit unions to serve as fiscal agents.
3. Requires local and state depositing authorities to secure deposits with either (1) deposit guaranty bonds guaranteed by an insurance company that is listed as an approved surety with the U.S. Dept. of Treasury or (2) private deposit insurance issued by an insurer that is approved to do business in this state, instead of requiring both.
4. Makes technical changes.

Present law requires a credit union to carry insurance in order to secure loans.

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 certain financial institutions 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.

Present law provides that local and state depositing authorities shall require an insurance company that is listed by the U.S. Dept. of the Treasury as an approved surety to secure deposits.

Proposed law provides that local and state depositing authorities shall require present law or a private deposit insurance underwritten by an insurer licensed to do business in the state.

Proposed law makes technical changes.

Effective July 1, 2023.

(Amends R.S. 6:652.2(A)(2) and 656(A)(1)(introductory paragraph) and (c), R.S. 39:1221(A)(6), and R.S. 49:321(A)(4))