

2022 SESSION

INTRODUCED

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HOUSE BILL NO. 1314

Offered January 21, 2022

A BILL to amend and reenact § 6.2-1328 of the Code of Virginia, relating to credit unions; expansion of field of membership to underserved areas.

Patron—Ward

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That § 6.2-1328 of the Code of Virginia is amended and reenacted as follows:

§ 6.2-1328. Expansion of field of membership.

A. When practicable and consistent with reasonable safety-and-soundness standards, the Commission shall encourage the formation of a separately chartered credit union instead of adding a new group to the field of membership of an existing credit union. If the Commission finds that the formation of a separate credit union by a group desiring such services is not practicable, or is not consistent with reasonable safety-and-soundness standards, it may authorize the group to be included in the field of membership of a state credit union that is located within reasonable proximity, if the Commission finds, based on the information it compiles, that the credit union proposed to be expanded:

1. Is adequately capitalized and will continue to have insurance on its members' shares and other accounts;

2. Has not engaged in any materially unsafe or unsound practice in the year preceding its application to expand; and

3. Has the management, administrative and financial resources to serve the additional group effectively. The Commission shall not authorize the proposed inclusion of a new group unless it finds that any potential harm to another insured credit union or its members which would likely result from the proposed expansion is clearly outweighed in the public interest by the probable beneficial effects of the proposed expansion in meeting the convenience and needs of the members of the group proposed to be included.

B. Notwithstanding the provisions of subsection B of § 6.2-1327 or subsection A, a credit union may expand its field of membership to individuals or organizations in one or more underserved areas to the same extent, and subject to the same conditions, as is authorized for federally chartered credit unions under 12 U.S.C. § 1759.

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