To clarify the National Credit Union Administration authority to improve credit union safety and soundness.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2012

Mr. King of New York (for himself, Mr. Sherman, Mr. Paul, Mr. Meeks, Mr. Kissell, and Mr. Filner) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To clarify the National Credit Union Administration authority to improve credit union safety and soundness.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Capital Access for Small Businesses and Jobs Act”.

SEC. 2. IMPROVING CREDIT UNION SAFETY AND SOUNDNESS.

The Federal Credit Union Act (12 U.S.C. 1751 et seq.) is amended—

(1) in section 107—
(A) in paragraph (16), by striking “and” at the end;

(B) in paragraph (17), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(18) to receive payments, representing equity, on uninsured non-share capital accounts described under section 216(o)(2)(D), subject to such terms, rates, and conditions as may be established by the board of directors, within limitations prescribed by the Board.”; and

(2) in section 216—

(A) in subsection (b)(1)(B)(ii), by striking “must rely” and inserting “rely predominantly”; and

(B) in subsection (o)(2)—

(i) in subparagraph (B), by striking “and” at the end;

(ii) in subparagraph (C)(ii), by striking the period and inserting “; and”; and

(iii) by adding at the end the following:

“(D) with respect to any insured credit union other than a low-income credit union, in—
cludes non-share capital accounts as authorized by the Board, that—

“(i) do not alter the cooperative nature of the credit union;

“(ii) are uninsured;

“(iii) are subordinate to all other claims against the credit union, including the claims of creditors, shareholders, and the Fund;

“(iv) are available to be applied to cover operating losses of the credit union in excess of its retained earnings and, to the extent so applied, will not be replenished;

“(v) are subject to maturity limits as determined by the Board; and

“(vi) are offered by a credit union that is determined by the Board to be sufficiently capitalized and well-managed.”.