

113TH CONGRESS
1ST SESSION

H. R. 3584

To amend the Federal Home Loan Bank Act to authorize privately insured credit unions to become members of a Federal home loan bank, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 2013

Mr. STIVERS introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Federal Home Loan Bank Act to authorize privately insured credit unions to become members of a Federal home loan bank, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PRIVATELY INSURED CREDIT UNIONS AUTHOR-**
4 **IZED TO BECOME MEMBERS OF A FEDERAL**
5 **HOME LOAN BANK.**

6 (a) IN GENERAL.—Section 4(a) of the Federal Home
7 Loan Bank Act (12 U.S.C. 1424(a)) is amended by adding
8 at the end the following new paragraph:

1 “(5) CERTAIN PRIVATELY INSURED CREDIT
2 UNIONS.—

3 “(A) IN GENERAL.—Subject to the re-
4 quirements of subparagraph (B), a credit union
5 shall be treated as an insured depository insti-
6 tution for purposes of determining the eligibility
7 of such credit union for membership in a Fed-
8 eral home loan bank under paragraphs (1), (2),
9 and (3).

10 “(B) CERTIFICATION BY APPROPRIATE SU-
11 PERVISOR.—

12 “(i) IN GENERAL.—For purposes of
13 this paragraph and subject to clause (ii), a
14 credit union which lacks Federal deposit
15 insurance and which has applied for mem-
16 bership in a Federal home loan bank may
17 be treated as meeting all the eligibility re-
18 quirements for Federal deposit insurance
19 only if the appropriate supervisor of the
20 State in which the credit union is char-
21 tered has determined that the credit union
22 meets all the eligibility requirements for
23 Federal deposit insurance as of the date of
24 the application for membership.

1 “(ii) CERTIFICATION DEEMED
2 VALID.—If, in the case of any credit union
3 to which clause (i) applies, the appropriate
4 supervisor of the State in which such cred-
5 it union is chartered fails to make a deter-
6 mination pursuant to such clause by the
7 end of the 6-month period beginning on
8 the date of the application, the credit
9 union shall be deemed to have met the re-
10 quirements of clause (i).

11 “(C) SECURITY INTERESTS OF FEDERAL
12 HOME LOAN BANK NOT AVOIDABLE.—Notwith-
13 standing any provision of State law authorizing
14 a conservator or liquidating agent of a credit
15 union to repudiate contracts, no such provision
16 shall apply with respect to—

17 “(i) any extension of credit from any
18 Federal home loan bank to any credit
19 union which is a member of any such bank
20 pursuant to this paragraph; or

21 “(ii) any security interest in the as-
22 sets of such credit union securing any such
23 extension of credit.”.

24 (b) COPIES OF AUDITS OF PRIVATE INSURERS OF
25 CERTAIN DEPOSITORY INSTITUTIONS REQUIRED TO BE

1 PROVIDED TO SUPERVISORY AGENCIES.—Section
2 43(a)(2) of the Federal Deposit Insurance Act (12 U.S.C.
3 1831t(a)(2)) is amended—

4 (1) by striking “and” at the end of subpara-
5 graph (A)(i);

6 (2) by striking the period at the end of clause
7 (ii) of subparagraph (A) and inserting a semicolon;

8 (3) by inserting the following new clauses at the
9 end of subparagraph (A):

10 “(iii) in the case of depository institu-
11 tions described in subsection (e)(2)(A) the
12 deposits of which are insured by the pri-
13 vate insurer, the National Credit Union
14 Administration, not later than 7 days after
15 that audit is completed; and

16 “(iv) in the case of depository institu-
17 tions described in subsection (e)(2)(A) the
18 deposits of which are insured by the pri-
19 vate insurer which are members of a Fed-
20 eral home loan bank, the Federal Housing
21 Finance Agency, not later than 7 days
22 after that audit is completed.”; and

23 (4) by adding at the end the following new sub-
24 paragraph:

1 “(C) CONSULTATION.—The appropriate
2 supervisory agency of each State in which a pri-
3 vate deposit insurer insures deposits in an insti-
4 tution described in subsection (e)(2)(A)
5 which—
6 “(i) lacks Federal deposit insurance;
7 and
8 “(ii) has become a member of a Fed-
9 eral home loan bank,
10 shall provide the National Credit Union Admin-
11 istration, upon request, with the results of any
12 examination and reports related thereto con-
13 cerning the private deposit insurer which such
14 agency may have in its possession.”.

○