

117TH CONGRESS
2D SESSION

S. 4879

To amend the Federal Credit Union Act to permit credit unions to serve certain underserved areas, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 2022

Mr. PADILLA introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Federal Credit Union Act to permit credit unions to serve certain underserved areas, 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. SHORT TITLE.**

4 This Act may be cited as the “Expanding Financial
5 Access for Underserved Communities Act”.

6 **SEC. 2. CREDIT UNION SERVICE TO UNDERSERVED AREAS.**

7 Section 109 of the Federal Credit Union Act (12
8 U.S.C. 1759) is amended—

9 (1) in subsection (c)(2)—

1 (A) by striking “the field of membership
 2 category of which is described in subsection
 3 (b)(2),”;

4 (B) by amending subparagraph (A) to read
 5 as follows:

6 “(A) the Board determines that the local
 7 community, neighborhood, or rural district is an
 8 underserved area; and”; and

9 (C) in subparagraph (B), by inserting “not
 10 later than 2 years after having such under-
 11 served area added to the credit union’s char-
 12 ter,” before “the credit union”; and

13 (2) by adding at the end the following:

14 “(h) CHANGE OF FIELD OF MEMBERSHIP TO IN-
 15 CLUDE UNDERSERVED AREAS.—

16 “(1) IN GENERAL.—If an existing Federal cred-
 17 it union applies to the Board to alter or expand the
 18 field of membership of the credit union to serve an
 19 underserved area, the credit union shall submit a
 20 business and marketing plan with such application
 21 that explains the ability and intent of the credit
 22 union to serve the population of the underserved
 23 area through the change in field of membership.

24 “(2) REPORT BY CREDIT UNION.—Not later
 25 than 2 years after the date on which an application

1 described under paragraph (1) is approved, the cred-
2 it union, as part of the ordinary course of the exam-
3 ination cycle and supervision process, shall submit a
4 report to the Administration that includes—

5 “(A) an estimate of the number of mem-
6 bers of the credit union who are members by
7 reason of the application, including breakdowns
8 by each State (including the District of Colum-
9 bia and each territory of the United States),
10 Tribal government entity, and congressional
11 district;

12 “(B) a description of the types of financial
13 services utilized by members of the credit union
14 who are members by reason of the application;

15 “(C) an update of the implementation of
16 the credit union of the business and marketing
17 plan described under paragraph (1); and

18 “(D) a description of the types of financial
19 education programs made available to members
20 of the credit union, including those who are
21 members by reason of the application and those
22 in rural areas, where applicable.”.

1 **SEC. 3. MEMBER BUSINESS LENDING IN UNDERSERVED**
 2 **AREAS.**

3 Section 107A(c)(1)(B) of the Federal Credit Union
 4 Act (12 U.S.C. 1757a(c)(1)(B)) is amended—

5 (1) in clause (iv), by striking “or” at the end;

6 (2) in clause (v), by striking the period and in-
 7 serting “; or”; and

8 (3) by adding at the end the following:

9 “(vi) that is made to a member or as-
 10 sociated borrower that lives in or operates
 11 in an underserved area.”.

12 **SEC. 4. UNDERSERVED AREA DEFINED.**

13 Section 101 of the Federal Credit Union Act (12
 14 U.S.C. 1752) is amended—

15 (1) in paragraph (8), by striking “; and” and
 16 inserting a period;

17 (2) in paragraph (9), by striking the period at
 18 the end and inserting “; and”; and

19 (3) by adding at the end the following:

20 “(10) the term ‘underserved area’ means a geo-
 21 graphic area consisting of 1 or more population cen-
 22 sus tracts or 1 or more counties, that encompass or
 23 are located within—

24 “(A) an investment area, as defined in sec-
 25 tion 103(16) of the Community Development

Banking and Financial Institutions Act of 1994
(12 U.S.C. 4702(16));

“(B) groups of contiguous census tracts in
which at least 85 percent individually qualify as
low-income communities, as defined in section
45D(e) of the Internal Revenue Code of 1986;
or

“(C) an area that is more than 10 miles,
as measured from each point along the perim-
eter of the area, from the nearest branch of a
depository institution, as defined in section 3 of
the Federal Deposit Insurance Act (12 U.S.C.
1813) or credit union.”.

**SEC. 5. REPORTS BY THE NATIONAL CREDIT UNION ADMIN-
ISTRATION.**

(a) INITIAL REPORT.—During the 1-year period be-
ginning on the date that is 2 years after the date of enact-
ment of this Act, the National Credit Union Administra-
tion shall submit to the Committee on Banking, Housing,
and Urban Affairs of the Senate and the Committee on
Financial Services of the House of Representatives a re-
port on the implementation of the amendments made by
this Act.

(b) UPDATE.—On the date that is 5 years after the
date on which the report required under subsection (a)

1 is submitted, the National Credit Union Administration
2 shall submit to the committees described that subsection
3 an updated report.

4 **SEC. 6. RULE OF CONSTRUCTION.**

5 Nothing in this Act or the amendments made by this
6 Act may be construed to prevent or otherwise impede the
7 ability of insured depository institutions, as defined in sec-
8 tion 3 of the Federal Deposit Insurance Act (12 U.S.C.
9 1813) to establish branches and provide banking services
10 in underserved areas.

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