

105TH CONGRESS
2D SESSION

H. R. 3439

To amend the Community Reinvestment Act of 1977 to require insured credit unions to meet the credit needs of the community served by the credit union.

IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1998

Mr. KENNEDY of Massachusetts introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend the Community Reinvestment Act of 1977 to require insured credit unions to meet the credit needs of the community served by the credit union.

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 “Credit Union Commu-
5 nity Reinvestment Act”.

1 **SEC. 2. COMMUNITY REINVESTMENT OBLIGATIONS OF IN-**
2 **SURED CREDIT UNIONS.**

3 The Community Reinvestment Act of 1977 (12
4 U.S.C. 2901) is amended by adding at the end the follow-
5 ing new section:

6 **“SEC. 809. COMMUNITY REINVESTMENT OBLIGATIONS OF**
7 **INSURED CREDIT UNIONS.**

8 “(a) STATEMENT OF PURPOSE.—The purpose of this
9 section is to establish that—

10 “(1) the field of membership of an insured
11 credit union shall be treated as the community
12 served by the credit union; and

13 “(2) an insured credit unions has a continuing
14 and affirmative obligation to help meet the credit
15 needs of the community served by the credit union.

16 “(b) APPLICABILITY OF COMMUNITY REINVESTMENT
17 REQUIREMENTS.—The National Credit Union Adminis-
18 tration Board (hereafter in this section referred to as the
19 ‘Board’ shall exercise all the authority of the Board under
20 the Federal Credit Union Act, when examining any in-
21 sured credit union with total assets of more than
22 \$25,000,000, to encourage such credit union to help meet
23 the community served by the credit union, consistent with
24 the safe and sound operation of the credit union.

25 “(c) EVALUATION REQUIRED.—

1 “(1) IN GENERAL.—In connection with any ex-
2 amination under the Federal Credit Union Act of a
3 credit union with total assets of more than
4 \$25,000,000, the Board shall—

5 “(A) assess the record of the credit union
6 in meeting the credit needs of the community
7 served by the credit union, including low- and
8 moderate-income individuals, consistent with
9 the safe and sound operation of the credit
10 union; and

11 “(B) take such record into account in the
12 Board’s evaluation of an application to expand
13 the field of membership of the credit union or
14 an application to establish a deposit facility.

15 “(2) DEFERENCE TO STATE CREDIT UNION
16 REGULATOR IN CERTAIN CASES.—If the require-
17 ments under any law of a State with respect to a
18 State credit union are no less stringent than the re-
19 quirements of this section, the Board may defer to
20 the State regulator of such credit union with regard
21 to the enforcement of such requirements.

22 “(d) APPLICABILITY OF REGULATIONS.—Before the
23 end of the 1-year period beginning on the date of the en-
24 actment of the Credit Union Community Reinvestment
25 Act, the Board shall prescribed regulations implementing

1 this section that are consistent with and no less stringent
2 than the regulations prescribed by appropriate Federal fi-
3 nancial supervisory agencies under the preceding sections
4 of this title.

5 “(e) ANNUAL REPORTS.—With respect to each of the
6 first 5 years which begin after the date of the enactment
7 of the Credit Union Community Reinvestment Act, the
8 Board shall submit an annual report to the Congress on
9 the progress of the Board in implementing this section.

10 “(f) DEFINITIONS.—For purposes of this section, the
11 following definitions shall apply:

12 “(1) COMMUNITY SERVED.—The term ‘commu-
13 nity served’ means, with respect to an insured credit
14 union, the field of membership of the credit union.

15 “(2) INSURED CREDIT UNION.—The term ‘in-
16 sured credit union’ has the meaning given to such
17 term in section 101(7) of the Federal Credit Union
18 Act.

19 “(3) STATE CREDIT UNION.—The term ‘insured
20 credit union’ has the meaning given to such term in
21 section 101(6) of the Federal Credit Union Act.”.

○