I

118TH CONGRESS
2D SESSION

H. R. 10511

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

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2024

Ms. WATERS introduced the following bill; which was referred to the Committee on Financial Services

---

A BILL

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

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 ''Expanding Financial Access for Underserved Communities Act''.

SEC. 2. CREDIT UNION SERVICE TO UNDERSERVED AREAS.

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

(1) in subsection (c)(2)—

(A) by striking ''the field of membership category of which is described in subsection (b)(2),'';

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

''(A) the Board determines that the local community, neighborhood, or rural district is an underserved area; and''; and

(C) in subparagraph (B), by inserting ''not later than 2 years after having such underserved area added to the credit union's charter,'' before ''the credit union''; and

(2) by adding at the end the following:

''(h) CHANGE OF FIELD OF MEMBERSHIP TO INCLUDE UNDERSERVED AREAS.—

''(1) IN GENERAL.—If an existing Federal credit union applies to the Board to alter or expand the field of membership of the credit union to serve an underserved area, the credit union shall submit a business and marketing plan with such application that explains the credit union's ability and intent to serve the population of the underserved area through the change in field of membership.

''(2) REPORT BY SMALLER CREDIT UNIONS.—Not later than 2 years after the date on which a

Federal credit union with $10,000,000,000 or less in assets has an application described under paragraph (1) approved, the credit union, as part of the ordinary course of the examination cycle and supervision process, shall submit a report to the Administration that includes—

"(A) an estimate of the number of members of the credit union who are members by reason of the application;

"(B) a description of the types of financial services utilized by members of the credit union who are members by reason of the application; and

"(C) an update of the credit union's implementation of the plan described under paragraph (1).

"(3) ADDITIONAL REQUIREMENTS FOR LARGE CREDIT UNIONS.—With respect to a Federal credit union with more than $10,000,000,000 in assets:

"(A) CONSUMER ADVISORY PANEL.—If an application described under paragraph (1) is approved, the Federal credit union shall—

"(i) establish a consumer advisory panel that is representative of the population of the underserved area; and "(ii) consult with the consumer advisory panel at least once every 6 months on how the credit union can best serve the convenience and needs of the population of the underserved area.

"(B) PLAN CONTENTS.—A plan required to be submitted under paragraph (1) shall also include—

"(i) a compliance plan that explains how the credit union's ability and intent to serve the population of the underserved area through the change in field of membership will be done in compliance with all applicable laws and regulations, including the credit union's ability to comply with all applicable anti-discrimination and fair lending requirements; and

"(ii) a plan to establish a consumer advisory panel described under subparagraph (A).

"(C) APPROVAL REQUIREMENTS.—Before approving an application described under paragraph (1), the Board shall—

"(i) consult with the Director of the Bureau of Consumer Financial Protection; and

"(ii) take into account the Federal credit union's compliance with consumer financial protection laws.

"(D) ONGOING REPORTING.—Not later than 2 years after the date on which the Federal credit union has an application described under paragraph (1) approved, and every 2 years thereafter, the Federal credit union shall, as part of the ordinary course of the examination cycle and supervision process, submit a report to the Administration that includes—

"(i) an estimate of the number of members of the credit union who are members by reason of the application;

"(ii) a description of the types of financial services utilized by members of the credit union who are members by reason of the application;

"(iii) an update of the credit union's implementation of the plan described under paragraph (1), including the contents described under subparagraph (B)(i); and "(iv) a description of how the credit union has addressed issues identified by the consumer advisory panel.".

SEC. 3. MEMBER BUSINESS LENDING IN UNDERSERVED AREAS.

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

(1) in clause (iv), by striking "or" at the end;

(2) in clause (v), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(vi) that is made to a member or associated borrower that lives in or operates in an underserved area.".

SEC. 4. UNDERSERVED AREA DEFINED.

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

(1) in paragraph (8), by striking "; and" and inserting a period;

(2) in paragraph (9), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(10) The term 'underserved area' means a geographic area consisting of one or more population census tracts or one or more counties, that encompass or are located within—

"(A) an investment area, as defined under section 103(16) of the Community Development Banking and Financial Institutions Act of 1994;

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

"(C) an area that is more than ten miles, as measured from each point along the area's perimeter, from the nearest branch of a depository institution (as defined under section 3 of the Federal Deposit Insurance Act) or credit union.".

SEC. 5. REPORTS BY THE NATIONAL CREDIT UNION ADMINISTRATION.

Not later than 3 years after the date of enactment of this Act, but no sooner than 2 years after the date of enactment of this Act, and every 2 years thereafter, the National Credit Union Administration shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the implementation of the amendments made by this Act.

○