



General Assembly

January Session, 2003

Raised Bill No. 888

LCO No. 3075

Referred to Committee on Banks

Introduced by:
(BA)

AN ACT CONCERNING CREDIT UNION SHARED SERVICE CENTERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-435b of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2003*):

3 As used in sections 36a-435a to 36a-472a, inclusive, unless the
4 context otherwise requires:

5 (1) "Branch" means any office [of] established by a Connecticut
6 credit union, an out-of-state, state-chartered credit union, a federal
7 credit union, or an out-of-state, federally-chartered credit union, as the
8 case may be, at a fixed location, [other than the main office,] at which
9 shares or deposits are received, share drafts or checks are paid, or
10 money is lent, including an office operated as a shared service center
11 and not including the main office of the credit union;

12 (2) "Capital" means undivided earnings, regular reserves, other
13 special purpose reserves, donated equity, and accumulated, unrealized
14 gains or losses on securities in accordance with generally accepted
15 accounting principles;

16 (3) "Certificate of incorporation" means the certificate of
17 incorporation of a Connecticut credit union and includes in the case of
18 Connecticut credit unions in existence on July 1, 1975, articles of
19 association, articles of incorporation and certificates of organization;

20 (4) "Corporate", when used in conjunction with any institution that
21 is a Connecticut credit union, federal credit union or out-of-state credit
22 union, means a corporate credit union, as defined in 12 CFR 704.2, as
23 from time to time amended;

24 (5) "Credit manager" means a natural person approved by the
25 governing board of a Connecticut credit union and employed by such
26 credit union to supervise its lending activities;

27 (6) "Credit union service organization services" means those services
28 that are authorized for credit union service organizations under state
29 or federal law, and that are closely related to credit union business, are
30 convenient and useful to credit union business, are reasonably related
31 to the operations of a credit union or are financial in nature;

32 (7) "Director" means a member of the governing board, a director
33 emeritus or an advisory director of a Connecticut credit union;

34 (8) "Federal Credit Union Act" means 12 USC Section 1751 et seq., as
35 from time to time amended;

36 (9) "Financial institution" means any Connecticut credit union, bank,
37 federal credit union, out-of-state bank or out-of-state credit union;

38 (10) "Immediate family member" means any person related by
39 blood, adoption or marriage to a person within the field of
40 membership of the Connecticut credit union;

41 (11) "Member" means any person who has been admitted to
42 membership in the Connecticut credit union in accordance with this
43 chapter;

44 (12) "Member in good standing" means a member who (A) owns at
45 least one membership share in a credit union, (B) is current on all
46 credit obligations to the credit union, and (C) has not caused the credit
47 union a credit or share loss that remains outstanding;

48 (13) "Membership share" means a share equal to the stated par value
49 of the Connecticut credit union which may not be withdrawn or
50 transferred except upon termination of membership and which confers
51 membership and voting rights on the member;

52 (14) "Multiple common bond membership" means a field of
53 membership consisting of more than one group of individuals, each of
54 which has, within the group, a common bond of occupation or
55 association;

56 (15) "Officer" means the chairperson, vice chairperson, secretary and
57 treasurer of the governing board of a Connecticut credit union;

58 (16) "Senior management" means the president or chief executive
59 officer, vice president or vice chief executive officer, chief financial
60 officer, credit manager, and any person occupying a similar status or
61 performing a similar function;

62 (17) "Share" means the basic unit of moneys held by a member of a
63 Connecticut credit union in share accounts at a Connecticut credit
64 union on which a dividend may be paid;

65 (18) "Shared service center" means a branch established by any
66 combination of two or more (A) Connecticut credit unions, (B) out-of-
67 state, state-chartered credit unions, (C) federal credit unions, or (D)
68 out-of-state, federally chartered credit unions, that is operated in such
69 a manner as to provide a credit union member the same credit union
70 services that the credit union member could lawfully obtain at the
71 main office of the member's credit union;

72 [(18)] (19) "Single common bond membership" means a field of
73 membership consisting of one group that has a common bond of

74 occupation or association.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>

BA *Joint Favorable*