

SENATE BILL REPORT

HB 2140

As of February 14, 2014

Title: An act relating to credit unions' mergers.

Brief Description: Concerning credit unions' mergers.

Sponsors: Representatives Ryu, Stanford, Kirby, Moscoso and Vick.

Brief History: Passed House: 2/11/14, 98-0.

Committee Activity: Financial Institutions, Housing & Insurance: 2/20/14.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Staff: Edward Redmond (786-7471)

Background: The Washington State Credit Union Act (WSCUA) provides the statutory framework for credit union organization, governance, and investments in the state. Credit unions are nonprofit corporations that promote thrift among their members and create a source of credit for their members at competitive rates of interest. Seven or more natural persons who reside in Washington may apply to the Department of Financial Institutions for permission to organize as a credit union.

In 2013 numerous updates concerning corporate governance and investments were made to WSCUA to create parity between state and federal laws. However, whereas Section 708b of the National Credit Union Administration Rules and Regulations requires a simple majority of applicable credit union members to approve a merger, current state law requires a two-thirds majority vote.

Summary of Bill: Current laws concerning voting requirements for credit union mergers are amended to conform to federal requirements. A simple majority, rather than a two-thirds majority, vote of the merging credit union members is required in order for such mergers to be approved.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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Effective Date: Ninety days after adjournment of session in which bill is passed.