

HOUSE No. 983

By Mr. Weinberg of Boston, petition of the Massachusetts CUNA Credit Union Association, Inc., that credit unions be authorized to invest in common trust units organized for the purchase of United States government securities. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy.

AN ACT AUTHORIZING CREDIT UNIONS TO INVEST IN COMMON TRUST UNITS ORGANIZED FOR THE PURCHASE OF THE UNITED STATES GOVERNMENT SECURITIES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 21 of chapter 171 of the General Laws as most
2 recently amended is hereby further amended by striking out
3 the first sentence and inserting the following sentence in
4 place thereof:—The capital, deposits, and surplus of a credit
5 union shall be invested in loans to members, with approval of
6 the credit committee, as provided in section twenty-two, and
7 also when so required herein, of the board of directors; and
8 any capital, deposits, or surplus funds in excess of the amount
9 for which loans shall be approved by the credit committee
10 and the board of directors may be deposited in savings banks
11 or trust companies incorporated in the commonwealth, or in
12 banking companies so incorporated and which are members
13 of the Federal Deposit Insurance Corporation, or in national
14 banks located in the commonwealth, or invested in any
15 bonds, notes, certificates of deposit, bankers' acceptances,
16 bank stocks, or insurance stocks which are at the time of their
17 purchase legal investments for savings banks in the common-
18 wealth, or in common trust units under a credit union
19 investment pool organized for the purchase of United States

20 Government securities or those securities fully guaranteed as
21 to principal and interest by the United States Government,
22 or, to the extent authorized by section three of chapter two
23 hundred and sixteen of the acts of nineteen hundred and
24 thirty-two, in the shares of the Central Credit Union Fund,
25 Inc., or in paid-up shares and accounts of and in co-operative
26 banks incorporated in the commonwealth, or in the shares of
27 savings and loan associations incorporated in the common-
28 wealth, or in the shares of federal savings and loan associa-
29 tions having a usual place of business within the common-
30 wealth to an amount not in excess of the insurance provided
31 by the Federal Savings and Loan Insurance Corporation for a
32 depositor in any one of such associations, but not more than
33 ten per cent of the assets of a credit union shall be invested in
34 bank stocks, insurance stocks or both; provided, that not
35 more than fifteen thousand dollars or one per cent of the
36 assets of a credit union, whichever is greater, shall be invested
37 in the stock of any one bank or insurance company.