

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 407

Introduced by Lindstrom, 18.

Read first time January 18, 2019

Committee:

- 1 A BILL FOR AN ACT relating to the Credit Union Act; to amend sections
- 2 21-1701 and 21-1725.01, Revised Statutes Cumulative Supplement,
- 3 2018; to grant powers of out-of-state credit unions to in-state
- 4 credit unions as prescribed; to provide powers and duties to the
- 5 Director of Banking and Finance and the Department of Banking and
- 6 Finance; to define terms; to eliminate a hearing requirement; to
- 7 harmonize provisions; and to repeal the original sections.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 21-1701, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 21-1701 Sections 21-1701 to 21-17,115 and section 2 of this act
4 shall be known and may be cited as the Credit Union Act.

5 Sec. 2. (1) A credit union may, with the approval of the director,
6 engage in any activity that a credit union chartered by any other state
7 operating one or more branches in this state may be authorized to engage
8 in, if the director finds that the exercise of the power and authority
9 serves the convenience and advantage of the members of the credit union,
10 and maintains the fairness of competition and parity between credit
11 unions chartered under the Credit Union Act and credit unions chartered
12 by any other state which operate one or more branches in this state.

13 (2) In order to apply for such approval, a credit union must be
14 well-capitalized as of the most recent state or federal credit union
15 regulatory examination. The application for such approval shall be on a
16 form prescribed by the department and shall include, but not be limited
17 to, a description of the activity, a description of the financial impact
18 of the activity on the credit union, and the citation of the legal
19 authority for a credit union chartered by any other state which has one
20 or more branches in this state to engage in the activity under state law.
21 The director shall approve or disapprove such activity not later than
22 thirty days after a substantially complete application is filed with the
23 department.

24 (3) For purposes of this section, activity includes, but is not
25 limited to, establishing a branch of the credit union.

26 Sec. 3. Section 21-1725.01, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 21-1725.01 (1) Upon receiving an application to establish a new
29 credit union, a public hearing shall be held on each application. Notice
30 of the filing of the application shall be published by the department for
31 three weeks in a legal newspaper published in or of general circulation

1 in the county where the applicant proposes to operate the credit union.
2 The date for hearing the application shall be not less than thirty days
3 after the last publication of notice of hearing and not more than ninety
4 days after filing the application unless the applicant agrees to a later
5 date. Notice of the filing of the application shall be sent by the
6 department to all financial institutions located in the county where the
7 applicant proposes to operate.

8 ~~(2) When application is made to establish a branch of a credit~~
9 ~~union, the director shall hold a hearing on the matter if he or she~~
10 ~~determines, in his or her discretion, that the condition of the applicant~~
11 ~~credit union warrants a hearing. If the director determines that the~~
12 ~~condition of the credit union does not warrant a hearing, the director~~
13 ~~shall publish a notice of the filing of the application in a newspaper of~~
14 ~~general circulation in the county where the proposed branch would be~~
15 ~~located. If the director receives any substantive objection to the~~
16 ~~proposed credit union branch within fifteen days after publication of~~
17 ~~such notice, he or she shall hold a hearing on the application. Notice of~~
18 ~~a hearing held pursuant to this subsection shall be published for two~~
19 ~~consecutive weeks in a newspaper of general circulation in the county~~
20 ~~where the proposed branch would be located. The date for hearing the~~
21 ~~application shall be not less than thirty days after the last publication~~
22 ~~of notice of hearing and not more than ninety days after the filing of~~
23 ~~the application unless the applicant agrees to a later date.~~

24 ~~(2) (3)~~ The director may, in his or her discretion, hold a public
25 hearing on amendments to a credit union's articles of association or
26 bylaws which are brought before the department.

27 ~~(3) (4)~~ The expense of any publication required by this section
28 shall be paid by the applicant but payment shall not be a condition
29 precedent to approval by the director.

30 Sec. 4. Original sections 21-1701 and 21-1725.01, Revised Statutes
31 Cumulative Supplement, 2018, are repealed.