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(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R. _____

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

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Expanding Financial
5 Access for Underserved Communities Act”.

6 **SEC. 2. CREDIT UNION SERVICE TO UNDERSERVED AREAS.**

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

1 (1) in subsection (c)(2)—

2 (A) by striking “the field of membership
3 category of which is described in subsection
4 (b)(2),”;

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

7 “(A) the Board determines that the local
8 community, neighborhood, or rural district is an
9 underserved area; and”;

10 (C) in subparagraph (B), by inserting “not
11 later than 2 years after having such under-
12 served area added to the credit union’s char-
13 ter,” before “the credit union”; and

14 (2) by adding at the end the following:

15 “(h) CHANGE OF FIELD OF MEMBERSHIP TO IN-
16 CLUDE UNDERSERVED AREAS.—

17 “(1) IN GENERAL.—If an existing Federal cred-
18 it union applies to the Board to alter or expand the
19 field of membership of the credit union to serve an
20 underserved area, the credit union shall submit a
21 business and marketing plan with such application
22 that explains the credit union’s ability and intent to
23 serve the population of the underserved area through
24 the change in field of membership.

1 “(2) REPORT BY SMALLER CREDIT UNIONS.—
2 Not later than 2 years after the date on which a
3 Federal credit union with \$10,000,000,000 or less in
4 assets has an application described under paragraph
5 (1) approved, the credit union, as part of the ordi-
6 nary course of the examination cycle and supervision
7 process, shall submit a report to the Administration
8 that includes—

9 “(A) an estimate of the number of mem-
10 bers of the credit union who are members by
11 reason of the application;

12 “(B) a description of the types of financial
13 services utilized by members of the credit union
14 who are members by reason of the application;
15 and

16 “(C) an update of the credit union’s imple-
17 mentation of the plan described under para-
18 graph (1).

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

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

1 “(i) establish a consumer advisory
2 panel that is representative of the popu-
3 lation of the underserved area; and

4 “(ii) consult with the consumer advi-
5 sory panel at least once every 6 months on
6 how the credit union can best serve the
7 convenience and needs of the population of
8 the underserved area.

9 “(B) PLAN CONTENTS.—A plan required
10 to be submitted under paragraph (1) shall also
11 include—

12 “(i) a compliance plan that explains
13 how the credit union’s ability and intent to
14 serve the population of the underserved
15 area through the change in field of mem-
16 bership will be done in compliance with all
17 applicable laws and regulations, including
18 the credit union’s ability to comply with all
19 applicable anti-discrimination and fair
20 lending requirements; and

21 “(ii) a plan to establish a consumer
22 advisory panel described under subpara-
23 graph (A).

1 “(C) APPROVAL REQUIREMENTS.—Before
2 approving an application described under para-
3 graph (1), the Board shall—

4 “(i) consult with the Director of the
5 Bureau of Consumer Financial Protection;
6 and

7 “(ii) take into account the Federal
8 credit union’s compliance with consumer fi-
9 nancial protection laws.

10 “(D) ONGOING REPORTING.—Not later
11 than 2 years after the date on which the Fed-
12 eral credit union has an application described
13 under paragraph (1) approved, and every 2
14 years thereafter, the Federal credit union shall,
15 as part of the ordinary course of the examina-
16 tion cycle and supervision process, submit a re-
17 port to the Administration that includes—

18 “(i) an estimate of the number of
19 members of the credit union who are mem-
20 bers by reason of the application;

21 “(ii) a description of the types of fi-
22 nancial services utilized by members of the
23 credit union who are members by reason of
24 the application;

1 “(iii) an update of the credit union’s
2 implementation of the plan described under
3 paragraph (1), including the contents de-
4 scribed under subparagraph (B)(i); and

5 “(iv) a description of how the credit
6 union has addressed issues identified by
7 the consumer advisory panel.”.

8 **SEC. 3. MEMBER BUSINESS LENDING IN UNDERSERVED**
9 **AREAS.**

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

12 (1) in clause (iv), by striking “or” at the end;

13 (2) in clause (v), by striking the period and in-
14 serting “; or”; and

15 (3) by adding at the end the following:

16 “(vi) that is made to a member or as-
17 sociated borrower that lives in or operates
18 in an underserved area.”.

19 **SEC. 4. UNDERSERVED AREA DEFINED.**

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

22 (1) in paragraph (8), by striking “; and” and
23 inserting a period;

24 (2) in paragraph (9), by striking the period at
25 the end and inserting “; and”; and

1 (3) by adding at the end the following:

2 “(10) The term ‘underserved area’ means a ge-
3 ographic area consisting of one or more population
4 census tracts or one or more counties, that encom-
5 pass or are located within—

6 “(A) an investment area, as defined under
7 section 103(16) of the Community Development
8 Banking and Financial Institutions Act of
9 1994;

10 “(B) groups of contiguous census tracts in
11 which at least 85 percent individually qualify as
12 low-income communities, as defined under sec-
13 tion 45D(e) of the Internal Revenue Code of
14 1986; or

15 “(C) an area that is more than ten miles,
16 as measured from each point along the area’s
17 perimeter, from the nearest branch of a deposi-
18 tory institution (as defined under section 3 of
19 the Federal Deposit Insurance Act) or credit
20 union.”.

21 **SEC. 5. REPORTS BY THE NATIONAL CREDIT UNION ADMIN-**
22 **ISTRATION.**

23 Not later than 3 years after the date of enactment
24 of this Act, but no sooner than 2 years after the date of
25 enactment of this Act, and every 2 years thereafter, the

1 National Credit Union Administration shall issue a report
2 to the Committee on Financial Services of the House of
3 Representatives and the Committee on Banking, Housing,
4 and Urban Affairs of the Senate on the implementation
5 of the amendments made by this Act.