

113TH CONGRESS  
2D SESSION

# H. R. 3584

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IN THE SENATE OF THE UNITED STATES

MAY 7, 2014

Received; read twice and referred to the Committee on Banking, Housing, and  
Urban Affairs

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## AN ACT

To amend the Federal Home Loan Bank Act to authorize  
privately insured credit unions to become members of  
a Federal home loan bank, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Capital Access for  
3 Small Community Financial Institutions Act of 2014”.

4 **SEC. 2. PRIVATELY INSURED CREDIT UNIONS AUTHORIZED**  
5 **TO BECOME MEMBERS OF A FEDERAL HOME**  
6 **LOAN BANK.**

7 (a) IN GENERAL.—Section 4(a) of the Federal Home  
8 Loan Bank Act (12 U.S.C. 1424(a)) is amended by adding  
9 at the end the following new paragraph:

10 “(5) CERTAIN PRIVATELY INSURED CREDIT  
11 UNIONS.—

12 “(A) IN GENERAL.—Subject to the re-  
13 quirements of subparagraph (B), a credit union  
14 shall be treated as an insured depository insti-  
15 tution for purposes of determining the eligibility  
16 of such credit union for membership in a Fed-  
17 eral home loan bank under paragraphs (1), (2),  
18 and (3).

19 “(B) CERTIFICATION BY APPROPRIATE SU-  
20 PERVISOR.—

21 “(i) IN GENERAL.—For purposes of  
22 this paragraph and subject to clause (ii), a  
23 credit union which lacks Federal deposit  
24 insurance and which has applied for mem-  
25 bership in a Federal home loan bank may  
26 be treated as meeting all the eligibility re-

1            requirements for Federal deposit insurance  
2            only if the appropriate supervisor of the  
3            State in which the credit union is char-  
4            tered has determined that the credit union  
5            meets all the eligibility requirements for  
6            Federal deposit insurance as of the date of  
7            the application for membership.

8            “(ii)        CERTIFICATION        DEEMED  
9            VALID.—If, in the case of any credit union  
10          to which clause (i) applies, the appropriate  
11          supervisor of the State in which such cred-  
12          it union is chartered fails to make a deter-  
13          mination pursuant to such clause by the  
14          end of the 6-month period beginning on  
15          the date of the application, the credit  
16          union shall be deemed to have met the re-  
17          quirements of clause (i).

18          “(C) SECURITY INTERESTS OF FEDERAL  
19          HOME LOAN BANK NOT AVOIDABLE.—Notwith-  
20          standing any provision of State law authorizing  
21          a conservator or liquidating agent of a credit  
22          union to repudiate contracts, no such provision  
23          shall apply with respect to—

24                “(i) any extension of credit from any  
25                Federal home loan bank to any credit

1 union which is a member of any such bank  
 2 pursuant to this paragraph; or

3 “(ii) any security interest in the as-  
 4 sets of such credit union securing any such  
 5 extension of credit.

6 “(D) PROTECTION FOR CERTAIN FEDERAL  
 7 HOME LOAN BANK ADVANCES.—Notwith-  
 8 standing any State law to the contrary, if a  
 9 Bank makes an advance under section 10 to a  
 10 State-chartered credit union that is not feder-  
 11 ally insured—

12 “(i) the Bank’s interest in any collat-  
 13 eral securing such advance has the same  
 14 priority and is afforded the same standing  
 15 and rights that the security interest would  
 16 have had if the advance had been made to  
 17 a federally-insured credit union; and

18 “(ii) the Bank has the same right to  
 19 access such collateral that the Bank would  
 20 have had if the advance had been made to  
 21 a federally-insured credit union.”.

22 (b) COPIES OF AUDITS OF PRIVATE INSURERS OF  
 23 CERTAIN DEPOSITORY INSTITUTIONS REQUIRED TO BE  
 24 PROVIDED TO SUPERVISORY AGENCIES.—Section

1 43(a)(2)(A) of the Federal Deposit Insurance Act (12  
2 U.S.C. 1831t(a)(2)(A)) is amended—

3 (1) in clause (i), by striking “and” at the end;

4 (2) in clause (ii), by striking the period at the  
5 end and inserting a semicolon; and

6 (3) by inserting at the end the following new  
7 clause:

8 “(iii) in the case of depository institu-  
9 tions described in subsection (e)(2)(A) the  
10 deposits of which are insured by the pri-  
11 vate insurer which are members of a Fed-  
12 eral home loan bank, to the Federal Hous-  
13 ing Finance Agency, not later than 7 days  
14 after the audit is completed.”.

15 **SEC. 3. GAO REPORT.**

16 Not later than 18 months after the date of enactment  
17 of this Act, the Comptroller General of the United States  
18 shall conduct a study and submit a report to Congress—

19 (1) on the adequacy of insurance reserves held  
20 by a private deposit insurer that insures deposits in  
21 an entity described in section 43(e)(2)(A) of the  
22 Federal Deposit Insurance Act (12 U.S.C.  
23 1831t(e)(2)(A)); and

24 (2) for an entity described in paragraph (1) the  
25 deposits of which are insured by a private deposit in-

1 surer, information on the level of compliance with  
2 Federal regulations relating to the disclosure of a  
3 lack of Federal deposit insurance.

Passed the House of Representatives May 6, 2014.

Attest:

KAREN L. HAAS,

*Clerk.*