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HOUSE BILL NO. 1629

Offered January 14, 2015

Prefiled January 8, 2015

A BILL to amend and reenact § 6.2-1326 of the Code of Virginia, relating to credit unions; service facilities.

Patron—Byron

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 6.2-1326 of the Code of Virginia is amended and reenacted as follows:

§ 6.2-1326. Establishing, moving, and closing offices.

A. As used in this section, "service facility" means a physical facility at a location other than its main office that is wholly owned by the credit union establishing it. *"Service facility" does not include any automated teller machine, cash-dispensing machine, or similar electronic or computer terminal, regardless of whether it (i) is located on credit union premises or premises properly considered part of an authorized office of the credit union or (ii) receives or records deposits or disburses loan proceeds.*

B. A credit union may maintain service facilities at locations other than its main office if the maintenance of such offices is reasonably necessary to serve its members, subject to the approval of the Commission. An application to establish such a service facility, accompanied by a fee of $200, shall be made on a form prescribed by the Commission. The Commission shall approve the establishment of the proposed service facility if it appears that the interest of the members of the applicant will be served thereby and that such establishment will not impair the financial condition of the applicant or any other credit union.

C. A credit union may (i) contract with one or more other credit unions subject to this chapter or organized under the laws of the United States or any other state to provide for the operation of one or more shared service facilities or (ii) provide for its members to have the use of one or more shared service facilities by contracting with a credit union service organization approved by the Commissioner for such purpose. A participating credit union may also invest in the credit union service organization. A credit union shall give prior written notice to the Commissioner of its participation in each shared service facility or credit union service organization. Notice to the Commissioner of a credit union's participation in a credit union service organization shall satisfy the requirement of subsection E that the Commissioner be notified of the establishment of an office, if the credit union service organization has notified the Commissioner of the establishment of the shared service facility.

D. The authority of the Commission and the Commissioner to supervise and regulate credit unions, as set forth in Article 2 (§ 6.2-1308 et seq.) of this chapter, shall extend to any shared service facility and any credit union service organization that is involved in the operation of a shared service facility that provides service to credit unions organized under this chapter, except that such authority shall not extend to the assets, records, books, and accounts of any federal credit union or credit union organized under the laws of another state.

E. A credit union may change the location of its main office, a service facility, or office, and may close any such office, provided it gives at least 30 days' prior written notice thereof to the Commissioner in such form as he may prescribe. A credit union shall notify the Commissioner in writing within 10 days after it establishes, relocates, or closes any office. A credit union shall notify the Commissioner of its withdrawal from participation in any shared service facility within 10 days of such withdrawal.

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