**A** **BILL**

TO AMEND SECTION 34‑26‑410, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE POWERS OF CREDIT UNIONS, SO AS TO PROVIDE THAT A CREDIT UNION MAY PROVIDE CERTAIN SERVICES TO CERTAIN NONMEMBERS; TO AMEND SECTION 34‑26‑500, AS AMENDED, RELATING TO MEMBERSHIP IN A CREDIT UNION, SO AS TO PROVIDE THE PROCEDURE TO ADMIT NEW COMMUNITY GROUPS TO A CREDIT UNION; TO AMEND SECTION 34‑26‑640, RELATING TO BOARD MEETINGS, SO AS TO REQUIRE THE BOARD TO MEET AT LEAST ONCE DURING TEN DIFFERENT MONTHS OF EACH YEAR AND TO ALLOW A DIRECTOR TO PARTICIPATE REMOTELY IN CERTAIN MEETINGS; AND TO AMEND SECTION 34‑26‑1020, RELATING TO PERMISSIBLE INVESTMENTS OF CREDIT UNION FUNDS, SO AS TO ALLOW FOR AN INVESTMENT IN CERTAIN CHARITABLE DONATION ACCOUNTS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 34‑26‑410 of the 1976 Code, as added by Act 371 of 1996, is amended by adding an item to read:

“(12) provide check cashing, money orders, and remittance services for nonmembers who are within the credit union’s field of membership.”

SECTION 2. Section 34‑26‑500 of the 1976 Code, as last amended by Act 51 of 2007, is further amended to read:

“Section 34‑26‑500. (1) The membership of a credit union may consist of groups having different common bonds, having been duly admitted as members, having paid any required one‑time or periodic membership fee, or both, having subscribed to one or more shares, and having complied with ~~such~~ other requirements as the articles of incorporation and bylaws specify.

(2) Credit union membership ~~may~~ also may consist of groups having different common bonds of occupation, ~~or~~ association, community, or persons employed within a defined business district, building, industrial park, or shopping center, and members of the family of ~~such~~ the persons who are related by either blood or marriage.

(3) A credit union may add additional occupation and association groups ~~not to exceed two hundred fifty potential members~~ to its field of membership, as necessary, provided the ~~groups reasonably are served by one of the credit union’s service facilities,~~ credit union has the ability to serve the group and the group has provided a written request for service to the credit union. ~~However, the Board of Financial Institutions may revoke the power of a credit union to add groups provided by this section upon a finding that permitting additions pursuant to the provisions of this section are not in the best interest of the credit union.~~ The adding of these groups must be consistent with the following:

(a) In order to add additional groups, a credit union first shall obtain a letter on the group’s letterhead, if possible, signed by an official representative identified by title, requesting credit union service. The groups shall indicate the number of potential members seeking service. This document must be maintained by the credit union permanently with its bylaws.

(b) A credit union adding groups shall maintain a log of these groups. The log must include the following: the date the group obtained service, the name and location of the group, the number of potential members added, ~~the number of miles to the nearest main or branch office~~ the ability to serve the group, and the date of the approval of the group by the board of directors.

(c) Upon complying with the above procedures, ~~board approval is not necessary to add groups with no more than two hundred fifty potential members to a credit union’s field of membership. Approval of the Board of Financial Institutions must be obtained before the addition of groups in excess of two hundred fifty~~ the credit union shall provide the commissioner with the information outlined in subsection (3)(a) and (b) for approval. The commissioner shall approve the request to add the group within thirty days if the credit union provides the information outlined in subsection (3)(a) and (b). If the commissioner fails to act on the request within thirty days, the group automatically must be added to the credit union’s field of membership.

(4)(a) A credit union may add community groups to its field of membership, as necessary, provided the credit union has the ability to serve the group and demonstrates that the group consists of persons who live, attend school, or work in a community and have common interests or interact. The area served must be a well‑defined neighborhood, business district, community, or rural district where the credit union has the ability to serve those who qualify for and request credit union service. More than one credit union may share the same community. For purposes of this subsection, ‘well‑defined’ means the area has specific geographic boundaries. Geographic boundaries may include a city, township, county, or clearly identifiable neighborhood.

(b) The credit union shall provide the commissioner with the information regarding ability to serve and the geographic boundaries of the community group. The commissioner shall approve the request to add the group within thirty days if the credit union provides the required information. If the commissioner fails to act on the request within thirty days, the group automatically must be added to the credit union’s field of membership.

(5) A credit union must be considered to have the ability to serve a group or community through a branch location, a shared branch location, a deposit-accepting teller machine, a call center, an electronic banking presence through which members can access core credit union products, or any other means acceptable to the commissioner.

(6) Notwithstanding the approval process outlined in subsections (3)(c) and (4)(b), the commissioner shall consider and may deny a field of membership expansion request based on the financial and operational condition of the credit union.”

SECTION 3. Section 34‑26‑640 of the 1976 Code, as added by Act 371 of 1996, is amended to read:

“Section 34‑26‑640. (A) The board of directors shall meet ~~at least monthly and at other times~~ as often as ~~is~~ necessary, but at least once during ten different months of each calendar year.

(B) Unless the bylaws provide otherwise, the board of directors may permit a director to participate remotely through the use of communication by which a director participating in the meeting may simultaneously hear and communicate during the meeting. A director participating in a meeting by this means is considered present at the meeting. However, a director shall attend at least one meeting in person a year.”

SECTION 4. Section 34‑26‑1020 of the 1976 Code, as added by Act 371 of 1996, is amended to read:

“Section 34‑26‑1020. Funds not used in loans to members may be invested:

(1) in any investment which is legal for state‑chartered banks;

(2) in deposits, obligations, or other accounts of financial institutions organized under state or federal law;

(3) in loans to or in shares or deposits of other credit unions or corporate credit unions;

(4) in deposits, in loans to, or shares of any Federal Reserve Bank, U.S. Central Credit Union, or of any central liquidity facility established under state or federal law;

(5) in shares, stocks, deposits in, loans to, or other obligations of any credit union service organization, or association exclusively providing services associated with the credit union or engaging in activities incidental to the operations of a credit union. ~~Such~~ Investments in the aggregate may not exceed fifteen percent of the credit union’s reserves and undivided profits;

(6) in participation loans with other credit unions; ~~and~~

(7) in fixed assets~~, not to exceed sixty percent of the credit union’s reserves and undivided profits, unless with the prior written approval of the Board of Financial Institutions~~; and

(8) in charitable donation accounts if those accounts meet the requirements of 12 C.F.R. 721.3. A credit union shall notify the commissioner before it establishes a charitable donation account.”

SECTION 5. This act takes effect upon approval by the Governor.

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