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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4118

03/09/2026 Authored by Kotyza-Witthuhn and Allen
03/16/2026 The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
Adoption of Report: Re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to financial institutions; authorizing credit unions to obtain insurance from
1.3 a credit union share insurance provider; regulating credit union share guaranty
1.4 corporations; amending Minnesota Statutes 2024, sections 52.063, subdivision 3;
1.5 52.24, subdivisions 1, 2, by adding a subdivision.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2024, section 52.063, subdivision 3, is amended to read:

1.8 Subd. 3. Appointment of National Credit Union Administration Board as
1.9 receiver. Upon a request by the commissioner of commerce, the court may appoint the
1.10 National Credit Union Administration Board, created by section 3 of the Federal Credit
1.11 Union Act, as amended, or a share insurance provider approved by the commissioner as
1.12 receiver of a credit union, without bond, when the deposits of the credit union are to any
1.13 extent insured by the National Credit Union Administration Board or approved share
1.14 insurance provider, and the credit union has had its operations suspended or has executed
1.15 a consent cease and desist order with the commissioner in lieu of a suspension under section
1.16 52.062. Notwithstanding any other provisions of law, the commissioner of commerce may,
1.17 in the event of the suspension or consent cease and desist order, tender to the National Credit
1.18 Union Administration Board or approved share insurance provider the proposed appointment
1.19 as receiver of the credit union. If the National Credit Union Administration Board or approved
1.20 share insurance provider accepts the proposed appointment and the court appoints the
1.21 National Credit Union Administration Board or approved share insurance provider as receiver
1.22 upon a request by the commissioner, the National Credit Union Administration Board or
1.23 approved shared insurance provider shall have and possess all the powers and privileges
1.24 provided by the laws of this state and section 207 of the Federal Credit Union Act, as

2.1 amended, with respect to a receiver of a credit union, the board of directors of the credit
2.2 union, and its members.

2.3 Sec. 2. Minnesota Statutes 2024, section 52.24, subdivision 1, is amended to read:

2.4 Subdivision 1. **Insurance accounts.** Every credit union under the supervision of the
2.5 commissioner of commerce shall at all times maintain in effect insurance of member share
2.6 and deposit accounts under the provisions of title II of the National Credit Union Act or
2.7 through a credit union share guaranty corporation that is approved by the commissioner. A
2.8 credit union ~~which~~ that fails to meet this requirement for insurance of its share and deposit
2.9 accounts shall either dissolve or merge with another credit union ~~which~~ that is insured under
2.10 title II of the National Credit Union Act or through a credit union share guaranty corporation
2.11 that is approved by the commissioner.

2.12 Sec. 3. Minnesota Statutes 2024, section 52.24, is amended by adding a subdivision to
2.13 read:

2.14 Subd. 1a. **Credit union share guaranty corporation; accounts insured.** (a) A credit
2.15 union share account of an individual member or a nonmember of a participating credit union
2.16 must be guaranteed in an amount established from time to time by the credit union share
2.17 guaranty corporation. The primary guaranteed amount must be at least the amount of the
2.18 credit union share account but must not exceed \$250,000 or the primary guaranteed amount
2.19 insured by the National Credit Union Administration, whichever is greater.

2.20 (b) The commissioner may examine a credit union share guaranty corporation that insures
2.21 the member accounts of a credit union that is subject to this section. The commissioner may
2.22 assess the credit union share guaranty corporation examined for reasonable costs incurred
2.23 to conduct an examination under this section. Money received from an assessment under
2.24 this paragraph must be deposited in the financial institutions account in the special revenue
2.25 fund.

2.26 (c) A credit union is prohibited from voluntarily terminating the credit union's insurance
2.27 with the National Credit Union Administration Share Insurance Program or a credit union
2.28 share guaranty corporation without receiving approval from the commissioner.

2.29 Sec. 4. Minnesota Statutes 2024, section 52.24, subdivision 2, is amended to read:

2.30 Subd. 2. **Certificate of approval.** No credit union shall be granted a certificate of
2.31 approval by the commissioner of commerce unless the credit union has obtained a
2.32 commitment for insurance of its member share and deposit accounts under the provisions

- 3.1 of title II of the National Credit Union Act or from an approved credit union share guaranty
- 3.2 corporation.