

Chapter 56

2026 Regular Session

Subject Credit unions; credit union share guaranty corporations

Bill H.F. 4118

Analyst Larie Ann Pampuch (larie.pampuch@house.mn.gov)

Date May 12, 2026

Overview

This bill allows a Minnesota-chartered credit union to insure accounts through a credit union share guaranty corporation, not solely through the National Credit Union Administration. It requires a credit union share guaranty corporation to be approved by the commissioner of commerce. The bill also changes a variety of references in statute to credit unions, financial institutions, and federally insured financial institutions.

Summary

Section	Description
1	<p>Other obligations.</p> <p>Allows the State Board of Investment to invest funds in certificates of deposit issued by a credit union insured by a credit union share guaranty corporation.</p>
2	<p>Deposit and use of checkoff fees.</p> <p>Allows fees collected to defray costs to the commissioner of agriculture and agricultural councils to be deposited in a credit union insured by a credit union share guaranty corporation.</p>
3	<p>Insured depository financial institution.</p> <p>Changes defined term from “federally insured depository financial institution” to “insured depository financial institution” to include credit unions insured by a credit union share guaranty corporation.</p>
4	<p>Approved credit union share guaranty corporation.</p> <p>Defines “approved credit union share guaranty corporation” as a corporation that insures share accounts in compliance with section 52.24, subdivision 1a, and has been approved by the commissioner of commerce.</p>

Section	Description
5	<p>Generally.</p> <p>Allows a credit union to make payments on shares and deposits with another credit union even if the shares or deposits are with a credit union insured by a credit union share guaranty corporation.</p> <p>Allows a credit union to offer and act as trustees for self-directed IRAs and Keough accounts if the member is notified that insurance, either from the NCUA or a credit union share guaranty corporation, is limited to funds held in deposit or share certificate accounts.</p>
6	<p>Appointment of National Credit Union Administration Board as receiver.</p> <p>Allows a credit union share guaranty corporation to act as a receiver for a credit union, upon request of the commissioner of commerce and appointment by the court.</p>
7	<p>Insurance accounts.</p> <p>Allows credit unions to insure deposits through a credit union share guaranty corporation approved by the commissioner of commerce.</p>
8	<p>Credit union share guaranty corporation; accounts insured.</p> <p>(a) Allows credit unions to insure deposits through a credit union share guaranty corporation approved by the commissioner of commerce. Requires the primary guarantee to be up to \$250,000 or whatever amount is insured by the NCUA, whichever is greater.</p> <p>(b) Allows the commissioner of commerce to examine credit union share guaranty corporations that insure credit union accounts. Allows the commissioner to assess the corporation for reasonable costs incurred for an examination. Requires assessments to be deposited in the financial institutions account in the special revenue fund.</p> <p>(c) Prohibits a credit union from voluntarily terminating their insurance through the NCUA or a credit union share guaranty corporation without approval from the commissioner.</p>
9	<p>Certificate of approval.</p> <p>Allows credit unions to insure deposits through a credit union share guaranty corporation approved by the commissioner of commerce.</p>
10	<p>Particular duties.</p> <p>Exempts credit unions insured by a credit union share guaranty corporation from a limitation on shares and deposits that can be owned per member.</p>

Section	Description
11	Insured depository financial institution. Changes defined term from “federally insured depository financial institution” to “insured depository financial institution” to include credit unions insured by a credit union share guaranty corporation.
12	Exemptions. Updates cross-reference.
13	Application for license. Updates cross-reference.
14	Certain investments permissible. Allows money transmitters to invest in certificates of deposits issued by credit unions insured through a credit union share guaranty corporation.
15	Letter of credit; requirements. Updates cross-reference.
16	Definitions; qualified United States financial institution. Changes definition of “qualified United States financial institution” for purposes of reinsurance trust funds to include a credit union insured by a credit union share guaranty corporation.
17	Deposit of funds; investment; limitations. Allows a township mutual insurance company to invest funds in time deposits or savings accounts held by a credit union insured by a credit union share guaranty corporation.
18	Investments. Allows cash assets of a corporate workers’ compensation self-insurance fund to be deposited in a credit union insured by a credit union share guaranty corporation.
19	Section 102: definitions. Changes definition of “depository institution” for purposes of chapter 80A (Regulation of Securities) to include a credit union insured by a credit union share guaranty corporation.
20	Section 201; exempt securities. Exempts from the requirements of sections 80A.49 to 80A.54 and 80A.71 securities issued by a credit union insured by a credit union share guaranty corporation when

Section	Description
	the securities represent an interest in, direct obligation of, or be guaranteed by the credit union.
21	Definitions. Changes defined term from “federally insured depository financial institution” to “insured depository financial institution” to include credit unions insured by a credit union share guaranty corporation for purposes of chapter 82 (Real Estate Brokers and Salespersons).
22	Time deposits. Allows local units of governments to invest funds in time deposits with credit unions that are insured by a credit union insured by a credit union share guaranty corporation.
23	Official depository. Allows school districts to deposit funds in a credit union insured by a credit union share guaranty corporation.
24	Definitions. Changes definition of “financial institution” to include a credit union insured by a credit union share guaranty corporation.
25	Requirements for preneed funeral agreements. Allows funds paid pursuant to a preneed funeral agreements to be deposited in a credit union insured by a credit union share guaranty corporation.
26	Deposit of trust funds and disclosures. Allows funds paid pursuant to a preneed funeral agreement to be deposited in a credit union insured by a credit union share guaranty corporation.
27	Financial institution. Changes definition of “financial institution” to include credit unions insured by an approved credit union share guaranty corporation for purposes of the Minnesota Electronic Authentication Act.
28	Investment options. Allows administrators of higher education IRAs to invest in savings accounts at a credit union insured by a credit union share guaranty corporation.

Section	Description
29	Effect of amendments or termination. Allows public pension and retirement plan funds, upon termination of the plan, to hold funds for a member who can't be located in a custodial account in a credit union insured by an approved credit union share guaranty corporation.
30	Investment of defined contribution plans and volunteer firefighters relief associations. Allows the State Board of Investment to allow investments in credit unions insured by a credit union share guaranty corporation for purposes of the public plans— Minnesota Deferred Compensation Plan, Health Care Savings Plan, Supplemental Retirement Accounts, the State Unclassified Employee Retirement Plan, and Volunteer Firefighter Retirement Plans.
31	Limited list of authorized investment securities. Allows limited list public pensions to be invested in certificates of deposit issued by a credit union insured by a credit union share guaranty corporation.
32	Expanded list of authorized investment securities. Allows expanded list public pensions to be invested in certificates of deposit issued by a credit union insured by a credit union share guaranty corporation.
33	Collateralization requirements. Allows a covered public pension to invest in a credit union insured by a credit union share guaranty corporation.
34	Depository; terms; liability; interest. Allows town boards to deposit money in a credit union insured by a credit union share guaranty corporation.
35	Funds, where deposited or invested. Allows county funds to be deposited in a credit union insured by a credit union share guaranty corporation.
36	Missing participants. Allows a firefighter relief association to have IRAs at a credit union insured by a credit union share guaranty corporation.
37	Money, how deposited; checks, how drawn. Allows cities to deposit money in a credit union insured by a credit union share guaranty corporation.

Section	Description
38	<p data-bbox="316 262 1429 294">Transactions authorized for personal representatives; exceptions.</p> <p data-bbox="316 304 1429 382">Allows personal representatives to deposit funds for the benefit of interested persons in a credit union insured by a credit union share guaranty corporation.</p>



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn.gov/hrd | 651-296-6753 | Third Floor, Centennial Office Building | St. Paul, MN 55155