

SEC. 204. AMENDMENTS RELATING TO CREDIT UNION SERVICE TO UNDERSERVED AREAS.

(a) IN GENERAL.

The Federal Credit Union Act (12 U.S.C. 1751 et seq.) is amended

(1) in section 101 (12 U.S.C. 1752)

(A) in paragraph (8), by striking “and” at the end;

(B) in paragraph (9), by striking the period at the end and inserting “; and”;
and

(C) by adding at the end the following:

“(10) the term ‘underserved area’—

“(A) means a local community, neighborhood, or rural district that—

“(i) is an investment area, as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702), that meets such additional requirements that the Board may impose; and

“(ii) is underserved, based on data of the Board and the Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)), by other depository institutions (as defined in section 19(b)(1)(A) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A))); and

“(B) notwithstanding subparagraph (A), includes, with respect to any Federal credit union, any geographic area within which the credit union—

“(i) has received approval to provide service as an underserved area before the date of enactment of this paragraph from the Administration; and

“(ii) has established a service facility before that date of enactment.”;

(2) in section 106 (12 U.S.C. 1756)—

(A) in the first sentence, by striking “Federal” and inserting “(a) Federal”; and

(B) by adding at the end the following:

“(b) The Board shall monitor adherence by a Federal credit union to a significant unmet needs plan submitted under section 109(h) by that Federal credit union that describes how the Federal credit union will serve the deposit and other financial needs of the community.”;

(3) in section 109 (12 U.S.C. 1759)—

(A) in subsection (c), by amending paragraph (2) to read as follows:

“(2) EXCEPTION FOR UNDERSERVED AREAS.

“(A) IN GENERAL.

Notwithstanding subsection (b), the Board may approve an application by a Federal credit union to allow the membership of the credit union to include any person or organization whose principal residence or place of business is located within a local community, neighborhood, or rural district if—

“(i) the Board determines—

“(I) at any time after August 7, 1998, that the local community, neighborhood, or rural district taken into account for purposes of this paragraph is an underserved area; and

“(II) at the time of the approval, that the credit union is well capitalized or adequately capitalized (as defined in section 216(c)(1)); and

“(ii) before the end of the 24-month period beginning on the date of the approval, the credit union has established and maintains an ongoing method to provide services in the local community, neighborhood, or rural district.

“(B) TERMINATION OF APPROVAL.

“(i) IN GENERAL.

Any failure of a Federal credit union to meet the requirement of clause (ii) of subparagraph (A) by the end of the 24-month period referred to in that clause shall constitute a termination, as a matter of law, of any approval of an application under this paragraph by the Board with respect to the membership of the credit union.

“(ii) SIGNIFICANT UNMET NEEDS PLAN.

The Board may terminate the approval of an application under this paragraph with respect to the membership of a Federal credit union upon a finding that the credit union is not meeting the terms of the significant unmet needs plan of the credit union submitted under subsection (h)(1).

“(C) CREDIT UNION REPORTING REQUIREMENT.

Any Federal credit union that has an application approved under this paragraph shall, as part of the ordinary course of the examination cycle and supervision process, submit a report to the Administration that includes—

“(i) the number of members of the credit union who are members by reason of the application;

“(ii) the number of offices or facilities maintained by the credit union in the local community, neighborhood, or rural district taken into account by the Board in approving the application; and

“(iii) evidence, as specified by the Board by regulation, demonstrating compliance by the credit union with the significant unmet needs plan submitted by the credit union under subsection (h)(1), as specified by the Administration.

“(D) PUBLICATION BY ADMINISTRATION.

The Administration shall publish an annual report containing—

“(i) a list of all the applications approved under this paragraph before the date on which the report is published;

“(ii) the number and locations of the underserved areas taken into account in approving those applications;

“(iii) the total number of members of credit unions who are members by reason of the approval of those applications; and

“(iv) evidence demonstrating compliance by credit unions with significant unmet needs plans submitted by the credit unions under subsection (h)(1), as specified by the Administration.”;

(B) in subsection (e)(2), by inserting “subsection (c)(2) and” after “provided in”; and

(C) by adding at the end the following:

“(h) ADDITIONAL REQUIREMENTS FOR COMMUNITY CREDIT UNIONS

“(1) IN GENERAL.

A Federal credit union desiring a field of membership as a credit union described in subsection (b)(3) shall submit to the Board a business plan, which shall include, among other issues, a marketing plan that identifies—

“(A) the unique needs of the various demographic groups in the proposed community; and

“(B) how the credit union will market to each group, particularly underserved groups, to address those needs.

“(2) PUBLIC COMMENT AND HEARING.

With respect to a Federal credit union desiring a field of membership as a credit union described in subsection (b)(3) for an area with multiple political jurisdictions with a population of not less than 2,500,000, the Administration shall—

“(A) publish a notice in the Federal Register seeking comment from interested parties about the proposed community; and

“(B) conduct a public hearing regarding the application of the Federal credit union.”.

(b) REGULATIONS.

Not later than 1 year after the date of enactment of this Act, the National Credit Union Administration Board shall issue final regulations to implement the amendments made by subsection (a)