

STATEMENT OF PURPOSE

RS27594 / S1301

This bill updates and modernizes the investment, lending, and fixed asset provisions of the Idaho Credit Union Act (ICUA). The legislation provides flexibility and modern provisions to allow Idaho state-chartered credit unions to better serve their members. The following updates are made to the ICUA in this legislation:

- Clarifies requirements and provides more flexibility for credit unions that acquire and hold fixed assets, as well as provides guidelines for the disposal of acquired assets;
- Provides flexibility for individual Idaho credit unions to determine the best overall mixture of fixed assets;
- Reorganizes the lending section of the ICUA to keep pace with modernized lending requirements within the marketplace;
- Provides clarity and regulation alignment for credit unions who wish to work collaboratively on loan participations
- Updates and clarifies loan maturity limits, while aligning when the Idaho Department of Finance (IDOF) can require an appraisal on a loan;
- Modernizes investment practices to align with the flexibility being offered to federally-chartered credit unions regulated by the National Credit Union Administration (NCUA);
- Provides additional government-backed investment vehicles to allow for more flexible investments for state-chartered credit unions; and
- Updates the authority to invest in Credit Union Service Organizations (CUSO), which aligns with NCUA regulations.

FISCAL NOTE

There will be no fiscal impact to the General Fund associated with this proposed legislation. The provisions of this legislation specifically relate to the investments and lending practices of state-chartered credit unions and will require no additional resources of the IDOF, nor will it increase or decrease the IDOF's revenues or expenditures.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).