

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2006

Introduced by Assembly Member John A. Pérez

February 23, 2012

An act to ~~amend~~ *add* Section ~~14800~~ of *14800.1* to the Financial Code, relating to credit unions.

LEGISLATIVE COUNSEL'S DIGEST

AB 2006, as amended, John A. Pérez. Credit union services.

Existing law prohibits an officer, director, committee member, or employee of a credit union from extending any benefit or service of the credit union to any person, unless that person is admitted to membership in the credit union. Existing law also prohibits a credit union from creating any obligation with a person who is not admitted to membership in the credit union, except as specified. A knowing or willful violation of these provisions is a crime, as specified.

This bill would authorize a credit union to sell, ~~to persons~~ *a natural person* in the field of membership, *regardless of whether the person is admitted to membership*, negotiable checks, ~~money orders~~, as defined, and other similar money transfer instruments, *including domestic and international electronic funds transfers*. The bill would ~~also~~ authorize a credit union to, ~~for a fee~~, cash checks and ~~money orders~~ *other similar money transfer instruments* and to receive international and domestic electronic fund transfers for *those persons in the field of membership*. *The bill would also authorize a credit union to charge a fee for the provision of these services.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14800.1 is added to the Financial Code,
2 to read:

3 14800.1. (a) Notwithstanding subdivision (b) of Section 14750,
4 a credit union may do all of the following:

5 (1) Provide the services specified in paragraph (2) to a natural
6 person within the field of membership, regardless of whether the
7 person is admitted to membership, and charge a fee for the
8 provision of those services.

9 (2) (A) Sell checks and other similar money transfer
10 instruments, including international and domestic electronic fund
11 transfers.

12 (B) Cash checks and other similar money transfer instruments
13 and receive international and domestic electronic fund transfers.

14 (b) For purposes of this section, "checks" shall have the same
15 meaning as set forth in subdivision (f) of Section 3104 of the
16 Commercial Code.

17 SECTION 1. Section 14800 of the Financial Code is amended
18 to read:

19 14800. (a) Every credit union may admit to membership those
20 persons qualified for membership upon the occurrence of any of
21 the following:

22 (1) Upon the purchase of a membership in the credit union as
23 provided in the credit union's bylaws.

24 (2) Upon the payment of an entrance fee established from time
25 to time by the board of directors.

26 (3) Upon the purchase of one or more shares in the credit union
27 as provided in the credit union's bylaws.

28 (b) No officer, director, committee member, or employee of
29 any credit union shall approve a person for admission to
30 membership or admit an applicant for membership in the credit
31 union or extend any benefit or service of the credit union to any
32 person, unless that person is admitted to membership in the credit
33 union pursuant to subdivision (a).

34 (c) Nothing in subdivisions (a) and (b) shall be construed to
35 limit the powers of a credit union to engage in joint service
36 programs or business relationships for the benefit of their members
37 where some incidental benefit may flow to third parties to the

1 ~~transaction or the authority for a credit union to engage in joint~~
2 ~~loan programs pursuant to Section 14959.~~

3 ~~(d) Nothing in this section prohibits a credit union from~~
4 ~~admitting to membership a corporation in which the credit union~~
5 ~~holds shares pursuant to Section 14650 or a corporation formed~~
6 ~~to provide services to credit unions or to credit union members in~~
7 ~~which the credit union holds shares or a limited liability company~~
8 ~~formed to provide services to credit unions or to credit union~~
9 ~~members in which the credit union holds membership or economic~~
10 ~~interests pursuant to Section 14651.~~

11 ~~(e) Notwithstanding subdivision (b) and Section 14750, a credit~~
12 ~~union may do all of the following:~~

13 ~~(1) Sell, to persons in the field of membership, negotiable~~
14 ~~checks, including travelers checks, and money orders, and other~~
15 ~~similar money transfer instruments, including international and~~
16 ~~domestic electronic fund transfers.~~

17 ~~(2) Cash checks and money orders and receive international and~~
18 ~~domestic electronic fund transfers for persons in the field of~~
19 ~~membership for a fee.~~