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H.B. 612
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Pizzulli

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SUMMARY

- Specifies that the continuing law authority of a credit union share guaranty corporation to assess a special premium on credit unions applies only to those credit unions to which the corporation provides primary insurance.
- Provides a new procedure for winding down the business of a dissolved credit union share guaranty corporation when the corporation is an Internal Revenue Code 501(c)(6) nonprofit and the dissolution was caused for reasons outside the corporation's control.

DETAILED ANALYSIS

Overview

The bill amends the law related to credit union share guaranty corporations. A credit union share guaranty corporation is a private institution licensed by the Ohio Department of Insurance (ODI) that insures deposits (shares) held by state-chartered credit unions. This type of insurance is for institutions that choose not to be insured by the federal National Credit Union Administration (NCUA). In contrast to the NCUA, these guaranty corporations are private institutions and not backed by the full faith and credit of the United States Government.¹

Dissolution of a nonprofit guaranty corporation

The bill provides for the dissolution of nonprofit guaranty corporation in certain circumstances. If a credit union share guaranty corporation is a nonprofit corporation undergoing dissolution, and the dissolution is caused by a reason outside the corporation's control, after

¹ R.C. 1761.01, 1761.02, 1716.04, and 1733.041, not in the bill. See also "[How Your Accounts are Federally Insured](#)," describing insurance provided by the National Credit Union Administration.

settling any recorded, contingent, and contractual liabilities, and all costs of dissolution, under the bill, all of the following apply:

- The corporation is required to return capital contributions to the participating credit unions that are members of the corporation on the date the corporation files the certificate of dissolution with the Secretary of State.
- If the corporation has remaining assets after returning such capital contributions, transfer those remaining assets to any surviving wholly owned subsidiary of the corporation. If no wholly owned subsidiary exists or survives, the corporation is required to distribute the remaining assets to the participating credit unions in accordance with the participating credit unions' share balances.
- The participating credit unions are to be recognized as shareholders of the surviving wholly owned subsidiary, if one survives, in accordance with the participating credit union's share balances, less any outstanding debts owed to the corporation.²

Guarantee fund

Continuing law, unchanged by the bill, requires credit union share guaranty corporations to establish and maintain a guarantee fund. In the event of potential impairment of the fund, guaranty corporations are authorized, with the approval of ODI, to impose a special assessment for the purpose of shoring up the fund. The bill specifies that the special assessment is to be levied on participating credit unions the guaranty corporation insures for primary coverage.³

HISTORY

Action	Date
Introduced	11-25-25

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² R.C. 1716.10(J).

³ R.C. 1761.10(C) and (D).