## As Introduced

## 136th General Assembly Regular Session 2025-2026

H. B. No. 612

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## Representative Pizzulli

To amend section 1761.10 of the Revised Code

regarding credit union share guaranty

corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:	
Section 1. That section 1761.10 of the Revised Code be	4
amended to read as follows:	5
Sec. 1761.10. (A) (1) A credit union share guaranty	6
corporation shall establish and maintain a guarantee fund. The	7
fund shall be maintained at a normal operating level as defined	8
by the board of directors of the corporation and approved by the	9
superintendent of insurance, except that the normal operating	10
level shall at all times be no less than one per cent of the	11
aggregate share capital of participating credit unions,	12
irrespective of how denominated. The fund of the corporation	13
shall be comprised of the following:	14
(a) The account for each participating credit union;	15
(b) Retained and undivided earnings;	16
(c) Any reserves required by statute or order of the	17
superintendent of credit unions;	18
(d) Borrowings made in accordance with section 3901.72 of	19

the Revised Code.

- (2) (a) Each participating credit union shall contribute to 21 and maintain with the corporation a capital contribution to be 22 credited to its account, in an amount equal to at least one per 23 cent of its aggregate share capital as is established as the 24 normal operating level of the fund by the board of directors 25 pursuant to division (A)(1) of this section and approved by the 26 superintendent of insurance. Each participating credit union's 27 account shall be adjusted annually to reflect changes in the 28 29 participating credit union's aggregate share capital in 30 accordance with procedures adopted by the board of directors and may be adjusted more frequently if an increase in the aggregate 31 share capital or a change in the financial condition of the 32 participating credit union warrants such adjustment. Those 33 credit unions participating in excess coverage shall pay a 34 premium as prescribed by the board of directors of the 3.5 corporation and as filed and approved under Chapter 3937. of the 36 Revised Code. 37
- (b) The approval of the superintendent of insurance 38 concerning the normal operating level of the guarantee fund 39 expires upon written determination by the superintendent of 40 insurance that there is cause for additions to the quarantee 41 fund. This determination is not subject to any hearing 42 requirement under Chapter 119. of the Revised Code, provided a 43 credit union quaranty corporation may request a supervisory 44 conference under section 1761.19 of the Revised Code. 45
- (3) If, at the close of a fiscal year, the guarantee fund
  exceeds the normal operating level determined by the board of
  directors of a credit union share guaranty corporation, the
  board of directors may make a distribution of the excess to

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participating credit unions. Any distribution shall be made to	50
each participating credit union in the proportion that each	51
participating credit union's account bears to the total	52
aggregate participating credit union accounts of the	53
corporation. No determination by the board of directors is	54
effective until approved by the superintendent of insurance. No	55
distribution shall be made, nor shall it confer any rights,	56
until approved by the superintendent of insurance.	57

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- (4) The amount of the account of each participating credit 58 union shall be carried on the books of the individual 59 60 participant as a deposit with the corporation.
- (5) Notwithstanding any other provision of this chapter, 61 the corporation shall require the participating credit unions to 62 make capital contributions to maintain the normal operating 63 level set by division (A)(1) of this section during any calendar 64 year in which the fund has been reduced below the minimum 65 operating level as a result of payment of any deficiencies in 66 credit union share accounts. 67
- (B) (1) The corporation may annually or more frequently levy and collect additions to the capital contribution as the board of directors of the corporation considers appropriate, if the superintendent of credit unions and the superintendent of insurance approve of such additions. Whenever the superintendent of credit unions or the superintendent of insurance considers it necessary for the maintenance of the normal operating level of the fund, the superintendent shall order the corporation to levy and collect additions to the capital contributions. Such order shall specify the amount of the addition and the reasons upon which the order is based.
  - (2) The corporation shall send a written notice of capital

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contributions required pursuant to division (B)(1) of this	80
section to each participating credit union within ten days after	81
the levy of any capital contributions. Capital contributions	82
shall be paid to the corporation by each participating credit	83
union not later than thirty days following mailing of written	84
notice of any required capital contribution.	85
(C)(1) In the event of potential impairment of the fund, a	86
special assessment of the fund may be levied by the corporation_	87
on participating credit unions the corporation insures for	88
primary coverage, with the approval of the superintendent of	89
credit unions or the superintendent of insurance. Impairment for	90
this purpose is deemed to exist when the corporation's	91
liabilities and share capital exceed its assets. Whenever the	92
superintendent of credit unions or the superintendent of	93
insurance considers it necessary to avoid an impairment of the	94
fund, the superintendent shall order the corporation to levy a	95
special assessment. Such order shall specify the amount of the	96
assessment and the reasons upon which the order is based.	97
(2) The corporation shall send a written notice of the	98
special assessment required pursuant to division (C)(1) of this	99
section to each participating credit union within ten days after	100
the levy thereof. Special assessments shall be paid to the	101
corporation by each participating credit union not later than	102
thirty days following mailing of written notice of any special	103
assessment unless for good cause shown the time period is	104
extended.	105
(D)(1) The corporation may annually, or more frequently,	106
levy on and collect special premium assessments from	107
participating credit unions the corporation insures for primary	108

coverage as the board of directors of the corporation considers

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necessary when the guarantee fund has experienced, or is	110
expected to experience, a net loss for any one year, if the	111
superintendent of credit unions and the superintendent of	112
insurance approve of the special premium assessment.	113
(2) The corporation shall send a written notice of the	114
special premium assessment levied under division (D)(1) of this	115
section to each participating credit union within thirty days	116
after receipt of the approval of the superintendent of credit	117
unions and the superintendent of insurance to charge the	118
assessment. Special premium assessments shall be paid to the	119
corporation by each participating credit union not later than	120
thirty days after receipt of the notice of the assessment.	121
(3)(a) With the written approval of the superintendent of	122
insurance, the corporation may declare and pay a cash dividend	123
to those participating credit unions that are participating	124
credit unions as of the date of the declaration and that have	125
paid special premium assessments to the corporation. The amount	126
of the dividend allocable to a participating credit union shall	127
be determined based on the proportion of the special premium	128
assessments paid by the credit union as compared to the total of	129
all special premium assessments collected by the corporation.	130
(b) The superintendent shall approve or disapprove a	131
corporation's request for approval to pay a cash dividend as	132
provided in division (D)(3)(a) of this section within thirty	133
days after receiving the corporation's request for approval.	134
(E) A report of each capital contribution that may be	135
required pursuant to division (B) of this section shall be made	136
to the superintendent of credit unions and the superintendent of	137
insurance within ninety days of the special assessment levy. A	138

report of each special assessment or special premium assessment

that is required pursuant to division (C) or (D) of this section	140
shall be made to the superintendent of credit unions and the	141
superintendent of insurance within ten days after mailing the	142
written notice thereof to participating credit unions.	143
(F)(1) In the event any participating credit union fails	144
to pay an annual capital contribution when due, the corporation	145
shall report such default in writing to the superintendent of	146
credit unions and the superintendent of insurance and the	147
appropriate credit union supervisory authority or the national	148
credit union administration within twenty-four hours of such	149
default, and shall revoke after thirty days' notice the	150
participating credit union's participation in the corporation,	151
unless good cause is shown for the delay.	152
(2) In the event any participating credit union fails to	153
pay any additional capital contribution, premium, fee, or	154
assessment when due, the corporation shall report such default	155
in writing to the superintendent of credit unions and the	156
superintendent of insurance and the appropriate credit union	157
supervisory authority or the national credit union	158
administration within twenty-four hours of such default, and	159
shall revoke after thirty days' notice the participating credit	160
union's participation in the corporation, unless good cause is	161
shown for the delay.	162
(3) The thirty-day notice of revocation required under	163
divisions (F)(1) and (2) of this section does not apply to the	164
revocation of excess coverage.	165
(G) Any participating credit union that is voluntarily	166
liquidated, any participating credit union that withdraws from	167
participation in the corporation and obtains a different form of	168

share guaranty or insurance pursuant to section 1733.041 of the

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Revised Code or similar state statute, or any participating	170
credit union that merges with another credit union that becomes	171
the surviving credit union whose shares are guaranteed or	172
insured by a different form of guaranty or insurance may be	173
refunded in an amount equal to the balance of its capital	174
contribution account. Such reimbursement of a participating	175
credit union's capital contribution account balance shall be	176
paid only if and when the guarantee fund exceeds its normal	177
operating level as calculated without the account of the	178
withdrawing credit union.	179
(H) In the event of a merger of two or more participating	180
credit unions where the surviving credit union is to be insured	181
by the corporation, the funds in the capital contribution	182
account of each credit union shall be transferred to the account	183
of the surviving credit union.	184
(I) If Subject to division (J) of this section, if a	185
credit union share guaranty corporation is dissolved, the net	186
assets after settling any recorded, contingent, and contractual	187
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liabilities, and all costs of dissolution shall be distributed	
liabilities, and all costs of dissolution shall be distributed to the participating credit unions in accordance with their	189
to the participating credit unions in accordance with their	189
to the participating credit unions in accordance with their share balances, less any outstanding debts owed to the	189 190
to the participating credit unions in accordance with their share balances, less any outstanding debts owed to the corporation.	189 190 191
to the participating credit unions in accordance with their share balances, less any outstanding debts owed to the corporation.  (J) Notwithstanding any contrary provision of the Revised	189 190 191 192
to the participating credit unions in accordance with their share balances, less any outstanding debts owed to the corporation.  (J) Notwithstanding any contrary provision of the Revised Code, if a credit union share guaranty corporation is a	189 190 191 192 193
to the participating credit unions in accordance with their share balances, less any outstanding debts owed to the corporation.  (J) Notwithstanding any contrary provision of the Revised Code, if a credit union share guaranty corporation is a nonprofit organization recognized under section 501(c)(6) of the	189 190 191 192 193 194
to the participating credit unions in accordance with their share balances, less any outstanding debts owed to the corporation.  (J) Notwithstanding any contrary provision of the Revised Code, if a credit union share guaranty corporation is a nonprofit organization recognized under section 501(c)(6) of the "Internal Revenue Code of 1986," 26 U.S.C. 1, et seq., and the	189 190 191 192 193 194 195
to the participating credit unions in accordance with their share balances, less any outstanding debts owed to the corporation.  (J) Notwithstanding any contrary provision of the Revised Code, if a credit union share guaranty corporation is a nonprofit organization recognized under section 501(c)(6) of the "Internal Revenue Code of 1986," 26 U.S.C. 1, et seq., and the dissolution of the corporation is caused by a reason outside the	189 190 191 192 193 194 195

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(1) The corporation shall return the capital contributions	200
to the participating credit unions that are members of the	201
corporation on the date the corporation files the certificate of	202
dissolution with the secretary of state.	203
(2) If the corporation has remaining assets after	204
returning the capital contributions as required under division	205
(J)(1) of this section, transfer the remaining assets to any	206
surviving wholly owned subsidiary of the corporation. If no	207
wholly owned subsidiary exists or survives, the corporation	208
shall distribute the remaining assets to the participating	209
credit unions in accordance with the participating credit	210
unions' share balances.	211
(3) The participating credit unions shall be recognized as	212
shareholders of the surviving wholly owned subsidiary, if	213
applicable, in accordance with the participating credit unions'	214
share balances, less any outstanding debts owed to the	215
corporation.	216
Section 2. That existing section 1761.10 of the Revised	217
Code is hereby repealed.	218