

Appendix A

Proposed Amendments to 209 CMR 50.00: Parity with Federal Credit Unions

209 CMR 50.01 is hereby amended by striking out the third paragraph and inserting in place thereof the following paragraph:

A credit union may, under M.G.L. c. 171, §6A and 209 CMR 50.00 *et seq.*, exercise only those powers and engage in only those activities expressly authorized by the Commissioner as set forth in 209 CMR 50.00 *et seq.* Powers and activities not so authorized are prohibited.

209 CMR 50.04 is hereby amended by striking out the definition of automobile and inserting in place thereof the following:

Automobile. The word automobile shall include a motorcycle and a truck.

209 CMR 50.04 is further amended by adding the following definition:

Health savings account. The term health savings account shall include a tax-advantaged savings account a member may use to pay some medical expenses not covered by health insurance in accordance with 26 U.S.C. § 223 and any guidelines issued by the NCUA.

209 CMR 50.04 is further amended by striking out the definition of manufactured home.

209 CMR 50.04 is further amended by adding the following definition:

Organization member. Any fraternal organization, voluntary association, partnership, limited partnership, corporation, limited liability company pursuant to relevant state law, or limited liability partnership pursuant to relevant state law, composed principally of individual members or stockholders who are themselves eligible to membership in a credit union or the Central Credit Union Fund, Inc. Said definition shall be effective as used in M.G.L. c. 171 and 209 CMR 50.00 *et seq.*

209 CMR 50.04 is further amended by striking out the definition of residential mortgage loan and inserting in place thereof the following:

Residential Mortgage Loan. The term residential mortgage loan shall mean a loan secured by a mortgage on a dwelling house with accommodations for four or less separate households occupied, or to be occupied, in whole or in part by the mortgagor or secured by a mortgage on an owner-occupied unit of a condominium. The term residential mortgage loan shall also mean a loan secured by a mortgage on a manufactured home that is permanently affixed to the land, qualifies as real property by being titled as real property under the laws of the state where it is located, and qualifies for a home mortgage interest deduction under the Internal Revenue Code.

209 CMR 50.06 is hereby amended by striking out 209 CMR 50.06(3)(c)3. and inserting in place thereof the following:

3. Prohibited Activities. Notwithstanding 12 CFR § 712.5, a credit union may not invest in or lend to a CUSO that engages in the following activities or services, unless such activity or service is otherwise expressly authorized under M.G.L. c. 171:
 - a. "Fixed asset services" under 12 CFR § 712.5(g)(1) and (2);
 - b. "Securities brokerage services" under 12 CFR § 712.5(l), excluding third party arrangements with independent vendors;
 - c. "Travel agency services" under 12 CFR § 712.5(o) and;
 - d. Real estate brokerage" under 12 CFR § 712.5(q).

209 CMR 50.06 is further amended by striking out 209 CMR 50.06(3)(c)4. and inserting in place thereof the following:

4. Corporate Requirements.
 - a. Corporate Structure. A credit union may invest in or lend to a CUSO structured as a business corporation, provided such entity is established and maintained under relevant federal or state law, or limited liability company or limited partnership, provided such entity is established and maintained under relevant state law. A credit union may also invest in a federally-chartered CUSO pursuant to 209 CMR 50.06(3)(c) if said federally-chartered CUSO limits itself at all times to those activities that can be conducted by a state-chartered CUSO pursuant to 209 CMR 50.06(3)(c)2.
 - b. Separate Corporate Identify. A CUSO shall maintain a separate and distinct corporate identity from the investing credit union. A credit union or CUSO that complies with the provisions of 12 CFR § 712.3, 12 CFR § 712.4, and 12 CFR § 712.8 shall be deemed to be in compliance with 209 CMR 50.06(3)(c)4.b.

209 CMR 50.06 is further amended by striking out 209 CMR 50.06(3)(f)1. and inserting in place thereof the following:

- (f) Automobile Financing.
 1. General. Notwithstanding M.G.L. c. 171, § 59(3) and 209 CMR 50.06(3)(e), a credit union may make an automobile loan, in an amount that may exceed the Manufacturer's Suggested Retail Price consistent with safety and soundness limits, to a member for a term not to exceed 12 years or the useful life of the automobile, whichever is less. Indirect lending for automobiles may also be done in conjunction with the provisions of 209 CMR 50.06(3)(l). An application for direct automobile loans, in an amount that may exceed the Manufacturer's Suggested Retail Price consistent with safety and soundness limits, to members for a term not to exceed that set forth in M.G.L. c. 171, § 59(3) shall be deemed approved by the Commissioner 30 days after the filing is received by the Commissioner, unless the Commissioner notifies the credit union prior to that date that the filing is not eligible for expedited review.

209 CMR 50.06 is further amended by striking out 209 CMR 50.06(3)(i) and inserting in place thereof the following:

(i) 20 Year Loans.

1. Home Improvement Loans. Notwithstanding the loan maturity requirements of M.G.L. c. 171, § 60, a credit union may make a loan to finance the repair, alteration or improvement of improved real estate that is occupied by a member, for a term of up to 20 years. Such home improvement loans may be up to any amount, provided such loan would not cause the member to be indebted to the credit union in an aggregate amount exceeding 10% of the credit union's total unimpaired shares and surplus.

2. Mobile Home Loans. Notwithstanding the loan maturity requirements of M.G.L. c. 171, § 61, a credit union may make a loan to a member to finance a mobile home, as defined by M.G.L. c. 171, § 61, for a term of up to 20 years or the useful life of the mobile home, whichever is less. Such mobile home loan may be up to any amount, provided such loan or advance would not cause the member to be indebted to the credit union in an aggregate amount exceeding 10% of the credit union's total unimpaired shares and surplus.

3. Direct Boat, Camper, Trailer, or Recreational Vehicle Loans. Notwithstanding the loan maturity requirements of M.G.L. c. 171, § 62, a credit union may make a direct loan to a member to finance a boat, camper, trailer, or recreational vehicle for a term of up to 20 years or the useful life of the collateral, whichever is less. Such boat, camper, trailer, or recreational vehicle loan may be up to any amount, provided such loan or advance would not cause the member to be indebted to the credit union in an aggregate amount exceeding 10% of the credit union's total unimpaired shares and surplus.

4. Indirect Boat, Camper, Trailer, or Recreational Vehicle Loans. Notwithstanding the loan maturity requirements of M.G.L. c. 171, § 62, a credit union may make an indirect loan to a member to finance a boat, camper, trailer, or recreational vehicle for a term of up to 20 years or the useful life of the collateral, whichever is less. Such boat, camper, trailer, or recreational vehicle loan may be up to any amount, provided such loan or advance would not cause the member to be indebted to the credit union in an aggregate amount exceeding 10% of the credit union's total unimpaired shares and surplus.

5. Loan Policies. Any such loan made under 209 CMR 50.06(3)(i)1. through 4. shall be:

- a. made in accordance with a detailed written loan policy approved by the credit union's directors;
- b. evidenced by a note of the borrower; and
- c. secured by a perfected pledge or security interest in the collateral.

6. Aggregate Outstanding Loan Balance Limitations. Credit unions making home improvement, mobile home and boat, camper, trailer, and recreational vehicle loans under 209 CMR 50.06(3)(i)1. through 4. shall be subject to the aggregate outstanding loan balance limitations of M.G.L. c. 171, § 60 through 62, respectively. A credit union shall aggregate all loans made under M.G.L. c. 171, § 60 through 62 with loans made under 209 CMR 50.06(3)(i)1. through 4. in calculating its maximum outstanding loan limitations under 209 CMR 50.06(3)(i)6..

209 CMR 50.06 is further amended by striking out 209 CMR 50.06(3)(j)2. and inserting in place thereof the following:

2. Closed-end Home Equity Mortgages. Notwithstanding the requirements of M.G.L. c. 171, § 65, a credit union may make a closed-end home equity residential mortgage loan secured by a non-purchase money first lien or a second or subsequent lien to a member for a term of up to 20 years on any class or type of real estate loan authorized by M.G.L. c. 171, § 65 or 209 CMR 50.06(3)(k)1.

The maximum loan amount per property and the total real estate borrowing limit per member shall be subject to approval by the Commissioner. Such residential real estate loans shall be subject to the conditions and limitations contained in 209 CMR 50.06(3)(j)4.

209 CMR 50.06 is further amended by striking out 209 CMR 50.06(3)(j)3. and inserting in place thereof the following:

3. Open-end Home Equity Mortgages. Notwithstanding the requirements of M.G.L. c. 171, § 65, a credit union may make an open-end home equity residential mortgage loan secured by a non-purchase money first lien or a second or subsequent lien to a member on any class or type of real estate loan authorized by M.G.L. c. 171, § 65 or 209 CMR 50.06(3)(k)1.

The maximum loan amount per property and the total real estate borrowing limit per member shall be subject to approval by the Commissioner. Such open-end home equity lines of credit shall be subject to the conditions and limitations contained in 209 CMR 50.06(3)(j)4.

209 CMR 50.06 is further amended by striking out 209 CMR 50.06(3)(m) and inserting in place thereof:

(m) Consumer Loan Participations. A credit union may, by written agreement, make or invest in consumer loan participations with other credit unions, federal credit unions, federally-insured banks, or any state or federal government agency and any subdivision thereof, subject to the terms and conditions applicable to federal credit unions found in 12 CFR § 701.22(b) through 12 CFR § 701.22(d). For the purposes of 209 CMR 50.06(3)(m), a consumer loan shall include any loan made under M.G.L. c. 171, §§ 59-59A and 209 CMR 50.06(3)(e) through 209 CMR 50.06(3)(g). A credit union may invest in the aggregate up to 10% of its assets in consumer loan participation interests.

209 CMR 50.06 is further amended by striking out 209 CMR 50.06(3)(n) and inserting in place thereof:

(n) Non-Residential Real Estate Loan Participations. A credit union may, by written agreement, make or invest in non-residential real estate loan participations with other credit unions, federal credit unions, federally-insured banks, or any state or federal government agency and any subdivision thereof, subject to the terms and conditions applicable to federal credit unions found in 12 CFR §701.22(b) through 12 CFR § 701.22(d), that would be used to provide or support one of the following activities: (1) equity or debt financing for small businesses; (2) area revitalization or stabilization or (3) other activities, services or facilities that primarily promote public welfare for the purpose of meeting its obligations under the Massachusetts Community Reinvestment Act, M.G.L. c. 167, §14. For the purposes of 209 CMR 50.06(3)(n), a non-residential real estate loan participation shall include any loan made

under M.G.L. c. 171 §65 and 209 CMR 50.06(3)(j) and 209 CMR 50.06(3)(k). A credit union may invest in the aggregate up to 10% of its assets in non-residential real estate loan participation interests.

209 CMR 50.06 is further amended by adding at the end thereof the following:

(o) Additional Non-Member Deposits. A credit union may accept deposits for any purpose from any financial institution insured by the Federal Deposit Insurance Corporation or the NCUA up to 5% of its existing deposits. After one year, for compelling and valid business reasons established to the satisfaction of the Commissioner, the credit union may apply pursuant to 209 CMR 50.06(3)(o) for authority to increase said deposits from 5% of its deposits up to a percentage not to exceed 20% of its deposits. Said deposits shall not exceed federal or excess share insurance limits and shall comply with the maximum deposit limitations of M.G.L. c. 171, § 30. Any acceptance of deposits made under 209 CMR 50.06(3)(o) shall be made in accordance with a detailed written policy approved and reviewed annually by the credit union's directors.

209 CMR 50.07 is hereby amended by striking out 209 CMR 50.07(3)(a) and inserting in place thereof the following:

(3) Notice Process to Conduct Certain Activities.

(a) General. A credit union that is adequately capitalized and has not been notified that it is significantly undercapitalized or a credit union that is well capitalized and has not been notified that it is significantly undercapitalized may engage in any activity listed under 209 CMR 50.07(5)(d)2. and 209 CMR 50.07(5)(i)1. by providing the Commissioner written notice within ten days after commencing the new activity.

209 CMR 50.07 is further amended by striking out 209 CMR 50.07(4) and inserting in place thereof the following:

(4) Activities Requiring No Application or Notice.

General. A credit union that is adequately capitalized and has not been notified that it is significantly undercapitalized or a credit union that is well capitalized and has not been notified that it is significantly undercapitalized may engage in the activities listed in 209 CMR 50.07(5)(a)1., 209 CMR 50.07(5)(b)1., 209 CMR 50.07(5)(c)1., 209 CMR 50.07(5)(d)1., 209 CMR 50.07(5)(e)1., 209 CMR 50.07(5)(f)1., 209 CMR 50.07(5)(h)1., 209 CMR 50.07(5)(i)2., 209 CMR 50.07(5)(j), and 209 CMR 50.07(5)(m) without filing an application or providing notice to the Commissioner; provided the activities continue to be deemed legally permissible by the Commissioner, and the activities are conducted in accordance with applicable Massachusetts or Federal law.

209 CMR 50.07 is further amended by striking out 209 CMR 50.07(5)(i) and inserting in place thereof the following:

(i) Monetary Instrument Services.

1. Activities Requiring Notice. Non-Member Monetary Instrument Services. As set forth in NCUA Opinion Letter 02-0250, a credit union, pursuant to 209 CMR 50.07(3)(a), in order to provide monetary instrument services pursuant to 209 CMR 50.07(5)(i)1. may engage in the following: may establish a simplified membership program, with a non-dividend bearing membership account; with appropriate limitations may provide wire transfer services as a promotional activity pursuant to 209 CMR 50.07(5)(h) and 209 CMR 50.07(5)(i)1.; and in appropriate circumstances may provide wire transfer services as a charitable activity.

2. Activities Requiring No Application or Notice. Member Monetary Instrument Services. A credit union, pursuant to 209 CMR 50.07(4), may provide the following monetary instrument services: sale and exchange of foreign currency and U.S. commemorative coins; use of a credit union's accounts in foreign financial institutions to facilitate members' transfer and negotiation of checks denominated in foreign currency; and engaging in monetary transfer services for members, provided, however, that under no circumstances can a credit union engage in foreign exchange activities for speculative purpose for its own account.

209 CMR 50.07 is further amended by striking out 209 CMR 50.07(5)(j) and inserting in place thereof the following:

(j) Stored Value Products. Activities Requiring No Application or Notice. A credit union, pursuant to 209 CMR 50.07(4), may provide the following stored value products: stored value cards, public transportation tickets, event and attraction tickets, gift certificates, prepaid phone cards, postage stamps, and electronic benefits transfer script, and similar media.

209 CMR 50.07 is further amended by adding at the end thereof the following:

(m) Health Savings Accounts. Activities Requiring No Application or Notice. A credit union, pursuant to 209 CMR 50.07(4), may offer health savings accounts, as defined at 209 CMR 50.04.

209 CMR 50.12 is hereby amended by striking out 209 CMR 50.12(2) and inserting in place thereof the following:

(2) A credit union may engage in the following activities pursuant to 209 CMR 50.12(1):

(a) Deposits in Federally Insured Banks and Credit Unions.

1. Types of Deposits.

a. A credit union may invest in the deposits, including certificates of deposit, of federally insured banks located within or without the Commonwealth, provided such institutions are "well capitalized" under applicable federal share or deposit insurance laws and regulations.

b. A credit union may invest in the shares and deposits, including certificates of deposit, of federally insured credit unions located within or without the Commonwealth, provided such institutions are "well capitalized" under applicable federal share or deposit insurance laws and regulations.

- c. Certificates of deposit authorized by 209 CMR 50.12(2)(a)1.a. and b. may exceed two years in maturity provided such investment is consistent with a credit union's formal asset liability management strategy.
2. Investment Policies. The investments authorized by 209 CMR 50.12(2)(a)1.a. through c. shall conform to written investment policies which meet the requirements of Regulatory Bulletin Manual, 2.2-101, entitled *Investment Policy Minimum Requirements* (1998 ed.), and any amendments thereto.
3. Cash on Hand Requirements. Deposits or certificates of deposit authorized by 209 CMR 50.12(2)(a)1.a. and b. shall not qualify towards the cash on hand requirements of M.G.L. c. 171, § 71, unless the deposit or certificate of deposit meets the maturity and eligible depository requirements of M.G.L. c. 171, § 71.
- (b) Non-Member Deposits.
1. Corporate Credit Unions. A credit union may accept deposits from the Central Credit Union Fund, Inc., or a corporate credit union, as defined by M.G.L. c. 171, § 1, for liquidity purposes. Said deposits shall not exceed federal or excess share insurance limits and shall comply with the maximum deposit limitations of M.G.L. c. 171, § 30.
2. Credit Unions. A credit union may accept deposits for any purpose from another credit union or a federally chartered credit union having its main office in the Commonwealth. Said deposits shall not exceed federal or excess share insurance limits and shall comply with the maximum deposit limitations of M.G.L. c. 171, § 30.
- (c) Additional Investment Authorities. A credit union may invest or engage in investment repurchase transactions; securities lending transactions; borrowing repurchase transactions, including reverse repurchase transactions; and federal funds from any financial institution insured by the Federal Deposit Insurance Corporation or the NCUA subject to the terms and conditions applicable to federal credit unions found in 12 CFR Part 703. Any investments made under 209 CMR 50.12(2)(c) shall be made in accordance with a detailed written policy approved and reviewed annually by the credit union's directors.

209 CMR 50.13 is hereby amended by striking out 209 CMR 50.13(2)(a) and inserting in place thereof the following:

- (2) A credit union may engage in the following activities pursuant to 209 CMR 50.13(1):
- (a) Investments in Land, Building, Improvements, and Equipment. A credit union may invest up to \$500,000 in land, building, improvements and equipment not to exceed \$500,000 for one parcel of real estate or purchase of equipment per transaction.

209 CMR 50.13 is further amended by adding at the end thereof the following:

(c) Interest Bearing Corporate Checking Accounts. To the extent permitted by federal law, a credit union may pay dividends on organization member share draft accounts and may permit such organization members to make withdrawals from such accounts by negotiable or transferable instruments or other orders for the purpose of making transfers to third parties; provided, however, that the entire beneficial interest in such account shall be held by an organization member.

(d) Treasury Tax and Loan Depositories. A credit union may establish Treasury Tax and Loan Remittance Accounts subject to the requirements and limitations of 12 U.S.C. § 1767(a) and 12 CFR § 701.37, its implementing regulations. Such authority shall not extend to acting as a fiscal agent or depository for the Commonwealth or its political subdivisions unless expressly authorized by Massachusetts law.

209 CMR 50.14 is hereby amended by striking out 209 CMR 50.14 and inserting in placing thereof the following:

50.14: Activities Requiring No Notice Or Application For Credit Unions That Have Previously Received Approval Pursuant To 209 CMR 50.00 et seq.

- (1) General. A credit union that has previously received approval to engage in activities set forth in 209 CMR 50.06, 209 CMR 50.07, or 209 CMR 50.11 and that is adequately capitalized and has not been notified that it is significantly undercapitalized or a credit union that is well capitalized and has not been notified that it is significantly undercapitalized; that has strong or satisfactory management as defined at 209 CMR 50.04; and meets all requirements set forth in 209 CMR 50.05 may engage in any activity listed under 209 CMR 50.14(3) without filing an application or providing notice to the Commissioner; provided the activities continue to be deemed legally permissible by the Commissioner, and the activities are conducted in accordance with applicable Massachusetts and Federal Law.
- (2) Activities Requiring No Application or Notice. A credit union may engage in the following activities pursuant to 209 CMR 50.14(1):
 - (a) Consumer Loans. A credit union may make a personal loan not to exceed \$30,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, to a member for a term of up to 6 years for any personal loan authorized by M.G.L. c. 171, §59 or M.G.L. c. 171, §64. Any such personal loan shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(e), and shall be subject to all other conditions set forth in 209 CMR 50.06(3)(e).
 - (b) Direct Automobile Financing. A credit union may make a direct automobile loan to a member in an amount that may exceed the Manufacturer's Suggested Retail Price

consistent with safety and soundness limits not to exceed \$75,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, for a term not to exceed 12 years or the useful life of the automobile, whichever is less. Any such direct automobile loan shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(f), and shall be subject to all conditions set forth in 209 CMR 50.06(3)(f).

- (c) Indirect Automobile Financing. A credit union may make an indirect automobile loan to a member in an amount that may exceed the Manufacturer's Suggested Retail Price consistent with safety and soundness limits not to exceed \$75,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, for a term not to exceed 12 years or the useful life of the automobile, whichever is less. Indirect lending for automobiles shall be deemed to be done in conjunction with the provisions of 209 CMR 50.06(3)(l).

Any such indirect automobile loan shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(f), and shall be subject to all conditions set forth in 209 CMR 50.06(3)(f).

- (d) Lines of Credit and Credit Cards. A credit union may grant an unsecured line of credit, including issuing a credit card, up to \$25,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, to a member. Any such unsecured line of credit and credit card shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(g), and shall be subject to all conditions set forth in 209 CMR 50.06(3)(g).

- (e) Home Improvement Loans. A credit union may make a loan up to \$125,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, to finance the repair, alteration or improvement of improved real estate that is occupied by a member, for a term of up to 20 years. Any such home improvement loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(i)1. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(i)6., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(i)1. and 209 CMR 50.06(3)(i)5..

- (f) Mobile Home Loans. A credit union may make a loan up to \$125,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, for a mobile home, as defined by M.G.L. c. 171, §61, for a term of up to 20 years or the useful life of the mobile home, whichever is less. Any such mobile home loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(i)2. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(i)6., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(i)2. and 209 CMR 50.06(3)(i)5..

- (g) Direct Boat, Camper, Trailer, or Recreational Vehicle Loans. A credit union may make a direct loan to a member to finance a boat, camper, trailer or recreational vehicle not to exceed \$100,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, for a term up to 20 years. Any such direct boat, camper, trailer or recreational vehicle loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(i)3. and the aggregate outstanding loan balance limitations set forth at

209 CMR 50.06(3)(i)6., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(i)3. and 209 CMR 50.06(3)(i)5..

- (h) First Lien Residential Mortgages. A credit union may make first lien residential mortgage loans to members not to exceed \$900,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, for a term up to 40 years on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)1. Any such first lien residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)1. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)1. and 209 CMR 50.06(3)(j)4.c.
- (i) Closed-end Home Equity Mortgages. A credit union may make a closed-end home equity residential mortgage loan secured by a non-purchase money first lien or a second or subsequent lien to a member up to \$250,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, for a term of up to 20 years on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)2. Any such second lien or non-purchase money first lien closed-end home equity residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)2. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)2. and 209 CMR 50.06(3)(j)4.c.
- (j) Open-end Home Equity Mortgages. A credit union may make an open-end home equity residential mortgage loan secured by a non-purchase money first lien or a second or subsequent lien to a member up to \$250,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)3. Any such second lien or non-purchase money first lien open-end home equity residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)3. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)3. and 209 CMR 50.06(3)(j)4.c.
- (k) 95% Loan to Value Residential Mortgage Loans. A credit union may make first lien residential mortgage loans, not exceeding 95% of the real estate, to members subject to the terms and limitations of M.G.L. c. 171, §65 paragraph 5 or pursuant to 209 CMR 50.06(3)(k)1. The authority granted herein shall be subject to the conditions and limitations set forth in 209 CMR 50.14(3)(h), 209 CMR 50.14(3)(i), and 209 CMR 50.14(3)(j), and subject to the conditions and limitations set forth in 209 CMR 50.06(3)(k)1.

209 CMR 50.15 is hereby amended by striking out 209 CMR 50.15 and inserting in place thereof the following:

50.15: Additional Notice Authorities For Credit Unions That Have Not Previously Received Approval Pursuant To 209 CMR 50.00 et seq.

- (1) General. A credit union that has not previously received approval to engage in activities set forth in 209 CMR 50.06, 209 CMR 50.07, or 209 CMR 50.11 and that is adequately capitalized and has not been notified that it is significantly undercapitalized or a credit union that is well capitalized and has not been notified that it is significantly undercapitalized; that has strong or satisfactory management as defined at 209 CMR 50.04; and meets all requirements set forth in 209 CMR 50.05 may engage in any activity listed under 209 CMR 50.15(3) by providing the Commissioner written notice within ten days after commencing the new activity.
- (2) Notice. The written notice must include a complete description of the activity conducted, the credit union's investment in such activity, and a representation and undertaking that the activity will be conducted in accordance with Massachusetts and Federal law. Any credit union filing notice pursuant to 209 CMR 50.15(1) is deemed to have agreed to conduct the activity in a manner consistent with applicable guidelines.
- (3) Activities Subject to Notice. A credit union may engage in the following activities pursuant to 209 CMR 50.15(1):
 - (a) Consumer Loans. A credit union may make a personal loan not to exceed \$20,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, to a member for a term of up to 6 years for any personal loan authorized by M.G.L. c. 171, §59 or M.G.L. c. 171, §64. Any such personal loan shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(e), and shall be subject to all other conditions set forth in 209 CMR 50.06(3)(e).
 - (b) Direct Automobile Financing. A credit union may make a direct automobile loan to a member in an amount that may exceed the Manufacturer's Suggested Retail Price consistent with safety and soundness limits not to exceed \$60,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, for a term not to exceed 12 years or the useful life of the automobile, whichever is less. Any such direct automobile loan shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(f), and shall be subject to all conditions set forth in 209 CMR 50.06(3)(f).
 - (c) Lines of Credit and Credit Cards. A credit union may grant an unsecured line of credit, including issuing a credit card, up to \$20,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, to a member. Any such unsecured line of credit and credit card shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(g), and shall be subject to all conditions set forth in 209 CMR 50.06(3)(g).

- (d) Home Improvement Loans. A credit union may make a loan up to \$75,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, to finance the repair, alteration or improvement of improved real estate that is occupied by a member, for a term of up to 20 years. Any such home improvement loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(i)1. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(i)6., and shall subject be to all conditions set forth in 209 CMR 50.06(3)(i)1. and 209 CMR 50.06(3)(i)5..

- (e) Mobile Home Loans. A credit union may make a loan up to \$75,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, for a mobile home, as defined by M.G.L. c. 171, §61, for a term of up to 20 years or the useful life of the mobile home, whichever is less. Any such mobile home loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(i)2. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(i)6., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(i)2. and 209 CMR 50.06(3)(i)5..

- (f) Direct Boat, Camper, Trailer, and Recreational Vehicle Loans. A credit union may make a direct loan to a member to finance a boat, camper, trailer, or recreational vehicle not to exceed \$75,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, for a term up to 20 years. Any such boat, camper, trailer, or recreational vehicle loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(i)3. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(i)6., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(i)3. and 209 CMR 50.06(3)(i)5..

- (g) First Lien Residential Mortgages. A credit union may make first lien residential mortgage loans to members not to exceed \$500,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, for a term up to 40 years on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)1. Any such first lien residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)1. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)1. and 209 CMR 50.06(3)(j)4.c.

- (h) Closed-end Home Equity Mortgages. A credit union may make a closed-end home equity residential mortgage loan secured by a non-purchase money first lien or a second or subsequent lien to a member up to \$125,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, for a term of up to 20 years on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)2. Any such second lien or non-purchase money first lien closed-end home equity residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)2. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)2. and 209 CMR 50.06(3)(j)4.c.

- (i) Open-end Home Equity Mortgages. A credit union may make an open-end home equity residential mortgage loan secured by a non-purchase money first lien or a second or subsequent lien to a member up to \$125,000 or 10% of the credit union's total unimpaired capital and surplus, whichever is greater, on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)3. Any such second lien or non-purchase money first lien open-end home equity residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)3. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)3. and 209 CMR 50.06(3)(j)4.c.

- (j) 95% Loan to Value Residential Mortgage Loans. A credit union may make first lien residential mortgage loans not exceeding 95% of the real estate, to members subject to the terms and limitations of M.G.L. c. 171, §65 paragraph 5 or pursuant to 209 CMR 50.06(3)(k)1. The authority granted herein is subject to the conditions and limitations set forth in 209 CMR 50.15(3)(g), 209 CMR 50.15(3)(h), and 209 CMR 50.15(3)(i), and subject to the conditions and limitations set forth in 209 CMR 50.06(3)(k)1.