



NEW YORK STATE  
DEPARTMENT *of*  
FINANCIAL SERVICES

Andrew M. Cuomo  
Governor

Maria T. Vullo  
Superintendent

**ORDER ISSUED UNDER SECTION 12–a OF THE NEW YORK BANKING LAW**

WHEREAS, Section 12–a of the New York Banking Law (the “Banking Law”) provides that the Superintendent of Financial Services (the “Superintendent”) may issue an order authorizing one or more state-chartered banking institutions to exercise a federally permitted power (as such term is used in Section 12–a of the Banking Law), subject to such terms and conditions as the Superintendent shall find necessary and appropriate; and

WHEREAS, Section 470 of the Banking Law prohibits any member of the board of directors of New York State-chartered credit unions from receiving any compensation for their services as a member of the board; and

WHEREAS, Section 1761(c) of the Federal Credit Union Act excludes reasonable health insurance from the definition of compensation, thereby permitting federally chartered credit unions to provide reasonable health insurance to members of the board of directors of federally chartered credit unions; and

WHEREAS, it is the policy of New York State to provide access to affordable comprehensive health care; and

WHEREAS, the intent of the Superintendent to issue the order set forth below has been posted on the bulletin board of the Department of Financial Services (the “Department”) and such intent has been published in the weekly bulletin of the Department, which is available on the internet, pursuant to Section 42 of the Banking Law, and at least thirty (30) days have passed since such posting and publication; and

WHEREAS, the Superintendent hereby finds that issuance of such order is consistent with the policy of the State of New York as declared in Section 10 of the Banking Law and protects the public interest, including the interests of depositors, creditors, shareholders, stockholders and consumers, and is necessary to achieve or maintain parity between New York State-chartered credit unions and federally chartered credit unions with respect to rights, powers, privileges, benefits, activities, loans, investments or transactions.

NOW, THEREFORE, BE IT ORDERED THAT

Notwithstanding anything in law or regulations to the contrary, pursuant to Section 12–a of the Banking Law:

1. New York State-chartered credit unions are authorized to reimburse members of their board of directors for reasonable health insurance premiums covering the director only to the same extent that a federally chartered credit union may reimburse members of its board of directors for reasonable health insurance premiums for the director only, provided that such reimbursement is for health insurance that is fully-insured (not self-funded), is written by an insurer authorized to write accident and health insurance in New York State, and the health insurance policy is a policy approved by the Department that complies with the Affordable Care Act and the New York Insurance Law and regulations.
2. Nothing in this Order shall affect in any way the proscription of any member of a board of directors of a credit union from taking any form of compensation, including payment or reimbursement of expenses, except solely as set forth in this Order.



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Maria T. Vullo  
Superintendent of Financial Services

Dated: October 1, 2018