



## MISSOURI SENATE

JEFFERSON CITY

Delbert Scott  
28<sup>th</sup> Senate District

CAPITOL BUILDING, ROOM 416  
JEFFERSON CITY, MO 65101

**A Weekly Column for the  
Week of June 11, 2007**

**Contact: Debbie Poire  
(573) 751-8793**

# New Credit Union Guidelines Sent to Governor

---

JEFFERSON CITY – Legislation crafted after months of negotiations between banks and credit unions was approved by the General Assembly this year and has been sent to the governor. Senate Bill 591 creates new guidelines for the expansion of credit unions in Missouri.

Under SB 591, credit unions will be limited to doing business in the county where their main office is located as well as in any adjacent counties. This legislation basically establishes a black-and-white territory where credit unions can expand without fear of triggering lawsuits from banks in the same area. Due to the legal uncertainty of where credit unions could operate in Missouri, the Missouri Bankers Association and some of its member banks had filed a number of lawsuits challenging the location of several credit unions. SB 591 was filed in an effort to end time-consuming and costly litigation between banks and credit unions.

Banks can still sue under this bill, but only if they can show they would be directly harmed by the proposed expansion of a credit union. Banking officials say they are willing to compete with credit unions as long as the credit unions don't try to operate like banks. Banks are for-profit businesses subject to federal taxation and FDIC regulation, whereas credit unions are not-for-profit organizations not subject to the same regulations.

SB 591 also helps the state since a number of credit unions had considered switching their state charters to federal charters, which would have cost the state thousands of dollars in annual fees.

If you have questions or comments about this or any other issue, please feel free to contact me at 573-751-8793 or by e-mail at: [delbertscott@senate.mo.gov](mailto:delbertscott@senate.mo.gov).

*Senator Delbert Scott represents the people of Barton, Benton, Cedar, Dallas, Henry, Hickory, Pettis, Polk and St. Clair counties in the Missouri Senate.*