

## Acts (2020)

### Chapter 21

#### AN ACT FURTHER REGULATING BANKS AND BANKING.

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to further regulate banks and banking, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

SECTION 1. Chapter 167I of the General Laws is hereby amended by striking out section 5, as appearing in the 2018 Official Edition, and inserting in place thereof the following section:-

Section 5. If the commissioner has certified to the Depositors Insurance Fund that it is unsafe or inexpedient for a member bank to continue to transact business, as provided in section 4 of chapter 43 of the acts of 1934, the member bank may be consolidated with or sell its assets to another savings bank or co-operative bank, as applicable, on an expedited basis, notwithstanding any general or special law to the contrary governing such transactions; provided, however, that the following conditions shall be satisfied:

(i) the terms and conditions of the proposed consolidation or purchase and sale of assets are set forth in a written plan or agreement between the continuing corporation and the Depositors Insurance Fund on behalf of the certified member bank;

(ii) the consolidation or purchase and sale of assets and the written plan or agreement setting forth such arrangement is approved by a vote of not less than 2/3 of the board of the continuing corporation at a meeting duly called for such purpose and by a vote of not less than 2/3 of the board of directors of the Depositors Insurance Fund at a meeting duly called for such purpose;

(iii) the commissioner determines that: (A) failure to take immediate action to effect a consolidation with or sale of assets of the certified member bank to another savings bank or co-operative bank, as applicable, is likely to undermine public confidence in banks; (B) the best interests of the depositors of the certified member bank, the depositors of the continuing corporation and the Depositors Insurance Fund will be served by an expedited consolidation or sale of assets; and (C) the public convenience and advantage will be served by the proposed consolidation or sale of assets; and

(iv) the commissioner approves in writing the proposed consolidation or purchase and sale of assets, subject to such terms and conditions as may be deemed appropriate.

Upon the effective date of any consolidation pursuant to this section, the rights and obligations of the certified member bank, the continuing corporation and their respective depositors, debtors and creditors shall be governed by section 7.

A certificate endorsed by the president and clerk or 2 other duly-authorized officers of the continuing corporation and the Depositors Insurance Fund on behalf of the certified member bank stating that each corporation, respectively, has complied with the requirements of this section shall be submitted to the commissioner. If the commissioner approves the consolidation or sale of assets, the commissioner shall endorse the approval upon the certificate and thereupon the consolidation or sale of assets shall become effective at the close of business on such date.

At any time and from time to time after the consolidation has become effective, copies of the certificate may be certified and issued by the commissioner and may be filed in the several registries of deeds and land court registry districts of the commonwealth and in any filing offices established under chapter 106. Such certification shall be conclusive evidence for all purposes of the succession by the continuing corporation to all rights and interests of the certified corporation.

If the Deposit Insurance Fund of the Depositors Insurance Fund ceases to insure the deposits or shares of a member bank and the commissioner determines that grounds exist to require the commissioner's immediate assumption of possession and control of its assets under section 22 of chapter 167, the commissioner shall, upon assumption of possession and control of such member bank's assets, have all powers granted in this section to the Deposit Insurance Fund to effect a consolidation or sale of assets on behalf of such corporation.

For the purposes of this section, “member bank” shall mean a savings bank or co-operative bank in the Depositors Insurance Fund.

SECTION 2. Said chapter 167I is hereby further amended by striking out section 17, as so appearing, and inserting in place thereof the following section:-

Section 17. (a) Upon a proposal to merge or consolidate a co-operative bank with and into a bank, other than a co-operative bank, a federally-chartered bank or an out-of-state bank or conversion to a federal charter, such co-operative bank shall send a notice in writing by registered mail to the Depositors Insurance Fund, established by chapter 44 of the acts of 1932, not less than 60 days before the meeting of the directors to vote on the merger, consolidation or conversion.

Upon a merger or a consolidation by a co-operative bank with and into a bank, a federally-chartered bank or an out-of-state bank, other than a co-operative bank, the co-operative bank shall cease to be a member bank in the Depositors Insurance Fund. Notwithstanding any general or special law to the contrary, upon any such merger or consolidation, the co-operative bank shall not succeed to or acquire any rights, including, but not limited to, rights to dividends or to the proceeds of any distribution in complete or partial dissolution or liquidation, in the Depositors Insurance Fund or in its Liquidity Fund or Deposit Insurance Fund.

(b) Upon the acceptance by a co-operative bank of a federal charter and after the commissioner has received from the state secretary a certificate that the co-operative bank, hereinafter referred

to as the predecessor corporation, has been duly recorded for dissolution, paragraphs 1 and 2 shall apply.

(1) The predecessor corporation shall cease to be a member bank in the Depositors Insurance Fund. Notwithstanding any general or special law to the contrary, following its acceptance of a federal charter, the succeeding bank shall not retain, succeed to or acquire any rights, including, but not limited to, rights to dividends or to the proceeds of any distribution in complete or partial dissolution or liquidation, in the Depositors Insurance Fund or in its Liquidity Fund or Deposit Insurance Fund, except to the extent specifically provided in this paragraph. If the succeeding bank shall, subsequent to its acceptance of a federal charter: (i) convert to a Massachusetts-chartered co-operative bank and become a member of the Depositors Insurance Fund; or (ii) become a federal member of the Depositors Insurance Fund, the succeeding bank shall, for so long as it shall remain a member or federal member bank of the Depositors Insurance Fund, participate in any dividends paid pursuant to section 3 of chapter 43 of the acts of 1934, any distributions made pursuant to section 10 of said chapter 43 and any dividends paid and any withdrawals or returns of deposits authorized pursuant to section 4 of chapter 44 of the acts of 1932, in each case based upon the retained amounts paid in by the predecessor corporation to the Deposit Insurance Fund and the Liquidity Fund, respectively, without regard to whether such amounts were paid before or after acceptance of a federal charter, or upon the unexpended portion thereof, in the same manner and to the same extent as it would have been entitled to participate if the predecessor corporation had not accepted a federal charter.

(2) The predecessor corporation or the succeeding bank shall pay to the Deposit Insurance Fund or make provision for payment thereto of a sum equal to 3 annual assessments, referred to in section 4 of said chapter 43 at the percentage rate in effect at the time the predecessor corporation ceased to be a member bank and computed on the basis of its share liabilities and notes payable as shown by its last annual report to the commissioner preceding the conversion or, at its option or at the option of the succeeding bank as shown by the records of the predecessor corporation on the effective date of conversion. Until such sum shall have been paid in full, payments on account thereof shall be made annually or more often by the predecessor corporation or the succeeding bank; provided, however, that not less than 1/3 of such sum shall be paid annually; provided further, that if any such 1/3 shall not be so paid or if, at the end of 3 years from the time the predecessor corporation ceased to be a member bank, such sum shall not have been paid in full, the entire balance thereof may be incurred by the Depositors Insurance Fund, together with interest thereon, in any manner provided by law for the collection of debts. The predecessor corporation or the succeeding bank may authorize the deduction of such sum, in whole or in part, from the amount, if any, of the portions of said other assessments to which the succeeding bank may be entitled as hereinbefore provided. If, however, by federal law or regulation a federal bank converting therefrom to a co-operative bank is required to pay to the Federal Deposit Insurance Corporation a sum equal to annual premiums or assessments for other than a period of 3 years, then the number of annual assessments payable to the Deposit Insurance Fund under this section shall be for the same number of years as is so required.

(c) The commissioner may establish the procedure to be followed by a federal bank or federal thrift converting into a co-operative bank; provided, however, that no such conversion shall become effective unless approved in writing by the commissioner. The commissioner shall not grant approval until the commissioner has received notice from the Deposit Insurance Fund of the Depositors Insurance Fund that arrangements satisfactory to the Deposit Insurance Fund have been made for the conversion.

If an application for conversion is approved by the commissioner as provided in this section, such federal bank or federal thrift shall cause to be filed with the state secretary the name, residence and post office address of each of the officers and directors of such federal bank or federal thrift, a copy of its proposed by-laws amended to conform with the requirements of section 7 and such other information as the state secretary may require.

After approval of the conversion by the commissioner and receipt by the commissioner of satisfactory evidence that all federal laws and regulations relative to the conversion have been or will be duly complied with, the commissioner shall file with the state secretary a certificate of the commissioner's approval. After receipt of the certificate by the state secretary, if the state secretary finds that the requirements of this section have been satisfactorily complied with, the state secretary shall so certify and upon receipt of a fee, the amount of which shall be determined annually by the secretary of administration and finance under section 3B of chapter 7, the state secretary shall issue to the officers and directors, in such form as the state secretary may prescribe, a certificate of incorporation as a co-operative bank.

Simultaneously with the receipt of the certificate, the bank, hereinafter referred to as the succeeding corporation, shall become a member of the Depositors Insurance Fund and of the Deposit Insurance Fund. Before the succeeding corporation shall commence business as a co-operative bank, it shall pay into the Liquidity Fund of the Depositors Insurance Fund, established under chapter 44 of the acts of 1932, an amount equal to the deposit required of a member bank thereof of similar size, as of the date of the certificate, plus such additional amount based upon the surplus of the Liquidity Fund, as the directors of the Depositors Insurance Fund, with the approval of the commissioner, shall determine to be equitable.

In addition to the payment to the Liquidity Fund, the succeeding corporation shall pay to the Deposit Insurance Fund or make provision for payment thereto of such a sum as the directors of the Depositors Insurance Fund, with the approval of the commissioner, shall determine to be equitable; provided, however, that the succeeding corporation shall pay to the Deposit Insurance Fund such proportion of any current annual assessment as shall have accrued to the date of the certificate.

After compliance with the foregoing requirements, the succeeding corporation shall be entitled to exercise all of the rights and privileges and shall be subject to all of the duties and obligations of a co-operative bank and shall conduct its business subject to this chapter and other applicable laws; provided, however, that with the approval of the commissioner, the succeeding corporation shall have reasonable time after the effective date of the conversion within which to comply with any particular laws not hereinbefore specifically provided for and which it shall be unable to comply with on or before the effective date.



SECTION 3. Section 21 of chapter 170 of the General Laws, as appearing in the 2018 Official Edition, is hereby amended by inserting after the word “Association,”, in line 32, the following words:- former employees and annuitants of.

SECTION 4. Subsection (m) of section 80A of chapter 171 of the General Laws, as so appearing, is hereby amended by striking out the first and second sentences and inserting in place thereof the following 2 sentences:- If the conversion to a mutual savings bank or a mutual co-operative bank is approved by the members, and the commissioner receives notification from the converting credit union that approvals required under state and federal law and regulations, including approvals needed for deposit insurance by the Federal Deposit Insurance Corporation, have been obtained and that any waiting period prescribed by federal law has expired or it will become a member of the Depositors Insurance Fund and of the Deposit Insurance Fund thereof and has made all applicable payments thereto as determined by the commissioner, a certificate to transact business shall be issued by the commissioner as applicable. A conversion to a state-chartered savings bank or a state-chartered co-operative bank under this section shall not be consummated until arrangements satisfactory to the Depositors Insurance Fund have been made and notice thereof has been received by the commissioner.

SECTION 5. Chapter 44 of the acts of 1932, as most recently amended by section 20 of chapter 64 of the acts of 1999, is hereby further amended by striking out section 1 and inserting in place thereof the following section:-

Section 1. All the savings banks established under the laws of the commonwealth and subject to chapter 168 of the General Laws, hereinafter referred to as member banks, are hereby constituted as a corporation under the name of the Depositors Insurance Fund, hereinafter referred to as the corporation. All co-operative banks established under the laws of the commonwealth and subject to chapter 170 of the General Laws shall also be members of the corporation. The term “member bank” shall mean each such savings bank and co-operative bank.

It shall be the purpose of the corporation to assist member banks when they are temporarily in need of cash or hold investments that cannot readily be liquidated by making loans to any of them secured by the pledge of mortgages or other securities legally held by such member banks. Any bank established under the authority of said chapters 168 and 170 shall upon its organization be a member bank; provided, however, that such a bank meets the membership qualification requirements of section 17B of chapter 43 of the acts of 1934 at all times. The assets of the corporation shall be divided into 2 separate and distinct funds as follows: (i) the Liquidity Fund, which shall consist of all assessments collected under section 4 and all investments thereof and all income thereon; and (ii) the Deposit Insurance Fund established by said chapter 43.

Any federal savings bank with its main office located in the commonwealth and which has converted from a state charter shall be eligible and may apply for insurance coverage by the Deposit Insurance Fund of its deposits in excess of the amount insured by a federal deposit insurance agency in accordance with the requirements of said chapter 43.

As used in this act, the term “federal deposit insurance agency” shall mean the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or any successor to the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

The corporation may require each member bank to certify at least annually that it meets the membership qualification requirements of said section 17B of said chapter 43 and to submit such reports and information as the corporation deems appropriate to determine whether such member bank meets or is likely to meet such membership qualification requirements.

SECTION 6. Section 2 of said chapter 44, as most recently amended by section 21 of chapter 64 of the acts of 1999, is hereby further amended by striking out the first sentence and inserting in place thereof the following sentence:- The officers of the corporation shall be a president, 1 or more vice-presidents, a treasurer, a clerk and such other officers as the corporation’s by-laws may provide.

SECTION 7. Said section 2 of said chapter 44, as so amended, is hereby further amended by adding the following paragraph:-

The corporation’s by-laws may provide for such matters as the board of directors deems appropriate to implement this act and shall prescribe membership qualification requirements pursuant to section 17B of chapter 43 of the acts of 1934.

SECTION 8. Section 7 of said chapter 44, as most recently amended by section 77 of chapter 371 of the acts of 1983, is hereby further amended by striking out clause (e) and inserting in place thereof the following clause:-

(e) Deposits in federally-insured banks.

SECTION 9. The third sentence of section 8 of said chapter 44 is hereby further amended by inserting after the word “banks” the following words:- and co-operative banks.

SECTION 10. Section 10 of said chapter 44, added by section 3 of chapter 178 of the acts of 1987, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- The corporation shall have the authority to indemnify its directors, trustees, officers, employees and other agents and the former directors, former officers, former employees and other former agents of the Co-operative Central Bank to whatever extent specified in or authorized by the corporation’s by-laws.

SECTION 11. The third paragraph of said section 10 of said chapter 44, as appearing in said section 3 of said chapter 178, is hereby amended by inserting after the word “corporation”, the second time it appears, the following words:- or the Co-operative Central Bank.

SECTION 12. Chapter 45 of the acts of 1932 is hereby repealed.

SECTION 13. The first sentence of section 1 of chapter 43 of the acts of 1934, as most recently amended by section 24 of chapter 64 of the acts of 1999, is hereby further amended by inserting after the words “savings banks” the following words:- and co-operative banks.

SECTION 14. The first paragraph of section 1A of said chapter 43, as most recently amended by section 167 of chapter 189 of the acts of 1984, is hereby further amended by striking out the words “twenty-

five of chapter one hundred and sixty eight” and inserting in place thereof the following words:- 12 of chapter 167J of the General Laws.

SECTION 15. Section 3 of said chapter 43, as inserted by section 33 of chapter 238 of the acts of 1996, is hereby amended by striking out the fifth sentence and inserting in place thereof the following sentence:- In the case of a merger or consolidation of a member bank with 1 or more other member banks under sections 2, 3 or 5 of chapter 167I of the General Laws or a sale of assets of such bank to and the assumption of the liabilities by 1 or more other member banks under section 8 of said chapter 167I, the continuing bank shall succeed to any of the rights of the discontinuing bank in the assessments theretofore paid by the discontinuing bank; provided, however, that if the continuing bank is, and the discontinuing bank is not, a member of the federal deposit insurance agency, section 15 shall apply to such assessments of the discontinuing bank as though the bank had become a member of a federal deposit insurance agency as provided in sections 12 to 15, inclusive.

SECTION 16. The third paragraph of section 3A of said chapter 43 is hereby amended by striking out the words “at least two thirds of its” and inserting in place thereof the following words:- not less than 2/3 of its directors or.

SECTION 17. Said section 3A of said chapter 43, as most recently amended by chapter 371 of the acts of 1983, is hereby further amended by striking out the fourth paragraph and inserting in place thereof the following paragraph:-

Notwithstanding section 15 of chapter 167I of the General Laws relative to voluntary dissolution and liquidation of a member bank, in order to give effect to the purpose of this section and subject to the approval of the commissioner and of the corporation, such member bank may be dissolved and liquidate its affairs if authorized by vote of not less than 2/3 of its directors or trustees; provided, however, that another member bank shall have assumed and agreed to pay the whole of the deposits of such member bank under section 8 of said chapter 167I. A liquidating committee of 3 persons, subject to the approval of the corporation, shall thereupon be elected by and from the directors or trustees and, under such regulations as may be prescribed by the commissioner, shall liquidate the remaining assets and, after satisfying or adjusting all debts of and claims against such member bank not assumed by such other member bank, shall distribute the remaining proceeds among those entitled thereto proportionate to their respective interests therein. The supreme judicial court, or any justice thereof, shall have jurisdiction in equity to enforce this paragraph and to act upon all applications and in all proceedings thereunder.

SECTION 18. The sixth sentence of section 6 of said chapter 43 is hereby amended by inserting after the words "board of" the following words:- directors or.

SECTION 19. Said chapter 43 is hereby further amended by striking out section 7 and inserting in place thereof the following section:-

Section 7. For the purpose of carrying out this act, the corporation may exercise all the powers, rights and franchises of any bank of which the corporation has taken over the control, possession and

operation thereof under this act and may exercise all the powers and rights of the corporators or shareholders of such a bank relative to a merger or consolidation conferred upon them by sections 2, 3 and 5 of chapter 167I of the General Laws.

SECTION 20. Section 10 of said chapter 43, as most recently amended by section 25 of chapter 64 of the acts of 1999, is hereby further amended by striking out the seventh sentence and inserting in place thereof the following 2 sentences:- Upon any such vote to dissolve and liquidate the Deposit Insurance Fund, the corporation shall distribute, over a period of not more than 12 months, the amount of the fund so voted for distribution. Distributions shall be based upon the member banks' respective liquidation rights in the Deposit Insurance Fund and the Share Insurance Fund of the Co-operative Central Bank as of the effective date of the transfer of the Share Insurance Fund into the Deposit Insurance Fund adjusted for any pro-rata post-transfer changes in the surplus account of the Deposit Insurance Fund based upon paid assessments; provided, however, that the liquidation rights of co-operative bank members shall be reduced to reflect any contingent liability that is incurred by the corporation as a direct result of the merger of the Co-operative Central Bank and the corporation within 3 years from the effective date of the merger.

SECTION 21. The fourth subparagraph of paragraph (a) of section 17 of said chapter 43, as inserted by section 29 of chapter 64 of the acts of 1999, is hereby amended by adding the following sentence:- The corporation, with the approval of the commissioner, may in its sole discretion settle or compromise the distribution rights under section 10 of a member bank that has withdrawn pursuant to section 17A.

SECTION 22. Said chapter 43 is hereby further amended by inserting after section 17A, as added by section 30 of chapter 64 of the acts of 1999, the following section:-

Section 17B. (a) A member bank shall at all times meet the membership qualification requirements prescribed by the corporation's by-laws adopted pursuant to section 2 of chapter 44 of the acts of 1932.

(b) If the corporation determines by a vote of not less than 2/3 of the full membership of its board of directors that a member bank is unlikely to meet the membership qualification requirements of the corporation's by-laws, the corporation shall inform the commissioner of its determination and the basis for its determination. If the commissioner agrees with the corporation's determination, the directors may require the member bank to meet the requirements by: (i) restructuring the member bank's balance sheet; or (ii) taking such other actions as the directors deem appropriate. The terms and conditions of any such required actions shall become effective when approved by the commissioner.

(c) Whenever the directors determine that a member bank is unlikely to meet the membership qualification requirements of the corporation's by-laws, the directors shall notify the member bank in writing, including an explanation for the basis of the directors' determination, and advise the member bank of any of the requirements imposed pursuant to paragraph (b). The member bank shall comply with the requirements enumerated in the written notification within 60 days. Notwithstanding any general or special law to the contrary, if a member bank that is not a savings bank fails to comply within the 60-



day period, the member bank shall, by operation of law, become a savings bank subject to chapter 168 of the General Laws at the end of the 60-day period.

(d) The corporation may make rules and establish procedures for making membership qualification determinations pursuant to this section.

(e) Upon the conversion of a member bank into a savings bank, the corporate existence of the member bank shall not terminate, but the savings bank shall be deemed to be a continuation of the entity of the member bank so converted, and all property of the converted member bank, including its rights, title and interests in and to all property, whether real, personal or mixed, and things in action, and every right, privilege, interest and asset of any conceivable value or benefit then existing or pertaining to it, or which would inure to it, shall immediately, by act of law and without any conveyance, transfer, further act or deed, remain and be vested in and continue and be the property of such savings bank into which the member bank has been converted. The savings bank shall have, hold and enjoy the same in its own right as fully and to the extent as the same was held, possessed and enjoyed by the converting bank and the savings bank, as of the effective date of the conversion, shall continue to have and succeed to all the rights, obligations and relations of the converting bank. All pending actions and other judicial proceedings to which the converting bank is a party shall not be abated or discontinued by reasons of the conversion and may be prosecuted to final judgment, order or decree in the same manner as if the conversion into the savings bank had not been made, and the savings bank resulting from the conversion may continue such action in its corporate name as a

savings bank. Any judgment, order or decree may be rendered for or against such savings bank that might have been rendered for or against the converting bank theretofore involved in such judicial proceedings.

(f) After compliance with the requirements under this section, the succeeding corporation shall thereafter be entitled to exercise all of the rights and privileges and shall be subject to all of the duties and obligations of a savings bank and shall conduct its business subject to chapter 168 of the General Laws and other applicable laws; provided, however, that, with the approval of the commissioner, the succeeding corporation shall have a reasonable time after the effective date of the conversion within which to comply with any particular laws not hereinbefore specifically provided for and that it shall be unable to comply with on or before the effective date of the conversion.

SECTION 23. Chapter 73 of the acts of 1934 is hereby repealed.

SECTION 24. (a) The Co-operative Central Bank established by chapter 45 of the acts of 1932 may merge with and into the Depositors Insurance Fund under the name of the Depositors Insurance Fund, pursuant to an agreement and plan of merger. Before the merger between the Co-operative Central Bank and the Depositors Insurance Fund, the boards of directors of the Co-operative Central Bank and the Depositors Insurance Fund shall approve of the agreement and plan of merger by a 2/3 vote of each board. The agreement and plan of merger shall establish the terms and conditions of the merger, in addition to those terms and conditions set forth in this section, which shall include membership qualification requirements to be incorporated into the

Depositors Insurance Fund's by-laws, effective as of the consummation of any such merger, and any other provisions that the Depositors Insurance Fund deems appropriate to effectuate this act.

(b) Upon receipt of the required approvals of the directors of the Co-operative Central Bank and the Depositors Insurance Fund, the articles of merger and the surviving Depositors Insurance Fund's amended by-laws shall be filed with the commissioner of banks and shall state: (i) the Depositors Insurance Fund as the surviving corporation; and (ii) the effective date of the merger determined pursuant to the agreement and plan of merger. The articles of merger shall be signed by the presidents and the clerks of the Co-operative Central Bank and the Depositors Insurance Fund, who shall state under the penalties of perjury that the agreement and plan of merger has been duly executed on behalf of each entity and has been approved by the directors as required.

(c) No such merger shall occur until the merger and restated by-laws of the surviving corporation are approved in writing by the commissioner of banks under such terms and conditions as the commissioner may impose. Upon the commissioner's approval of the merger and the amended by-laws, the commissioner of banks shall endorse said articles of merger. The commissioner of banks shall file the approval immediately with the clerks of the senate and house of representatives and the state secretary and prominently post the approval on the division of banks' website.

(d) Upon the merger authorized under this act, the corporate existence of the Co-operative Central Bank shall cease. All of the rights and privileges of the Co-operative Central Bank and its right,

title and interest to all property of whatever kind and thing in action, and every right, privilege, interest or asset then existing that would inure to it except for such merger, shall fully, and without any right of reversion, by operation of law be transferred to or vested in the Depositors Insurance Fund, without further act or deed, and the Depositors Insurance Fund as the continuing corporation shall have and hold the same in its own right to every extent that the same was owned and held by the Co-operative Central Bank.

(e) The Co-operative Central Bank's obligations and liabilities to any member, creditor or other person as of the effective date of the merger shall remain unimpaired and the Depositors Insurance Fund shall, by operation of law, succeed to all such obligations and liabilities as though it had itself incurred the obligation or liability. The Co-operative Central Bank's liabilities and obligations to creditors, existing for any cause whatsoever, shall not be impaired by the merger, and no obligation or liability of any member in the Co-operative Central Bank or Depositors Insurance Fund shall be affected by any such merger, but such obligations and liabilities shall continue as fully and to the same extent as the same existed before the merger.

(f) The Share Insurance Fund of the Co-operative Central Bank established by chapter 73 of the acts of 1934 shall be combined with and into the Deposit Insurance Fund of the Depositors Insurance Fund established by chapter 43 of the acts of 1934. The Reserve Fund of the Co-operative Central Bank established by chapter 45 of the acts of 1932 shall be combined with and into the Liquidity Fund of the Depositors Insurance Fund established by chapter 44 of the acts of 1932.

SECTION 25. Notwithstanding any general or special law to the contrary, a co-operative bank established under the laws of the commonwealth and subject to chapter 170 of the General Laws that does not meet the Depositors Insurance Fund's membership qualification requirements as of the effective date of the merger authorized in section 24 shall immediately be converted into a savings bank pursuant to section 17B of chapter 43 of the acts 1934 without any further action by the Depositors Insurance Fund or the commissioner of banks as of the effective date of the merger.

SECTION 26. Notwithstanding section 2 of chapter 44 of the acts of 1932, for a period of 3 years after the effective date of this act, the by-laws of the Depositors Insurance Fund may provide for a number of directors greater than 12 and may impose term limits in order to effectuate the purposes of this act.

SECTION 27. Sections 1 to 5, inclusive, 9 to 13, inclusive, 20 and 23 shall take effect upon the commissioner of banks' approval of the articles of merger under section 24.

*Approved, February 14, 2020.*