

AUTHORIZATION UNDER FINANCIAL CODE SECTION 14653.5

In response to inquires about Financial Code Section 14406 and California Code of Regulations, Title 10, Section 30.300, I am issuing this authorization under Financial Code Section 14653.5.

Notwithstanding the provisions in Financial Code Section 14406 limiting the types of financial institutions in which California state-chartered credit unions may deposit their savings capital, undivided profits and reserved funds, and requiring certain of the financial institutions to be doing business in this state, California state-chartered credit unions are hereby authorized to invest their savings capital, undivided profits and reserved funds in any national bank, state-chartered commercial bank and accounts with, investment certificates or withdrawable shares of, any saving and loan association, provided that deposits in the depository are subject to federal deposit insurance provided either by the Federal Deposit Insurance Corporation, or the National Credit Union Administration.

This authorization is effective immediately and will remain in effect until revoked, amended, superseded, suspended, or supplemented by further order of the Commissioner of Financial Institutions. This authorization supersedes and replaces the authorization issued on April 20, 2009, on the same subject.

This authorization does not waive any limitation, requirement or condition under the Banking Law (commencing with Financial Code Section 99) or the Saving Association Law (commencing with Financial Code Section 5000) on interstate branching or other activities in California by financial institutions that are not chartered under California law.

Dated May 21, 2009

WILLIAM S. HARAF 
Commissioner of Financial Institutions