



STATE OF ALABAMA
ALABAMA CREDIT UNION ADMINISTRATION

100 N. UNION STREET, SUITE 650, MONTGOMERY, ALABAMA 36104

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www.acua.alabama.gov



C O P Y

KAY IVEY
GOVERNOR

SARAH H. MOORE
ADMINISTRATOR

NOTICE OF FINAL ACTION

ADOPTING ADMINISTRATOR'S INTERPRETATION OF ALA. CODE § 5-17-4(b)

The Administrator of the Alabama Credit Union Administration (ACUA), having obtained unanimous approval of the ACUA Board on September 5, 2018, for the adoption of an Administrator's Interpretation of Ala. Code § 5-17-4(b); having complied with Ala. Code §§ 5-17-46 and 47 by publishing on September 12, 2018, a Notice of Intended Action to Adopt the Administrator's Interpretation of Ala. Code § 5-17-4(b); and the notice time period having expired on October 15, 2018, hereby gives notice that the Administrator's Interpretation of Ala. Code § 5-17-4(b) is adopted and final.

A copy of the final Administrator's Interpretation of Ala. Code § 5-17-4(b) as adopted is available on ACUA's website at www.acua.alabama.gov and is also on file with the Alabama Secretary of State's Office.

Dated this the 16th day of October, 2018.

Sarah H. Moore
Administrator, Alabama Credit Union Administration

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ALABAMA
SECRETARY OF STATE



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October 16, 2018

SARAH H. MOORE
ADMINISTRATOR

**Re: FINAL - Administrator Interpretation of Ala. Code § 5-17-4 (b)
Powers of Credit Unions
Alabama Credit Union Administration**

FINAL ADMINISTRATOR'S INTERPRETATION

- I. **Ala. Code Section § 5-17-4(b) states:** "In addition to any and all other powers heretofore granted to credit unions, any credit union shall have the power to engage in any activity in which the credit union could engage were the credit union operating as a federally chartered credit union, including but not by way of limitation because of enumeration, the power to do any act and own, possess, and carry as assets property of that character including stocks, bonds, or other debentures which, at the time, are authorized under federal laws or regulations for transactions by federal credit unions, notwithstanding any restrictions elsewhere contained in the statutes of the State of Alabama. No credit union can exercise any power which it claims only by virtue of the power being possessed by a federal credit union if the administrator issues a written order prohibiting a credit union from exercising that power."
- II. **Question:** Does this Code Section allow for parity with a federal charter for all laws and regulations governing credit unions unless specifically prohibited by the Administrator?
- III. **Analysis:** Ala. Code § 5-17-4(b) is contained in the "Powers Generally" subsection of Ala. Code § 5-17-4 that addresses products and services offered to credit union members, investments made by credit unions, and other assets and liabilities held on the balance sheet of credit unions.

Ala. Code § 5-17-4(b) does not reference the operation of a credit union, board composition, board compensation, supervisory committee election, merger laws, etc.

- IV. **Interpretation by Administrator:** Ala. Code § 5-17-4(b) serves to allow Alabama Credit Unions to remain competitive with federal charters in serving their members by allowing products, services, investments, liabilities and capital of state-chartered credit unions to match those allowed by federal laws.

Sarah H. Moore
Administrator