



KAY IVEY
GOVERNOR

STATE OF ALABAMA
ALABAMA CREDIT UNION ADMINISTRATION

100 N. UNION STREET, SUITE 650, MONTGOMERY, ALABAMA 36104
TELEPHONE: (334) 353-5770 • FAX (334) 353-5795
www.acua.alabama.gov



SARAH H. MOORE
ADMINISTRATOR

**NOTICE OF INTENDED ACTION TO ADOPT ADMINISTRATOR'S
INTERPRETATION OF ALA. CODE § 5-17-4 (b)**

The Administrator of the Alabama Credit Union Administration ("ACUA"), acting in accordance with Ala. Code § 5-17-46, and having obtained the unanimous approval of the Credit Union Board for adoption of this Administrator's Interpretation, hereby gives notice of the intended action to adopt Administrator's Interpretation of Ala. Code § 5-17-4(b):

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.

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

A copy of the Notice of Intent and the Administrator's Interpretation are also filed with the Alabama Secretary of State's Office.

Interested persons may present applicable data, views or arguments concerning the Administrator's Interpretation of Ala. Code § 5-17-4(b), in writing, by correspondence to the following address:

Alabama Credit Union Administration
Attention: Sarah H. Moore, Administrator
100 North Union Street, Suite 650
Montgomery, Alabama 36104

The deadline for comment is October 15, 2018, and thereafter, the Administrator's Interpretation of Ala. Code § 5-17-4(b) will become effective.

Dated this the 11 day of September, 2018.

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SEP 11 2018

ALABAMA
SECRETARY OF STATE

Sarah H. Moore
Administrator, Alabama Credit Union Administration



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September 11, 2018

SARAH H. MOORE
ADMINISTRATOR

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

- I. **Ala. Code Section § 5-17-4(b) states:** “In addition 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 for 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