

## **DCU Opinion Number O-00-3**

**From: J. Parker Cann, Director of Credit Unions**

**Date: April 14, 2000**

**Subject: Credit Unions May Accept Deposits from Nonmember Credit Unions**

### **Issues and Answers**

**1. Can a state-chartered credit union from Washington accept deposits from other nonmember credit unions?**

Yes. Washington State-chartered credit unions have the powers and authorities of federal credit unions as of December 31, 1993, pursuant to Section 31.12.404(1) of the Revised Code of Washington. On that date, federal credit unions had the authority to accept shares from nonmember credit unions. See 12 U.S.C. Section 1757(6) (1994). Consequently, we have concluded that Washington State credit unions have the authority to accept shares and deposits from nonmember credit unions.

**2. If the answer is yes, is there a limit to the amount of deposits that the state-chartered credit union can accept from such other credit unions?**

Yes, there are limits:

A. NCUA restrictions and requirements set forth at 12 C.F.R. Section 701.32 apply to the acceptance of such deposits by federally insured, state-chartered credit unions, including those chartered by Washington State. See 12 C.F.R. Section 741.204.

B. In addition, NCUA restrictions and requirements set forth at 12 C.F.R. Section 701.34 apply to the acceptance of secondary capital accounts by low income-designated, federally insured, state-chartered credit unions, including those chartered by Washington State. See 12 C.F.R. Section 741.204.

For your information, please note that these NCUA restrictions and requirements apply no matter what state the state credit union is chartered in. See 12 C.F.R. Section 741.204.

We do not have separate limits under Washington State law, other than general safety and soundness parameters.

**3. Are there specific guidelines that a state-chartered credit union must adhere to if it has made a decision to accept deposits from such other credit unions?**

Yes, see the answer to #2 above.

We do not have separate guidelines under Washington State law, other than general safety and soundness parameters.