

April 14, 1997

To: Opinion File
From: J. Parker Cann, Assistant Director
Subject: Political Contributions
Opinion no.: 97-7

Federal statute prohibits state credit unions from making political contributions to candidates for federal office, but does not prohibit them from making contributions to candidates for state or local office. As a point of information, this federal statute also prohibits federal credit unions from making contributions to candidates for any federal, state, or local office. See Title 2 of the United States Code, Section 441b(a).

It should be noted that in many cases, companies form political action committees (PACs) to solicit donations from individuals (directors, employees, etc.). Because a PAC is working with individuals' money and not corporate money, a PAC is not subject to the federal prohibitions noted above.